



Statement before the
Senate Armed Services Committee
Subcommittee on Emerging Threats and Capabilities

***“Implications of China’s Presence and
Investment in Africa”***

A Testimony by:

Judd Devermont

Director, Africa Program
Center for Strategic and International Studies (CSIS)

December 12, 2018

232A Russell Senate Office Building

Chairwoman Ernst, Ranking Member Heinrich, and distinguished members of the Emerging Threats and Capabilities Subcommittee of the Senate Armed Services Committee, thank you for the invitation to speak on a topic of considerable significance to U.S. interests: China's growing presence and investment in sub-Saharan Africa.

I believe Chinese engagement undercuts and potentially degrades U.S. capacities and influence in sub-Saharan Africa. That said, China is neither ten feet tall nor do all its activities harm U.S. interests in the region.

Therefore, it is important to draw a finer distinction between which Chinese activities threaten U.S. national security priorities and which Chinese engagements are neutral or complimentary to U.S. objectives. If we portray all Chinese endeavors as antithetical to U.S. goals, we will fail to develop and implement an effective policy response.

First, I believe Chinese activities pose the greatest danger to U.S. military access and operations, U.S. information and communication platforms, and U.S. relations with current and emerging African leaders.

Second, it is my view that Chinese investments and loans are not necessarily contrary to U.S. interests. When executed in a transparent and responsible manner, Chinese infrastructure projects address a critical deficiency and persistent drag on African economies.

Third, it is imperative to understand African perspectives of Chinese engagement in Africa in general and of the U.S.-Chinese rivalry in particular. The United States runs the risk of alienating its partners and pushing them further into China's orbit if it adopts an "us-versus-them" approach.

China's Long History in Africa

Discussions of China's growing influence in Africa tend to overlook its historic presence on the continent. China is both a long-established diplomatic partner and a new power in Africa. The Chinese regularly note how the Ming Dynasty fleet visited East Africa in the 15th Century. In the 1960s and 1970s, Beijing provided modest financial assistance and material support to several African governments, militaries, and liberation movements. For instance, China was the primary source of aid for the Tanzanian military, furnishing it with small arms, trucks, antiaircraft guns, medium tanks, patrol boats, and landing craft.

China's ties with Africa evolved and deepened in the intervening decades, and it has emerged as the main U.S. competitor on the continent. While Chinese foreign direct investment is comparatively less than the United States, it grew by 40 percent annually for most of the past decade. In 2009, China surpassed the United States as the region's largest trading partner. In May, Beijing swayed one of the last holdouts, the small West African country of Burkina Faso, to abandon Taipei. In September, it hosted the seventh Forum for China-Africa Cooperation (FOCAC) where President Xi Jinping pledged \$60 billion in financing and encouraged Chinese companies to invest no less than \$10 billion over the next three years.¹ Many observers have

¹ Christian Shepherd and Ben Blanchard, "China's Xi offers another \$60 bln to Africa, but says no to 'vanity' projects," *Reuters*, September 3, 2018, <https://af.reuters.com/article/topNews/idAFKCN1LJ0IO-OZATP>.

noted that twice as many African leaders attended FOCAC than the United Nations General Assembly in New York a few weeks later.²

Unpacking Chinese Activities

The challenge of assessing to what degree China's presence and investments threaten U.S. national security interests stems in part from Beijing's integrated approach to Africa. Its activities, especially as it pertains to the Belt and Road Initiative (BRI), have security, commercial, diplomatic, and strategic dimensions. This blend of objectives, consequently, makes it difficult to separate malign activities from benign behavior.

I believe that several of China's activities pose unmistakable threats to U.S. interests in sub-Saharan Africa. Specifically, some Chinese engagements undercut U.S. military access and operations, U.S. information and communication platforms, and U.S. relations with current and emerging African leaders.

- **U.S. military access and operations.** The Chinese military base in Djibouti sits at the edge of one of the most important maritime chokepoints in the world; an estimated 12.5 to 20 percent of trade passes through the Bab-el-Mandeb Straits in the Gulf of Aden. It is also just miles from a critical U.S. base, and there have already been reports of rising tension between the two powers. In May, the United States officially complained to China about its use of a military grade laser to distract U.S. pilots in 10 separate incidents; two pilots experienced minor eye injuries after being exposed to the laser beam.³ In the same month, AFRICOM commander Thomas Waldhauser told Congress that he was concerned about Chinese moves to assume control of Djibouti's commercial port, warning that there could be restrictions on U.S. access. He added that he expects the Chinese will build more bases across the continent.⁴ For instance, China has invested or has plans to invest in ports in Cameroon, Guinea, Madagascar, Mozambique, Namibia, and Tanzania.
- **U.S. information and communication platforms.** China's leading role in Africa's telecommunication infrastructure poses a considerable counterintelligence threat. ZTE and Huawei have been active in the region for two decades, raising concerns about Chinese government access to cell phone networks and data. In May, the wireless carrier MTN, which serves 220 million people in Africa and the Middle East, said it was reviewing its operations "given our exposure to ZTE in our networks."⁵ Chinese companies are building an underseas cable to Djibouti and Kenya from Pakistan (with

