

Belt and Road Initiative towards strengthening China-Africa trans-regional cooperation: The way forward

Dr. Vasiliki Papatheologou

Post Doc Research Associate at China Foreign Affairs University
vasia12_pap@hotmail.com

Abstract

The Belt and Road Initiative (BRI) has created a trans-regional cooperation for promoting multilateralism and global governance between China and African countries. Supported by institutional arrangements such as the Forum on China-Africa Cooperation (FOCAC), Belt and Road Initiative (BRI) is a mechanism that promotes China- Africa “win-win” cooperation with positive economic implications in the context of ‘South-South Cooperation’ (SSC) and provides opportunities for Africa’s economic growth.

Keywords: Belt and Road, China, Africa, win-win, cooperation, economic, development

1. Introduction

The Belt and Road Initiative (BRI), launched in September 2013 by the Chinese President Xi Jinping, has become the main axis of Chinese foreign policy. The Belt and Road Initiative (BRI) symbolizes China's growing soft power in global politics and demonstrates China's efforts to take a proactive role in regional and global issues in the fields of trade, infrastructure, development and international security. The Belt and Road Initiative is not only a Chinese leading infrastructure plan for the countries along the routes but also a globalization strategy. Through the Belt and Road Initiative (BRI), less developed countries are included into the globalization process and the international supply chain and gain capacities for becoming middle income economies. Belt and Road Initiative (BRI) provides a platform for China's significant and ever-growing investment into Africa. It is argued that the Belt and Road initiative is an opportunity to promote Sino-Africa relations based on win-win cooperation. The main objective of this paper is to assess the impact of the Belt and Road Initiative on China-Africa cooperation.

2. China's role in Africa under the scope of the Belt and Road (BRI)

The Belt and Road Initiative (BRI) involves a number of African countries in East and Southeastern Africa (such as Ethiopia, Kenya, Tanzania, Mozambique, Madagascar, South Africa), North Africa (Egypt, Morocco and Algeria), and inland African countries such as the Democratic Republic of Congo, Uganda, Burundi, Zambia and Zimbabwe.¹

China's increased involvement in the African continent is not limited to the bilateral sphere but also affects the regional integration process. China's interests in Africa are proven to be long term and African countries have the opportunity to benefit from Chinese investments in the region. China has developed its own approach and strategy for cooperation with African countries which is different from the traditional Western approach.

In the past two decades, China has become Africa's largest economic partner. China supports African exports to China, especially of mineral products. In fact, China is importing more than US\$70 billion worth of goods in 2017 (more than 95% minerals, fuels and other commodities). Africa-China trade has been growing at approximately 20 percent

¹ Carolyn Dong, Matthew Davis, Simin YU, "China's One Belt One Road: Opportunities in Africa, Return to Africa Connected: Issue 1, Nov 2018

per year. Foreign direct investment has grown even faster over the past decade, with a breakneck annual growth rate of 40 percent.²

In the 2018 Beijing Summit of the Forum on China-Africa Cooperation, President Xi stressed that China and Africa need to achieve a win-win cooperation and common cultural prosperity as well as to improve security and harmonious coexistence. The proposal has gained wide support from African leaders. The Beijing Declaration — Toward an Even Stronger China-Africa Community with a Shared Future, the FOCAC Beijing Action Plan (2019-2021) and the eight major initiatives China implements with African countries have provided new road maps for China-Africa cooperation. The two sides also signed nearly 150 cooperation-related protocols.

3. The Fruits of Belt and Road Initiative (BRI) in Sino-African Bilateral Cooperation

The Belt and Road Initiative has strengthened China-Africa cooperation in the sectors including infrastructure connectivity, industrial promotion, trade facilitation, investment, agricultural modernization, capacity building, green development, health, people-to-people exchanges, peace and security. African industrialization and infrastructure feature prominently on the agenda.

Therefore, the cooperation between China and African countries has long been established at bilateral level in 2000 and it was institutionalized at trans-regional level with the establishment of Forum on China-Africa Cooperation (FOCAC). FOCAC focuses on the strategic partnership between China and not just in China's investments towards African countries. This means that African leaders and businesses benefit from the Chinese investments in infrastructure projects and combine with opportunities provided by other foreign sources.

In the context of Belt and Road Initiative (BRI), it is estimated that there are more than 10,000 Chinese-owned firms operating in Africa, around 90 percent of which are

² McKinsey & Company's report, "*The closest look yet at Chinese economic engagement in Africa*", July 2017, found at <https://www.mckinsey.com/featured-insights/middle-east-and-africa/the-closest-look-yet-at-chinese-economic-engagement-in-africa>

privately owned.³ Asian Investment and Infrastructure Bank (AIIB), the Silk Road Fund and BRICS New Development Bank are the funding institutions for the strategic planning and the implementation of Belt and Road Initiative. The AIIB is an alternative Chinese-led development financing⁴. In April 2019, during the Belt and Road summit in Beijing, many leaders agreed to strengthen bilateral cooperation. Belt and Road Initiative (BRI) demonstrates a high-level political commitment for China to work with participating countries to facilitate an increase in interconnections and trade and investment flows.

