

# The Japan Times

## China biting off more of Africa than it can chew

Doug Bandow

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Nowhere is China's growing reach more obvious than in Africa. President Xi Jinping recently returned from a trip during which he promised African officials \$60 billion in new investment. Beijing also has grown more active culturally, educationally and even militarily. For instance, China has participated in 16 U.N. peacekeeping missions in Africa and is planning to create its first base in Djibouti.

China's increasing role has created unease in Washington, especially since Beijing is willing to go in when the West stays out. But China has run into many of the same sorts of problems that faced America in the past.

The United States obviously fears losing business: African trade with China surpassed that with America in 2009. Beijing undermines Western pressure to improve democracy and human rights.

Yet the ultimate results of Xi's visit remain to be seen. The photo ops were impressive, but both the pictures and promises may fade over time.

Dealing with the continent remains a challenge. Many African nations remain in crisis. The Central African Republic has been roiled by sectarian civil war. The Democratic Republic of the Congo continues to suffer from conflict and is entering an uncertain presidential campaign. The November terrorist attack in Mali killed three Chinese citizens.

China appears willing to ignore some risks that deter Western countries and companies. However, no money put into Zimbabwe — a large destination of Chinese investment — is likely to turn out well. Indeed, the Zimbabwe Independent complained that Harare racked up almost a half billion dollars in Chinese loans to finance construction projects that were "over-priced and of poor quality."

Osadebe Osakwe, managing director of North China Construction Nigeria, argued that "unless the West changes its risk assessment, the Chinese will beat them to the African market." But the market is not worth dominating at any price. Observed The New York Times: "Nigeria is a particularly shaky bet for China."

African countries also have discovered that Beijing desires what the U.S. demanded in the past: political loyalty, resource control, investment return. For instance, most of the \$60 billion will be concessional loans. Assuming the money is forthcoming. Observed Claire Provost and Rich

Harris in the Guardian, many past projects announced with great fanfare “never make it past the ceremonial pledges.”

Moreover, Africa long has been awash in “aid” from multilateral development banks, but much of that has been stolen or wasted. Beijing’s experience so far is no different.

For instance, more than \$1 billion essentially vanished, noted the Economist magazine, after being invested in a palm oil plantation in a region where “there were no roads, the river was barely navigable and villagers were hostile.” Because of the lack of conditionality, observed Brad Parks of the research lab AidData, “African officials know that they have more leeway with Beijing’s money, and they use it.”

Even cheap loans may become a significant burden to repay. Observed the Times: “Infrastructure projects in Nigeria have been fueled by the same manic lending that has also created mountains of debt for China’s economy at home.” Inevitable defaults will cost both Africa and China.

Beijing also often demands concessions for land, minerals or other commodities in return. Moreover, it often requires use of Chinese firms, even bringing laborers from China. This limits the economic benefit to Africa and is seen as a new version of neocolonialism.

In fact, the “Ugly Chinese” looks a lot like the “Ugly American” of days gone by. Explained a recent Rand Corp. report: “Labor unions, civil society groups and other segments of African society criticize Chinese enterprises for their poor labor conditions, unsustainable environmental practices and job displacement.”

Both sides must worry about declining growth rates. As China’s economy has slowed, demand for African commodities — food, minerals and energy, in particular — has weakened. Another problem is that Chinese products have gained a reputation for being shoddy and counterfeit.

Thus, Western fears of Chinese domination in Africa appear overblown. Although Beijing has attempted to adapt to criticism, “African perceptions of China include a mix of approval, apathy and contempt,” reported the Rand Corp.

While America’s role has shrunk, the U.S. remains the largest, most productive and most attractive economic partner for African nations. U.S. enterprises also have a reputation for offering better work conditions, purchasing local products and transferring more technologies.

The U.S. has lost economic primacy in Africa, as in Asia, to China. But America likely will do just fine — as long as Americans choose to compete rather than whine about a changing world.

*Doug Bandow is a senior fellow at the Cato Institute.*