² Abdi Latif Dahir, "Twice as many African Presidents made it to China's Africa summit than to the UN general assembly," *Quartz*, October 5, 2018, <https://qz.com/africa/1414004/more-african-presidents-went-to-chinas-africa-forum-than-un-general-assembly>.

³ Abdi Latif Dahir, "US-China tensions are escalating in Africa as laser are pointed at US places over Djibouti," *Quartz*, May 5, 2018, <https://qz.com/africa/1271069/us-says-china-pointed-laser-at-pilots-over-djibouti-base/>

⁴ John Vandiver, "AFRICOM Chief: Expect more Chinese bases in Africa," *Stars and Stripes*, March 6, 2018, <https://www.stripes.com/news/africom-chief-expect-more-chinese-bases-in-africa-1.515263>.

⁵ Raymond Zhong, "Chinese Tech Giant on Brink of Collapse in New U.S. Cold War," *New York Times*, May 9, 2018, <https://www.nytimes.com/2018/05/09/technology/zte-china-us-trade-war.html>.

a terrestrial extension to China) and another one from Brazil to Cameroon,⁶ which will almost certainly provide Beijing with access to critical metadata.

- **U.S. relations with current and emerging African leaders.** China's courtship of African political and military leaders, as well as of promising young Africans, is another strategic advantage vis-à-vis the United States. Since January 2017, China's top leadership, including its president and foreign minister, made 19 trips to sub-Saharan African countries. In contrast, only the secretary of state has visited the continent during the same period, stopping in six countries with an attenuated itinerary.⁷ In July, high-ranking military officials from 50 African states attended the two week-long China-Africa Defense and Security forum.⁸ While the U.S. military routinely hosts its counterparts, it is rarely as long in duration. In addition, China is issuing more scholarships to African students than the United States and the United Kingdom.⁹ These relationship investments between Chinese and Africans are likely to have tactical and strategic effects, enabling China to influence its allies to back its policies and cultivate support amongst the next generation of African leaders.

In contrast to the points above, I believe some of the current uproar over Chinese investment in Africa is overblown and ill-informed. Not all Chinese activities are a threat to the United States, and it is not axiomatic that every Chinese loan and infrastructure project will result in another Hambantota. Many of China's projects address the region's desperate need for roads, railways, and power. The World Bank in 2017 reported that Africa has some of the lowest road and rail densities in the world and lags behind other developing regions in all dimensions of infrastructure performance.¹⁰ If sub-Saharan Africa can catch up to the median quality and quantity of infrastructure in the developing world, the [World Bank estimates](#) it will increase growth of GDP per capita by 1.7 percent.

The issue, then, is whether Chinese companies will construct durable roads, rails, and ports; whether they will include sufficient environmental and social safeguards; and whether they will pursue discriminatory practices towards U.S. firms. The quality of Chinese projects varies wildly, but a [2016 study from the China Africa Research Initiative \(CARI\)](#) at the Johns Hopkins School of Advanced International Studies (SAIS) in Washington indicates that Chinese

⁶ Suvesh Chattapadhyaya, "How is Digital Economy of Africa Enabled by Subsea Cable Connectivity," *Submarine Cable Networks*, March 30, 2018, <https://www.submarinenetworks.com/en/insights/how-is-digital-economy-of-africa-enabled-by-subsea-cable-connectivity>

⁷ U.S. Office of the Historian, "Presidential and Secretaries Travels Abroad," U.S. Office of the Historian, December 10, 2018, <https://history.state.gov/departmenthistory/travels>; Ministry of Foreign Affairs of People's Republic of China, "The Department of African Affairs, News," December 10, 2018, https://www.fmprc.gov.cn/mfa_eng/wjw_663304/zjzg_663340/fzs_663828/xwlb_663830/.

