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China in Africa: A Close Friend or a Neo Colonialist?

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Guest column by Prof. B. R. Deepak

Chinese Premier Li Keqiang visited Ethiopia, Nigeria, Angola and Kenya between 4th and 11th May 2014. It was Li's first visit to Africa, and coincides with the 50th anniversary of Chinese Premier Zhou Enlai's first visit to Africa in 1964. Li's visit has been considered as another milestone in China-Africa relations.

If Zhou Enlai advocated 'eight principles for Chinese assistance to foreign countries and five principles for China's ties with Africa' back then, Li proposed '461 China-Africa Cooperation Framework' during his speech at the Chinese built swanky African Union (AU) headquarters in Addis Ababa.

The digit 4 in the framework stands for adherence to the principles of equal treatment, solidarity and mutual trust, tolerance and development, innovation and cooperation; digit 6 stands for cooperation in the fields of industry, finance, poverty reduction, environmental protection, cultural exchanges, and peace and security; and the digit 1 for perfecting Forum on China-Africa Cooperation (FOCAC) that was started in the year 2000. So far five such forums have been held alternatively in China and Africa.

China is nurturing its relationship with Africa from a futuristic perspective. It is evident from Premier Li's speech when he underlined that Africa 'plays an important role in safeguarding world peace and stability', 'is an important force in the democratization of international relations', 'is an important pole of the world politics' and more importantly 'Africa is world's fastest growing economic region' and 'a new pole of global economic growth.' Therefore, we see China-Africa relationship changing from a mere political and economic significance towards a deeper comprehensive strategic partnership aimed at future

A resource rich Africa is already having 210 billion dollar trade with China which the Chinese premier said would be doubled by the year 2020. China has heavily invested in Africa's energy resources, infrastructure development, telecommunications and mining sectors. From the AU headquarters Li also announced that China will build a high-speed rail development center in Africa. During his visit to four African nations China concluded over 60 agreements worth billions of dollars.

'Rail-Road Diplomacy'

During his first leg of visit in Ethiopia, Li signed 16 deals including loans and cooperation agreements for the construction of roads and industrial zones. China's direct foreign investment in Ethiopia last year reached \$720 million and investment from Chinese enterprises recently is reported by a Chinese television channel have exceeded \$ 1 billion. China is engaged in the development of basic infrastructure that includes building of roads, railways, water and power supply systems, telecommunication etc. projects. Chinese Premier also inaugurated 84.7 kilometer long expressway built by 5000 Chinese workers, the first in Ethiopia connecting Addis Ababa to the city of Adama in Oromia region. 57% of the project funding came from the EXIM Bank of China as loans. China is also building a light railway project in Addis Ababa, the first in Ethiopia; Chinese telecom giants Huawei and ZTE are building high-speed 4G broadband in the capital city and 3G services throughout Ethiopia.

During his second leg in Nigeria, Africa's largest economy (510 billion GDP) that in recent times is in news for the abduction of 200 schoolgirls by Nigerian armed group Boko Haram, Li continued the 'Rail-Road diplomacy.' China Civil Engineering Group, a subsidiary of China Railway Construction announced that it has signed with Nigeria a railway project worth \$ 13.122 billion. Nigeria has emerged China's third largest trading partner in Africa with a bilateral trade of \$30.65 billion. Nigeria is also China's largest engineering contracting market in Africa; these are in the fields of agriculture, energy, infrastructure, communications, textile, construction materials, and mining industries.

China's direct investment in Nigeria reached US\$1.79 billion by the end of 2013. In recent years, more than 40 Chinese enterprises have invested \$800 million in above mentioned sectors. Early this year, Nigeria approved a \$10 billion Chinese investment in oil exploration in the Bida Basin. Chinese and Nigerian enterprises have also teamed up in operating satellite networks with digital television signals covering 84% of the country now

It was revealed by the Chinese commerce minister, Gao Hucheng during the sidelines of Li's visit that Chinese enterprises have repaired a cumulative length of 4,500 km of railway in Nigeria since 1995, and are currently building modern railways and metropolitan light rails in Nigeria. Chinese telecom companies are helping Nigerian telecommunication operators in a big way and have managed to have mobile phone subscription rate of 91% in 2013, which was less than 1% a decade earlier. During Li's visit, bilateral air services agreement was also signed. Li had said in his AU address that the 'Chinese government proposes to establish joint venture airlines between Chinese companies and Africa and providing civilian aircrafts to develop the regional aviation industry.' It is interesting to note that Nigeria is the first African

country to include Chinese currency, RMB into its foreign exchange reserves. The Chinese premier also attended the 2014 World Economic Forum on Africa in Abuja.

Angola that fought a civil war for 27 years and returned to normalcy only in 2002 was the third stopover of Li's African safari. If the western countries shunned Angola's post-war reconstruction, China stepped in and bagged projects in infrastructure, including highways, railways, power plants and harbors. Angola has become China largest oil exporter in Africa and second largest trade partner with a trade volume of \$36 billion in 2013. In the same year, China's accumulative investment in Angola had exceeded \$8 billion. It is also in Angola that western countries have accused China of 'neo colonialism'.

China seems to have developed its strategy of soft credit lines worth \$14.5 billion and execution of projects through Chinese companies and manpower for these credits here only. contracts were guaranteed by oil repayments. The China International Fund (CIF), a private company based in Hong Kong, has been awarded projects such as the construction of 215,500 low income houses, which western press has reported as 'ghost towns', an industrial park in Luanda, an international airport, 2,680 kilometers of national railway tracks, and 1,500 kilometers of road network connecting various provinces. It has been reported by the Angolan government that 258,000 Chinese national work in Angola, one-fourth of the total Chinese in Africa.

