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ISSUE BRIEF

China in Sub-Saharan Africa: Reaching far beyond natural resources

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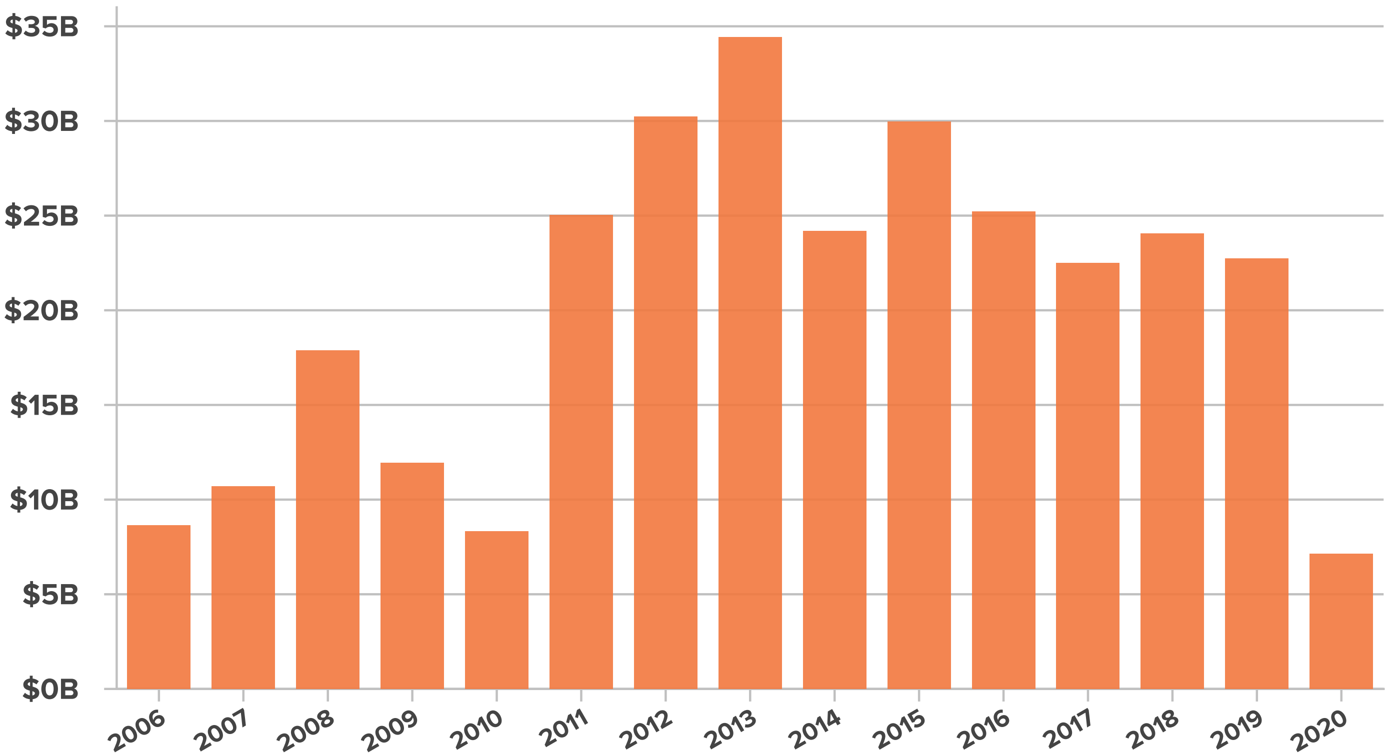
This work provides an empirical examination of China's growing footprint in the Sub-Saharan Africa's investment, trade, cultural, and security landscape over that past two decades. It highlights the increasing appetite of China for Sub-Saharan Africa's natural resources and young labor force while also eying the region's growing young population and consumer market as an important destination for Chinese goods and services over the next few decades. This work is the first in a series of empirical analyses that will be conducted on China's presence in developing economies and low-income countries.

INTRODUCTION

China's transformation into an economic powerhouse was the result of economic reforms from the 1980s that allowed China's gross domestic product (GDP) to grow by seventy-five times—from $200 billion to around $15 trillion—between 1980 and 2020. GDP per capita grew fifty times larger, from less than $200 to more than $10,000 in this forty-year time span. China presents a unique case: while smaller economies typically grow at a faster rate than large ones, never in that period has an emerging economy achieved a continuous annual growth rate of 10 percent. The transformation required concerted foreign engagement, from importing energy and raw materials to power this growth to an explosion of exports, which grew by more than 143 times from $18 billion in 1980 to $2.6 trillion in 2020. Both trends drew Beijing's eyes to the sub-Saharan Africa (SSA) region and growing interdependence and alignment have followed.