China-Africa cooperation has been strengthened with expansion of the Belt and Road Initiative (BRI). China has been Africa's largest trading partner for 10 consecutive years. In 2018, *trade* between the two sides reached a record high of \$203.54 billion, in which China's imports from Africa were \$98.97 billion and its exports to Africa reached \$104.57 billion.

China's Belt and Road initiative (BRI) promotes Chinese *investments* and encourages international investment into China and along the Belt and Road routes. Belt and Road initiative (BRI) offers the opportunity for international and African companies and institutions to work with Chinese companies in developing projects along the routes. Furthermore, Chinese firms could seek out local partners to develop projects within the host nations along the routes.

Under the framework of Belt and Road Initiative (BRI), China and African countries agreed to link China's proposed trans-regional integration plan, the Belt and Road Initiative, with the UN 2030 Agenda for Sustainable Development, the African Union's (AU) Agenda 2063 and African countries' own development strategies. China strategy towards Africa includes support for *agricultural modernization* by developing a long-term engagement with African counterparts for deeper cooperation on agriculture and green development. With growing demand in forestry in China, after natural resources, the biggest exports to China are forestry products, which in 2017 totaled to over US\$1.35 billion, up from US\$747 million in 2010. China's trade with Africa rose by 16.4 percent year on year with imports and exports rising by 27.3 percent and 7.7 percent respectively, both much higher

³ McKinsey & Company's report, "*The closest look yet at Chinese economic engagement in Africa*", July 2017, found at <https://www.mckinsey.com/featured-insights/middle-east-and-africa/the-closest-look-yet-at-chinese-economic-engagement-in-africa>

⁴ Fraser Cameron, "Can OBOR bring the EU and China closer together?" http://www.eu-asiacentre.eu/pub_details.php?pub_id=209#_ftn4

than the growth of the country's overall foreign trade during the same period. From January to October 2018, China's investment in non-financial areas in Africa was \$2.463 billion, a year-on-year increase of 4 percent.

In *infrastructure sector*, there is a strong focus by Chinese investors. China supports infrastructure connectivity initiative in African continent. China-Africa cooperation has also been strengthened with signing a memorandum on funding infrastructure construction in Africa. In this context, Chinese companies participate in African infrastructure development; Infrastructure construction projects such as the Mombasa–Nairobi Standard Gauge Railway and Power Hydroelectric Karuma Station have brought economic benefits to local people. The flagship Belt and Road Initiative project is Kenya's 290-mile railway from the capital, Nairobi, to the port city of Mombasa with plans to extend that network into South Sudan, Uganda, Rwanda and Burundi. Meanwhile, another connectivity project is Ethiopia's 470 mile electric railway, from Addis Ababa, to the port of Djibouti. East Africa is the main focus of Belt and Road in Africa, however, Chinese infrastructure projects has been extended to Angola and Nigeria, with ports planned along the coast from Dakar to Libreville and Lagos. In this context, China has declared support for support for the African Union's proposal of a pan-African high-speed rail network. With regards to trade cooperation, China is Africa's biggest trading partner and supports of Africa's Continental Free Trade Area.⁵ With regards to *capacity building*, China shares development practices with African countries; supports African social and economic development training; to provides vocational training for African youth; provides Africans with 50,000 government scholarships and 50,000 training opportunities; giving 2,000 young Africans the opportunity to visit China under exchange program.

In *health sector*, China is participating in the upgrade of 50 medical and health aid programs for Africa including flagship projects like the African Center for Disease Control and Prevention headquarters and China-Africa Friendship Hospitals; set up trainings of medical specialists and sends medical teams according to the needs of the African countries.

People-to-people exchanges are among the sectors that have been forged in the context of the Belt and Road Initiative (BRI). In particular, China established an Institute of African Studies; the China-Africa Joint Research and Exchange Plan is being upgraded; 50

⁵ The African Continental Free Trade Area: The Day After the Kigali Summit, May 2018 found at <https://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=2142>

joint cultural, sports and tourism events are being organized;⁶ a China-Africa media cooperation network is being established and more African culture centers will be opened in China and vice versa; African education institutes are welcome to host Confucius Institutes; tourism;