⁸ Lina Benabdallah, "China-Africa military ties have deepened. Here are 4 things to know," *Washington Post*, July 6, 2018, https://www.washingtonpost.com/news/monkey-cage/wp/2018/07/06/china-africa-military-ties-have-deepened-here-are-4-things-to-know/?utm_term=.94b2444c11c9.

⁹ Victoria Breeze and Nathan Moore, "China has overtaken the US and the UK as the top destination for anglophone Africans." *Quartz*, June 30, 2017, <https://qz.com/africa/1017926/china-has-overtaken-the-us-and-uk-as-the-top-destination-for-anglophone-african-students/>.

¹⁰ The World Bank, "Africa Pulse: an analysis of issues shaping Africa's economic future." April 2017. <http://documents.worldbank.org/curated/en/348741492463112162/pdf/114375-REVISED-4-18-PMWB-AfricasPulse-Sping2017-vol15-ENGLISH-FINAL-web.pdf>.

companies under World Bank contracts perform as well as OECD companies.¹¹ More worrisome is the prospect that Chinese firms could operate its road, rail, and sea links in a manner that disadvantages U.S. businesses. Infrastructure is neutral, but its operation is political. The problem is not that China builds railways in Africa, it is when a U.S. company cannot bid for the contract or cannot install its engines and connect branch lines to the main artery.

Recently there has been a lot of hand-wringing over Chinese “debt traps” in sub-Saharan Africa. Former Secretary of State Tillerson in March 2018 warned that China’s approach encourages dependency by using predatory loan practices “to mire nations in debt and undercut their sovereignty.”¹² While I am very troubled about the opacity of many Chinese contracts, I believe the debt trap narrative is overdone and glosses over the facts. Africa indeed faces growing risk of debt distress, but China is the principal contributor to debt in only three countries: Republic of Congo, Djibouti, and Zambia. On average, 32 percent of African government external debt is owed to private lenders while 35 percent is owed to multilateral institutions such as the World Bank; only 20 percent of African government external debt is owed to China.¹³ Moreover, Beijing has made some adjustments in response to this criticism from Western and African capitals on the debt issue. At FOCAC, China claimed it will exempt certain countries from outstanding debt. It reportedly erased some of Zimbabwe’s debt in April and Botswana’s in August, and it agreed to restructured Ethiopia’s debt in September.

African Views on China and Great Power Competition

As the United States mulls how to counter China’s growing influence in Africa, it is instructive to understand the view African elites and publics hold of Chinese engagement in general and strategic competition between Washington and Beijing in particular. African governments, for economic, political, and security reasons, regard China as a key partner. As the President of Ghana, Nana Akufo-Addo, said in October, “it is in our interest to deal with China. It is the second biggest economy of the world. Everyone is dealing with China.”¹⁴ Other countries, such as Ethiopia and Rwanda, have expressed admiration for China’s political model and state-driven economy. In addition, African leaders appreciate China’s growing contributions to the region’s security; China is second-largest (after the United States) in financial support of peacekeeping operations and first among the U.N. Security Council’s permanent members for contributing peacekeepers. As of October 2018, China has deployed more than 2,000 soldiers, police, and advisors to peacekeeping missions in Sub-Saharan Africa – more than double the number of Chinese personnel assigned to UN missions in 2005.

This does not mean that African leaders are oblivious to the risks of partnering with China. President Akufo-Addo, in the same speech, added that his country is doing business with China

¹¹ Jamie Farrell, “How do Chinese Contractors Perform in Africa? Evidence from World Bank Projects,” SAIS China-Africa Research Initiative Working Paper, February 2016, <https://static1.squarespace.com/static/5652847de4b033f56d2bdc29/t/573c970bf8baf3591b05253f/1463588620386/Working+Paper+Jamie+Farrell.pdf>.

¹² U.S. Department of State, “Remarks – Secretary of State Rex Tillerson on U.S.-Africa Relations: A New Framework,” U.S. Department of State, March 6, 2018, <https://translations.state.gov/2018/03/06/remarks-secretary-of-state-rex-tillerson-on-u-s-africa-relations-a-new-framework/>

¹³ Jubilee Debt Campaign, “Africa’s growing debt crisis: who is the debt owed to?” Jubilee Debt Campaign, October 7 2018, <https://jubileedebt.org.uk/report/africas-growing-debt-crisis-who-is-the-debt-owed-to>