Demand for energy and raw materials put the SSA region front and center in China's industrial policy and foreign direct investment (FDI) strategies. At the same time, the region's underdeveloped economy and young and growing population make the SSA region an attractive market for its capital and

Figure 1: Chinese Yearly Investment and Construction in Sub-Saharan Africa



Source: China Global Investment Tracker (CGIT), American Enterprise Institute, https://www.aei.org/china-global-investment-tracker/.

consumer goods in the coming decades. As a result, not only has China's investment and construction in SSA been on the rise, but its trade with the region has increased by many folds in the recent decade. These economic and commercial trends have been accompanied by growth in the Chinese population and the number of educational and cultural facilities and media outlets in the SSA region. At the same time, Beijing has increased its military cooperation and presence in SSA. Hence, China's objective in the region has become more holistic, expanding from being purely economic and commercial to including the security and cultural domains.

DEVELOPMENT FINANCE

These ties have implications for international finance. The World Bank Group (WBG) is no longer the sole provider of financing and technical assistance for development projects in SSA. From 2018 to 2020, the WBG is estimated to have disbursed approximately $34 billion[1] to the region—less than China's investment and construction, which is estimated at around $54 billion for that period.[2]

Chinese investments in the SSA region are often made by state-owned enterprises (SOEs), ranging from transport and energy infrastructure to real estate and mining projects. Some examples, including valuations,[3] are:

- Niger: 2019 oil pipeline development ($7 billion)
- Nigeria: 2018 hydroelectric power plant ($5.8 billion); and 2020 gas pipeline project ($2.8 billion)
- Guinea: 2018-2020 investment and construction in the aluminum sector ($3.6 billion)
- Cameroon: 2018 port project ($1.3 billion)

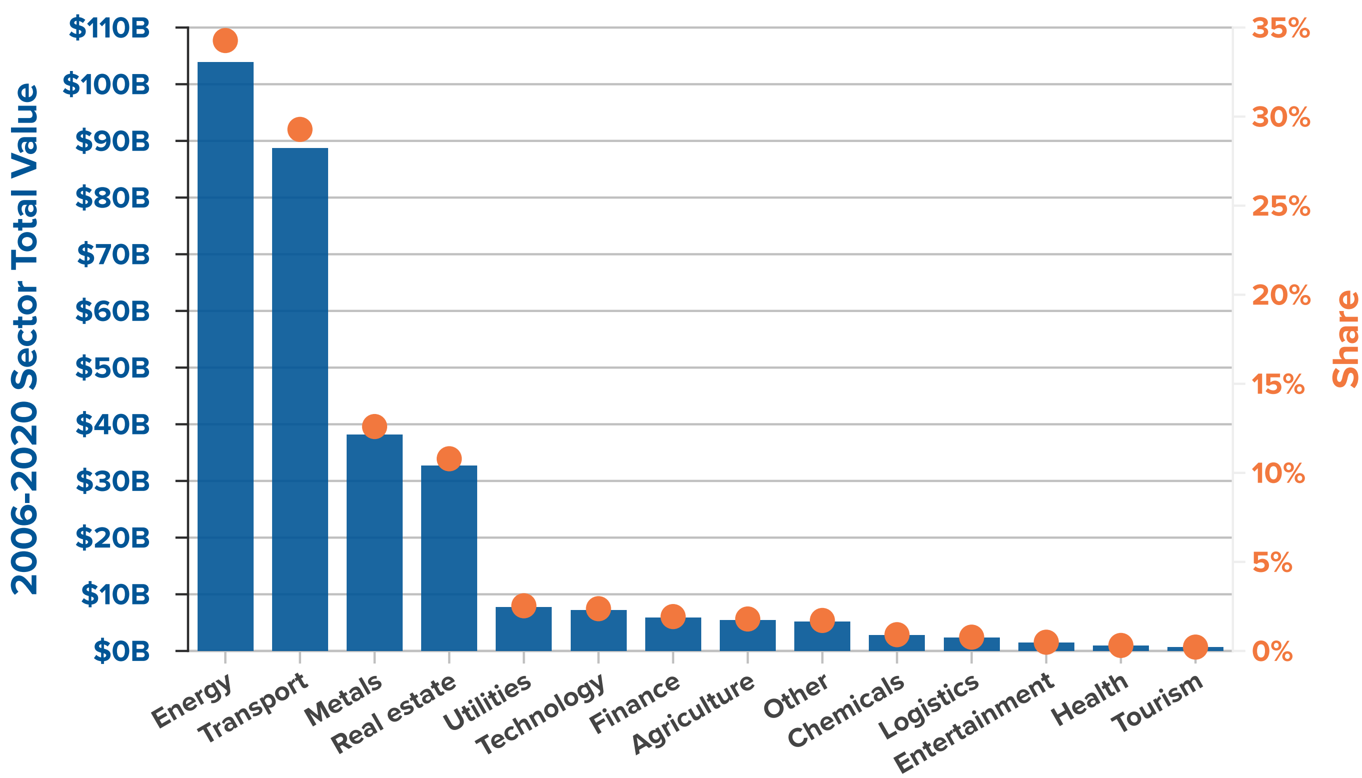
Between 2006 and 2020, a total of 601 Chinese investments and construction contracts, valued at over $303 billion, were signed in SSA (see Figure 1). Top destinations for Chinese investment in construction include Nigeria, Ethiopia, Angola, Kenya, Zambia, and the Democratic Republic of Congo (DRC), which collectively make up over 45 percent of total Chinese investment and construction in the SSA region. Between 2006 and 2020, Nigeria alone