In *peace and security*, under the Belt and Road Initiative, Sino-African relations are strengthened with the setting up of a China-Africa peace and security fund; China continues providing military aid to the African Union; a China-Africa peace and security forum is established for more exchanges in this area; 50 security assistance programs are taking place to advance China-Africa cooperation in the areas of law and order. China has emphasized in a ‘five-no’ approach in Africa that includes ‘no interference in African countries internal affairs’ and ‘no attachment of political strings to assistance’. However, the principle has always been more flexible, for both economic and perception reasons. China had insisted on a distinction between business and politics, but under such instability that becomes difficult to maintain. Shortly, it has always been implausible to do development cooperation without somehow getting involved in domestic politics.⁷ To further support these initiatives President Xi announced USD 60 billion in new financing for Africa.⁸ This is the same amount that was pledged in 2015, although this time around US\$10 billion is expected to come from private Chinese investments.⁹

4. Public Opinion Environment towards China’s Africa policies

Africa is the continent with the most positive views of China. Positive perceptions come from investments in infrastructure, more affordable consumer goods, support for industrialization, new job opportunities and a general consensus of considering the Chinese as "hard working".

⁶ The Enlarged Meeting of the Steering Committee of the China-Africa Joint Research and Exchange Program, March 2018, found at <https://www.mfa.gov.cn/zflt/eng/zxxx/t1542849.htm>

⁷ Linda Calabrese, Annalisa Prizzon, Aarti Krishnan, Samuel Sharp “Top Takeaways from China-Africa Summit”, September 2018, found at <https://www.odi.org/comment/10679-focac-2018-top-takeaways-china-africa-summit>,

⁸ Shannon Tiezzi, “FOCAC 2018: Rebranding China in Africa”<https://thediplomat.com/2018/09/focac-2018-rebranding-china-in-africa/>

⁹ Shannon Tiezzi, “FOCAC 2018: Rebranding China in Africa”, September 2018, found at <https://thediplomat.com/2018/09/focac-2018-rebranding-china-in-africa/>

Opinion surveys have shown that the majority of respondents in African countries view China favorably, both in terms of its influence as well as its contributions to the continent's development. On average, 63 percent of Africans view China's economic and political influence as somewhat or very positive.¹⁰ A majority (56%) of Africans also see China's development assistance as doing a "somewhat" or "very" good job of meeting their country's needs. The most important factors contributing to a positive image of China in Africa are infrastructure/development and business investments and the cost of its products, while the quality of its products gives a negative image. Political and social considerations rank low among factors affecting China's image.¹¹

Since China plays the role of investor, donor and competitor at the same time, different parts of the society benefit in different ways. Popular criticism of China's investments in Africa stems from low environmental standards, labor safety, harsh working conditions, dumping and a lack of investment outside the mining and oil sector. In several countries, political opposition groups have criticized the Chinese for backing corrupt or authoritarian governments, often forcing the latter to revise contracts. Many African leaders have lauded the benefits of Chinese investment to support growth in their countries.

5. Assessing Sino-African relations: Challenges and the Way Forward

China's presence in Africa is facing several challenges. One of the major issues is corruption that is an obstacle for African countries in order to take advantage of Chinese policy on the continent. The capacity of African countries in registering stable development needs to be improved. The business environment in Africa needs further improvement. There are also several concerns about the Chinese investments due to the poor compliance with safety and environmental standards to unfair business practices and

¹⁰ According to a 2016 poll conducted in thirty-six countries by Afrobarometer, a Pan-African research network.

¹¹ Afrobarometer Survey, May 2017

http://afrobarometer.org/sites/default/files/summary_results/ab_r6_afrobarometer_global_release_highlights8.pdf

violations of local laws.¹² African workers have also begun to fault Chinese companies for unfair labor practices such as including disputes over working conditions.

Environmental concerns have been raised by international and local non-governmental organizations. They point to a lack of resource transparency and limited efforts to ensure animal and environmental protection. Even at the highest political level, there is growing awareness of the risks that Chinese companies are exposed to in Africa.¹³ In order to overcome these challenges China needs to focus efforts on building up the local economies and reinforce the ability to control the practice of the Chinese companies that invest in Africa.

Although China has allocated significant capital and resources in implementing Belt and Road Initiative, it cannot implement the initiative without cooperating with other countries and international actors. Success depends on the level of cooperation between Chinese and African companies to cover from small-scale trade and investment to the delivery of large-scale multi-jurisdictional infrastructure. Chinese companies need to find the right partners and having support networks capable of providing a thorough understanding of local conditions and market.

6. Conclusion

The paper assumes that the Belt and Road Initiative is an effective mechanism for fostering Africa's development and strengthening China-Africa relations. There is the need for greater participation of the private sector to further support industrial transformation that leads to the generation of jobs, creation of growth and prosperity. It is important for China in long-term to acquire knowledge of the local context, to have on the ground presence and to adapt Chinese investments into the needs of the local culture, economy and policies.