The last leg of Li's visit was Kenya, a country riddled by terror attacks. Comparing above mentioned countries China's trade with Kenya is insignificant at \$ 3.27 billion in 2013, of which a whopping \$3.22 billion accounted for Chinese export to Kenya, and Chinese imports from Kenya only accounting for \$50 million. China primarily exported electronics, textiles, garments, and high-tech products. It imported tea, coffee, nuts and other agricultural products from Kenya. The infrastructure development projects included standard gauge railway linking the port of Mombasa to the border town of Malaba. Amongst 17 agreements signed with Kenya Li also signed an agreement that extends the Mombasa line to the Burundian capital Bujumbura, passing through Uganda and Rwanda. It is expected that Li's visit would increase China's role in Kenya's socio-economic development, and open a new chapter for closer relations.

'Neo Colonialist'?

China's push into Africa, at times clubbed with other Asian countries such as India and Japan, has been compared to West's imperial move in the 18th and 19th centuries by the western critics. Billionaire financier George Soros has pronounced these countries as 'Africa's new colonialists' who he said were 'exploiting the world's poorest continent in the same way as its old European masters.' It is reported that more than a million Chinese have settled in Africa in a span of ten years. Chinese are believed to be capturing every employment opportunity varying from non-skilled to skilled jobs, not to talk about higher positions in projects. New China towns are coming up all over the continent, be it Dar es Salaam, Luanda, Nairobi or any other city in Africa. China is also been accused of plundering local mineral wealth, forests, oil and gas, as almost 30% of Chinese foreign direct investment in Africa is in mining sector.

In *China Returns to Africa*, a collection of essays published by Columbia University Press, the editors Chris Alden, Daniel Large and Ricardo Soares de Oliveira have noted that 'the overarching driver has been the Chinese government's strategic pursuit of resources and attempts to ensure raw material supplies for growing energy needs within China.' Others like Andrew Malone wrote in an article in 2008 that 'Beijing has launched its so-called 'One China In Africa' policy because of crippling pressure on its own natural resources in a country where the population has almost trebled from 500 million to 1.3 billion in 50 years.'

The flooding of Chinese people in Africa has created visible tensions in the continent resulting in riots in Zambia, Angola and Congo and kidnappings and killings in other countries. Owing to cultural and language barriers, and also that of tight project deadlines, the Chinese do not use African labor wherever possible. Even if they are employed, the wages are not the same as their Chinese counterparts. It has been reported that oil workers at two China-invested projects in Chad and Niger went on strike in March in protest against unequal pay.

Notwithstanding above criticism emanating primarily from the west, the local governments in Africa and China see the relationship and Chinese investment as a 'win-win' partnership. Contrary to International Monetary Fund's and World Bank's stringent debt financing to these countries, China's credit lines have been likened by most African countries. Besides, China is also engaged in humanitarian projects in Africa. During the 5th Forum on China-Africa Cooperation, held in Beijing in July 2012, Chinese President Hu Jintao listed 100 schools, 30 hospitals, 30 anti-malaria centers and 20 agricultural technology demonstration centers for such projects across Africa. Thousands of unutilized hectares of land has been leased to Chinese companies by many African countries for developing agriculture in various African countries, which obviously has been termed as 'land grab' by many western countries.

In a Joint Interview to African Press on 1 May 2014, Chinese Premier Li Keqiang reiterated 'China will never pursue a colonialist path like some countries did, or allow colonialism, which belongs to the past, to reappear in Africa.' Quoting Confucius he said 'Do not do to others what you do not want others do to you.' The so-called 'China's neo-colonialism in Africa' is a false accusation inconsistent with Chinese tradition and culture, and does not reflect the reality of friendly, equal-footed and mutually beneficial cooperation between China and Africa. He said, 'China and African countries are tested brothers and partners committed to common development. In the cooperation with Africa, China has always upheld the principles of equality, mutual benefit, real results, efficiency, sincerity and credibility and never attached any political strings to its assistance to Africa. This has been China's decades-long practice without any deviation. China-Africa cooperation has contributed to Africa's development with a keen focus on social development and people's wellbeing.

The aim is to improve Africa's investment environment and its people's lives. Numerous infrastructure projects built with Chinese assistance, including schools, hospitals, stadiums and urban water and power supply systems, have improved the living and working conditions of African people. To lessen Africa's burden, China had altogether canceled RMB20 billion worth of debts owed by African countries by the end of 2013.' He revealed that in 2013, China-Africa trade reached US\$210 billion, 2,000 times that of 1960. China has been Africa's biggest trading partner for five years running. More than 2,500 Chinese companies are operating in Africa, creating over 100,000 jobs for the local

communities. In 2013 over 1.4 million Chinese visited Africa generating huge amount of exchange revenue for Africa.

An IMF report has also indicated that China-Africa cooperation has contributed to more than 20% of Africa's development. Therefore the 'China factor' is quite evident in Africa's development. It appears that China is determined to establish itself as a sole player in Africa's development, especially when most of the western countries have eschewed investing in the poor continent. China, however need to be cautious as the continent is impregnated with civil strife, terrorism and underdevelopment; the scars of colonial suppression are too deep to be healed too soon; any repeat of that path may jeopardize the grand Chinese strategy in Africa that for the present seems to go so well for China as is demonstrated by Premier Li Keqiang's visit. It certainly is not a low priority area for China as believed by many western critics, the figures in terms of trade and investment may tell a different story but that may not be the same in the times to come!

(Prof B. R. Deepak teaches in the Centre of Chinese and Southeast Asian Studies JNU)

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