1 World Bank, The World Bank Annual Report 2020: Supporting Countries in Unprecedented Times, October 1, 2020, https://openknowledge.worldbank.org/handle/10986/34406.

2 "China Global Investment Tracker," American Enterprise Institute, accessed August 26, 2022, https://www.aei.org/china-global-investment-tracker/.

3 "China Global Investment Tracker."

Figure 2: Chinese Investment and Construction in Sub-Saharan Africa, by Sector



Source: CGIT.

attracted more than 13 percent of all Chinese investment and construction (Figure 3).

In the SSA region, four sectors attract 87 percent of China's investment and construction in the region: energy at 34 percent; transport, 29 precent; metals, 13 percent; and real estate, 11 percent (see Figures 2 and 3). This is very similar to the Middle East and North Africa (MENA) region,[4] where the energy sector attracts close to 50 percent of China's investment, followed by transport, 19 percent; real estate, 15 percent; and metals, 6 percent.

While China's development financing and investments are scattered across the region, available data suggest there is a preference for SSA countries with access to open water. More than 67 percent of Chinese projects are in countries with seaports (see Table 1). On average, the contract value of a project in countries with a seaport is $528.7 million, as opposed to investment and construction in landlocked countries, which have an average contract value of $453.2 million, a $75.5 million difference for a given project.

Since 2013, the Belt and Road Initiative (BRI) has constituted a large portion of China's development projects in SSA. Looking at the BRI projects in SSA, one also sees the preference for countries with seaports. The difference in the average value of contracts between projects in countries with seaports vs. landlocked countries is $131 million (see Table 2). This is due to multiple factors: Chinese construction in SSA is largely connected to the heavy transport industry and port infrastructure. Additionally, the cost of doing business is generally lower in countries with seaports than in landlocked countries. Finally, landlocked SSA economies on average tend to be relatively smaller.

The above evidence suggests that the nature of the SSA nations' relationships with Beijing is to provide a long-term, secure supply of energy and minerals to China in exchange for Chinese investment in the energy, metals, and mining sectors of these economies, as well as the export of Chinese construction services in the transport and real estate sectors. Furthermore, it is evident that China garners political gains because of its economic diplomacy. The majority of countries in the SSA region tend to vote with China[5] in the United Nations and other international organizations,

4 Amin Mohseni Cheraghlou, "MENA at the Center of the West: China's 'Opening Up to the West' Strategy," Middle East Institute, March 9, 2021, https://www.mei.edu/publications/mena-center-west-chinas-opening-west-strategy.

5 Will Green, Leyton Nelson, and Brittney Washington, China's Engagement with Africa: Foundations for an Alternative Governance Regime, US-China Economic and Security Review Commission, May 1, 2020, https://www.uscc.gov/research/chinas-engagement-africa-foundations-alternative-governance-regime.