¹⁴ Selcuk Gokoluk, “Ghana Agreeing China Deals With ‘Eyes Open,’ Says President,” *Bloomberg*, October 8, 2018, <https://www.bloomberg.com/news/articles/2018-10-08/ghana-agreeing-china-deals-with-eyes-open-says-president>

with its “eyes open.” Cote d’Ivoire recently instituted a panel to monitor close to \$6 billion Chinese projects. Some governments are requiring Chinese firms to hire more African laborers and insisting on more protections for Africa’s fragile ecosystems. In November, South Africa’s House Chairperson for Committees, Oversight, and ICT argued that, “we won’t have this win-win relationship if the environment is not protected.”¹⁵ In Kenya, the government recently accused Chinese and local officials of corruption related to the construction and operation of the \$3 billion Nairobi-Mombasa Standard Gauge Railroad.¹⁶

African publics have an equally nuanced understanding of Chinese engagement. According to a [2016 report by Afrobarometer](#), 63 percent of respondents in 36 African countries thought China’s economic and political influence in their country was positive.¹⁷ Indeed, in three of five African regions, China either matches or surpasses the United States in popularity as a development model. Many responders lauded China for its investments in infrastructure and business development. Nonetheless, in the same study, Africans complained about the quality of Chinese products and blamed the Chinese for taking jobs or business from locals. There has been community violence against Chinese immigrants in the Democratic Republic of Congo, Madagascar, South Africa, and Zambia. This animus is often directed at Chinese individuals, not necessarily at Beijing. In 2017, McKinsey reported that the vast majority of 10,000 Chinese firms operating in Africa are privately owned.¹⁸ For many Africans, it is the small Chinese shop owner, factory boss, and wildcat miner that represent the worst aspects of the China-Africa relationship.

African attitudes toward strategic competition between Washington and Beijing are similarly complex. The majority of African capitals anticipate that they will benefit from this intensified rivalry. It is an opportunity to increase access to resources, generate new leverage, and lessen dependency on any single foreign backer. Many leaders recognize that renewed geopolitical rivalries have increased their country’s strategic importance, and they expect to profit—either as a government or personally—from the uptick in attention. According to AidData, a research lab at the College of William & Mary, if an African country votes with China in the UN General Assembly an extra 10 percent of the time, it would receive on average an 86 percent bump in official development assistance.¹⁹

African leaders routinely and often publicly make pointed comparisons between China and the United States, complaining when a foreign capital is saddling them with too many conditions or

¹⁵Kevin Bloom, “China’s ‘Belt and Road’: The noose around Africa’s neck,” *The Daily Maverick*, 29 November 2018, <https://www.dailymaverick.co.za/article/2018-11-29-chinas-belt-and-road-the-noose-around-africas-neck/>.

¹⁶Tom Odula, “Kenya: 3 Chinese to be charged with bribing investigators,” *Associated Press*, November 25, 2018, <https://apnews.com/61d346e3143e491880e30749c42e85e0>

¹⁷Mogopodi Lekorwe, Anyway Chingwete, Mina Okuru, and Romaric Samson, “China’s growing presence in Africa wins largely positive popular reviews,” *Afrobarometer*, October, 24, 2016, http://afrobarometer.org/sites/default/files/publications/Dispatches/ab_r6_dispatchno122_perceptions_of_china_in_africa1.pdf

¹⁸Irene Sun, Karik Jayaram, and Omid Kassiri, “Dance of the lions and dragons: How are Africa and China engaging, and how will the partnership evolve? McKinsey, June 2017, <https://www.mckinsey.com/~media/McKinsey/Featured%20Insights/Middle%20East%20and%20Africa/The%20closest%20look%20yet%20at%20Chinese%20economic%20engagement%20in%20Africa/Dance-of-the-lions-and-dragons.ashx>

¹⁹“A Despot’s Guide to Guide to Foreign Aid,” *The Economist*, April 16, 2016, <https://www.economist.com/middle-east-and-africa/2016/04/16/a-despots-guide-to-foreign-aid>.

failing to live up to agreements. For instance, Djiboutian President Ismail Guelleh asserted, “that no one but the Chinese offers a long-term partnership in Djibouti.”²⁰ In the same vein, nine African leaders told President Trump at the UN General Assembly in September 2017 that “we would prefer to do business with the United States and other western countries, but you aren’t there...unlike China.”²¹ U.S. policymakers should be mindful that pressing Africans to pick a side is likely to fail, and that the region’s governments will seek to balance and, when necessary, play the two capitals off one another with the goal of securing the best deal possible.