¹² In 2011, Michael Sata won Zambia's presidency in part by tapping into anti-Chinese sentiment after Chinese managers shot protesters at a large coal mine in southern Zambia. In 2013, Sanusi Lamido Sanusi, then-governor of Nigeria's Central Bank, commented "we must see China for what it is: a competitor" and "Africa must recognize that China—like the U.S., Russia, Britain, Brazil and the rest—is in Africa not for African interests but its own."

¹³ Jonathan Holslag Sara Van Hoeymissen, *The Limits of Socialization: The Search for EU-China Cooperation towards Security Challenges in Africa*, Brussels Institute of Contemporary China Studies [https://www.eu-china.net/upload/pdf/materialien/EU-China-Africa%20\(fin\)_10-06-10.pdf](https://www.eu-china.net/upload/pdf/materialien/EU-China-Africa%20(fin)_10-06-10.pdf)

Therefore, transparency, accountability, diversification and resilient export structure, an active African public for observing government's choices are crucial for China-Africa win-win cooperation. China needs to make efforts to improve the public opinion environment in African countries, to co-host events with African counterparts on the achievements of cooperation under the Belt and Road Initiative (BRI).

References

- 1) Amadou Sy, Harold Trinkunas, Philippe Le Corre and Yun Sun (2015), *“Other perceptions of China: Views from Africa, Latin America, and Europe Africa”*, Brookings. Retrieved May 2015 from <https://www.brookings.edu/blog/order-from-chaos/2015/05/27/other-perceptions-of-china-views-from-africa-latin-america-and-europe/>
- 2) Carolyn Dong, Matthew Davis, Simin YU (2018), *“China's One Belt One Road: Opportunities in Africa”*, Return to Africa Connected: Issue 1, DLA Piper. Retrieved November 2015 from <https://www.dlapiper.com/en/southafrica/insights/publications/2018/11/africa-connected-doing-business-in-africa/chinas-one-belt-one-road-opportunities-in-africa/>
- 3) Chu Daye (2019), *“BRI resources inject fresh impetus for China-Africa cooperation”*, Retrieved June 2019 from <http://www.globaltimes.cn/content/1155655.shtml>
- 4) Fraser Cameron (2017), *“Can OBOR bring the EU and China closer together?”* eu-asia centre. Retrieved April 2017 from http://www.eu-asiacentre.eu/pub_details.php?pub_id=209#_ftn4
- 5) Goretti L. Nassanga & Sabiti Makara (2015) *“Perceptions of Chinese presence in Africa as reflected in the African media: case study of Uganda”* ISSN: 1754-4750 (Print) 1754-4769 (Online) Retrieved October 2015 from <http://www.tandfonline.com/loi/rcjc20>
- 6) Lauren A. Johnston (2016), *“Africa, and China's One Belt, One Road initiative: Why now and what next?”* Retrieved September 2016 from <http://www.ictsd.org/bridges-news/bridges-africa/news/africa-and-china%E2%80%99s-one-belt-one-road-initiative-why-now-and-what>

- 7) Linda Calabrese, Annalisa Prizzon, Aarti Krishnan, Samuel Sharp (2018) “*Top Takeaways from China-Africa Summit*”, Retrieved September 2018 from <https://www.odi.org/comment/10679-focac-2018-top-takeaways-china-africa-summit>.
- 8) McKinsey & Company's report (2017), “*The closest look yet at Chinese economic engagement in Africa*”, Retrieved July 2017 from <https://www.mckinsey.com/featured-insights/middle-east-and-africa/the-closest-look-yet-at-chinese-economic-engagement-in-africa>
- 9) Jonathan Holslag Sara Van Hoeymissen (2018), “*The Limits of Socialization: The Search for EU-China Cooperation towards Security Challenges in Africa*”, Brussels Institute of Contemporary China Studies.
- 10) Shannon Tiezzi (2018), “*FOCAC 2018: Rebranding China in Africa*”, Retrieved September 2018 from <https://thediplomat.com/2018/09/focac-2018-rebranding-china-in-africa/>
- 11) The African Continental Free Trade Area: The Day After the Kigali Summit (2018) , Retrieved May 2018 from <https://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=2142>
- 12) The Enlarged Meeting of the Steering Committee of the China-Africa Joint Research and Exchange Program (2018) Retrieved March 2018 from <https://www.mfa.gov.cn/zflt/eng/zxxx/t1542849.htm>
- 13) Shannon Tiezzi (2018), “*FOCAC 2018: Rebranding China in Africa*” , Retrieved May 2018 from <https://thediplomat.com/2018/09/focac-2018-rebranding-china-in-africa/>
- 14) Tom Garder (2018), “*Ethiopia Railway Boom promises turn to Dust*”, Retrieved May 2018 from <https://www.theguardian.com/global-development/2018/may/12/ethiopia-railway-boom-promises-turn-to-dust>