Figure 3: Chinese Investment and Construction in Sub-Saharan Africa by Country and Sector

Source: CGIT.

lending their support to many of China's global initiatives, which often translates into rejecting and blocking Western initiatives. This trend is even more apparent with SSA countries that receive official development assistance (ODA) from China.[6]

With SSA's large reserves of energy and other natural resources, in addition to its young and cheap labor force, China's energy and labor-intensive production, along with its mining activities, are increasingly taking place in SSA countries. China's long-term economic presence in SSA will

6 Organization for Economic Co-operation and Development, "Official Development Assistance (ODA)," OECD, data for 2021, accessed August 26, 2022, https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/official-development-assistance.htm.

TABLE 1. CHINESE PROJECTS IN SUB-SAHARAN AFRICA: COUNTRIES WITH SEAPORTS VS. LANDLOCKED COUNTRIES (2006-2020)		
	NUMBER OF PROJECTS	AVERAGE VALUE OF PROJECTS ($ MILLIONS)
Countries with access to free waters	406	528.7
Landlocked countries	195	453.2
Difference between the two groups		75.5

TABLE 2. CHINESE BRI-RELATED PROJECTS IN SUB-SAHARAN AFRICA: COUNTRIES WITH SEAPORTS VS. LANDLOCKED COUNTRIES (2006-2020)		
	NUMBER OF PROJECTS	AVERAGE VALUE OF PROJECTS ($ MILLIONS)
Countries with access to free waters	220	509.8
Landlocked countries	110	378.8
Difference between the two groups		131.0*

* Difference is statistically significant at less than 5 percent level.

ultimately lead to growth in physical capital stock, improvements in human capital, and increasing wages, all of which are essential for the region's long-run economic development. With a growing population expected to reach around 2.2 billion by 2050, SSA will become an attractive market for Chinese consumer products. It seems that China's efforts both in economic diplomacy and statecraft within the SSA region have ensured its access to key resources and markets of SSA for the foreseeable future. With the global competition over access to energy, natural resources, and new consumer markets on the rise, it is likely critical in Beijing's eyes to maintain and expand China's presence in SSA.

TRADE

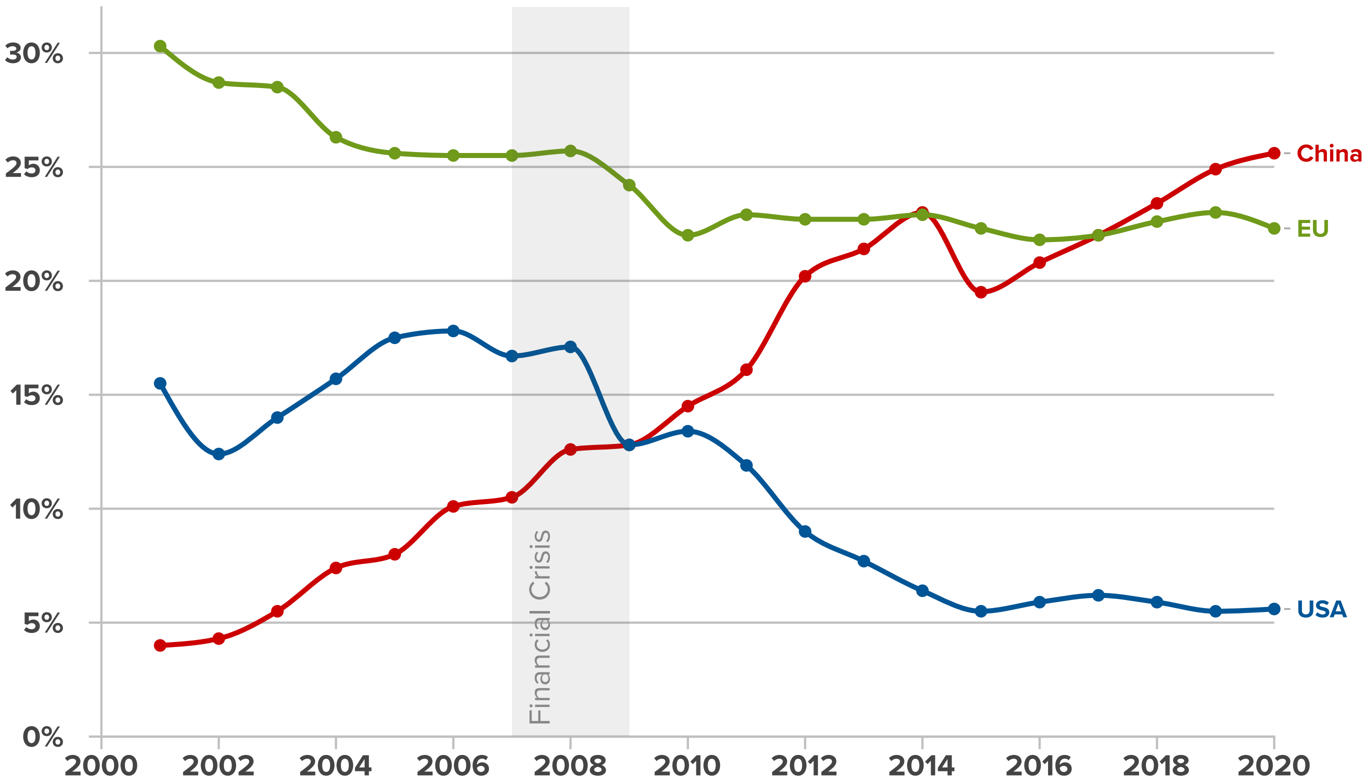
In the past two decades, China has become a major trading partner for the SSA region. China's state-led trade and industrial policies have targeted the region, leading to a mutual increase in the share of total trade for both China and SSA. Between 2001 and 2020, China's merchandise trade with the region increased by a whopping 1,864 percent—surpassing SSA's trade with both the United States and the European Union. In other words, from 2001 to 2020, China's share in total merchandise trade in SSA rose from 4 percent to 25.6 percent, while during the same period, the shares of the United States and the EU in SSA's total trade declined by 10 percentage points and 8 percentage points, respectively (Figure 4). One reason for the prominent position of China in SSA's trade is its emergence as the region's main development partner and financier, which has sometimes meant exclusive access to SSA's markets, natural resources, and ports.