A More Nuanced Approach

The United States has a vital role in shaping Chinese-African relationships, but it must adopt a more strategic and realistic approach to its messaging and engagement. Instead of objecting to Beijing’s expanding footprint in sub-Saharan Africa, Washington must accept that China has a long history and a secure future in the region. Even within a strategic competition framework, there are better ways to advance U.S. interests than criticism and knee-jerk opposition. Below are five recommendations to manage China’s rise in Africa:

- **Update the talking points.** The United States scores few points by talking down to African counterparts about the perils of Chinese engagement. First, as noted above, these critiques tend to be outdated and, in some cases, factually wrong. Second, U.S. chiding of African leaders who accept Chinese financing is often viewed as paternalistic. President Julius Maada Bio of Sierra Leone hit back at critics in September, saying “we are not fools in Africa.”²²
- **Focus on U.S. strategic advantages.** The United States and its business community have natural advantages in sub-Saharan Africa. The United States should target sectors where U.S. companies are best equipped to compete with Chinese ones. In 2017, the Atlantic Council argued that U.S. firms are most apt to dominate in the service sector, financial realm, agribusiness, and renewable energy.²³ In addition, there is a potential role for U.S. technology companies, as well as venture capital and social impact firms to play in Africa, especially if they adopt a royalty-based financing model.²⁴
- **Invest in Soft Power and Democracy.** The United States has traditionally had an edge over China because of U.S. values and its people-to-people engagement. It is essential not only to continue the widely popular Young African Leaders Initiative (YALI) but also to ratchet up U.S. engagement with African leaders and publics. Equally important, the United States should support Africa’s democratic institutions, civil society, and

²⁰ Francois Soudan, “Ismail Omar Guelleh: ‘Personne d’autre que les Chinois d’offre un partenariat a long terme a Djibouti’” *Jeune Afrique*, April 4, 2017. <https://www.jeuneafrique.com/mag/421096/politique/ismail-omar-guelleh-personne-dautre-chinois-noffre-partenariat-a-long-terme-a-djibouti/>

²¹ Oliver Casin, “Afrique-Etats-Unis: rencontre avec Cyril Sator, le ‘Monsieur Afrique’ de Trump,” *Jeune Afrique*, June 12 2018, <https://www.jeuneafrique.com/mag/564959/politique/afrique-etats-unis-rencontre-avec-cyril-sator-le-monsieur-afrique-de-trump/>

²² Li Rouhan, “Sierra Leonean president lauds China’s help in times of need,” *Global Times*, September 4, 2018, <http://www.globaltimes.cn/content/1118108.shtml>.

²³ Aubrey Hruby, “Escaping China’s Shadow: Finding America’s Competitive Edge in Africa,” *Atlantic Council*, September 2017, https://www.atlanticcouncil.org/images/Escaping_Chinas_Shadow_web_0907.pdf

²⁴ Aleksandra Gadzala, “Powering Inclusive Growth in Africa,” *The Atlantic Council*, April 2008, http://www.atlanticcouncil.org/images/Fintech_Issue_Brief_WEB.pdf.

journalists to check China's malign activities, including corruption. In countries such as Ghana, Kenya, and Zambia, muck-racking reporters have exposed Chinese misdeeds and negative behavior. This is critically important because there have been recent examples of Beijing pressuring African newsrooms to curb anti-Chinese stories.²⁵ If Washington wants to call out China's harmful role in Africa, it would be more effective to support and showcase African voices than merely criticize Beijing on its own.

- **Reconsider Joint U.S.-China Projects.** U.S. officials have indicated that they are increasingly opposed to working with China on development projects,²⁶ but the rest of the world views cooperation as a more effective approach to leverage China's assets and ideally constrain bad behavior. Italy, France, Japan, and the United Kingdom collaborate with China or have expressed an intent to do so. It seems evident that an inclusive approach to dealing with China is preferable to sidelining Chinese actors.
- **Engage Africa's Global partners.** Africa's governments are forging closer ties with traditional partners and new entrants. From Turkey and the Gulf States to East Asian countries such as Indonesia and Thailand, there has been a considerable uptick in foreign engagement with African states. Many of the region's interlocutors are enticed by the opportunity for greater trade and investment, while also concerned about growing threats emanating from the continent. In several cases, Africa's partners fear that China's engagement will crowd them out of these new markets. The United States has an opportunity to enlist the help of these countries and develop a consensus on managing China's presence in Africa.

²⁵ Azad Essa, "China is Buying Africa's Silence," *Foreign Policy*, September 14, 2018, <https://foreignpolicy.com/2018/09/14/china-is-buying-african-medias-silence/>

²⁶ Michael Igoe, "USAID adopts a hardline on China's development approach," *Devex*, September 18, 2018, <https://www.devex.com/news/usaid-adopts-a-hard-line-on-china-s-development-approach-93453>