In the immediate aftermath of the 2007-09 global financial crisis (GFC), China surpassed the United States in total merchandise trade with SSA. US trade with SSA fell drastically from a high of 17.1 percent in 2008 to 5.5 in 2015. Since then, trade has remained relatively stable. The main exports from SSA countries to China include agricultural products, minerals, and crude oil—and the latter constitutes 16 percent of China's total crude oil imports. In just ten years, crude oil exports from SSA to China increased by more than 100 percent, from 0.7 million barrels per day (bpd) in 2008 to 1.5 million bpd in 2019.

Similar trends occurred in the Middle East and North Africa (MENA) region. After the GFC, the United States fell behind China in trade with MENA, as seen in Figure 5. An important reason for this trend has been the increasing reliance of China and decreasing dependence of the United States on MENA and SSA's energy resources. As the United States began to expand its production of shale oil and gas with the goal of achieving energy independence, US energy imports began to decline, while Chinese demand for energy imports has grown over the past twenty years. This has coincided with diverging investment levels in the energy sectors of SSA and MENA countries, with China increasing its level and the United States decreasing its investment. The growing interdependence between China and these two regions suggests—at least regarding trade and investment—a realignment from the West to the East for SSA and MENA countries.

During the same period, SSA has also benefited from an increase in its share of China's total trade. From 2001 to

Figure 4: Share in Total Merchandise Trade of Sub-Saharan Africa



Source: International Monetary Fund (IMF) Direction of Trade Statistics (DOTS).

2020, trade increased more than twofold: from 1.48 percent to 3.18 percent. Comparatively, trade with the EU remained relatively the same, while trade with the United States declined after the GFC (Figure 6).

In 2019, as illustrated in Table 3, China was the top exporter to twenty-six SSA economies, and a Top Three exporter for twenty-nine SSA economies. In terms of imports from SSA countries, China ranked first for thirteen countries, and in the top three for twenty-two countries. In 2019, China also accounted for more than 50 percent of imports for eight SSA economies; for sixteen SSA economies, China accounted for more than 20 percent of imports.

Trade between China and Africa reached an all-time high in 2021[7] despite the global supply chain disruptions caused by the COVID-19 pandemic. Data released by the General Administration of Customs of the People's Republic of China[8] shows that trade between China and the African continent surpassed $254 million in 2021, up from $187 billion in 2020. This increase can likely be attributed to a variety of factors including China's efforts to boost imports from Africa, the rise in commodity prices, and an increase in exports of pandemic-related goods like personal protective equipment (PPEs) and vaccines.[9] Moreover, while having access to seaports is a clear advantage in trade, China's trade with forty-five out of forty-nine SSA countries—including the landlocked ones—has grown significantly in the past twenty years (Figure 7).

POPULATION AND SOFT POWER

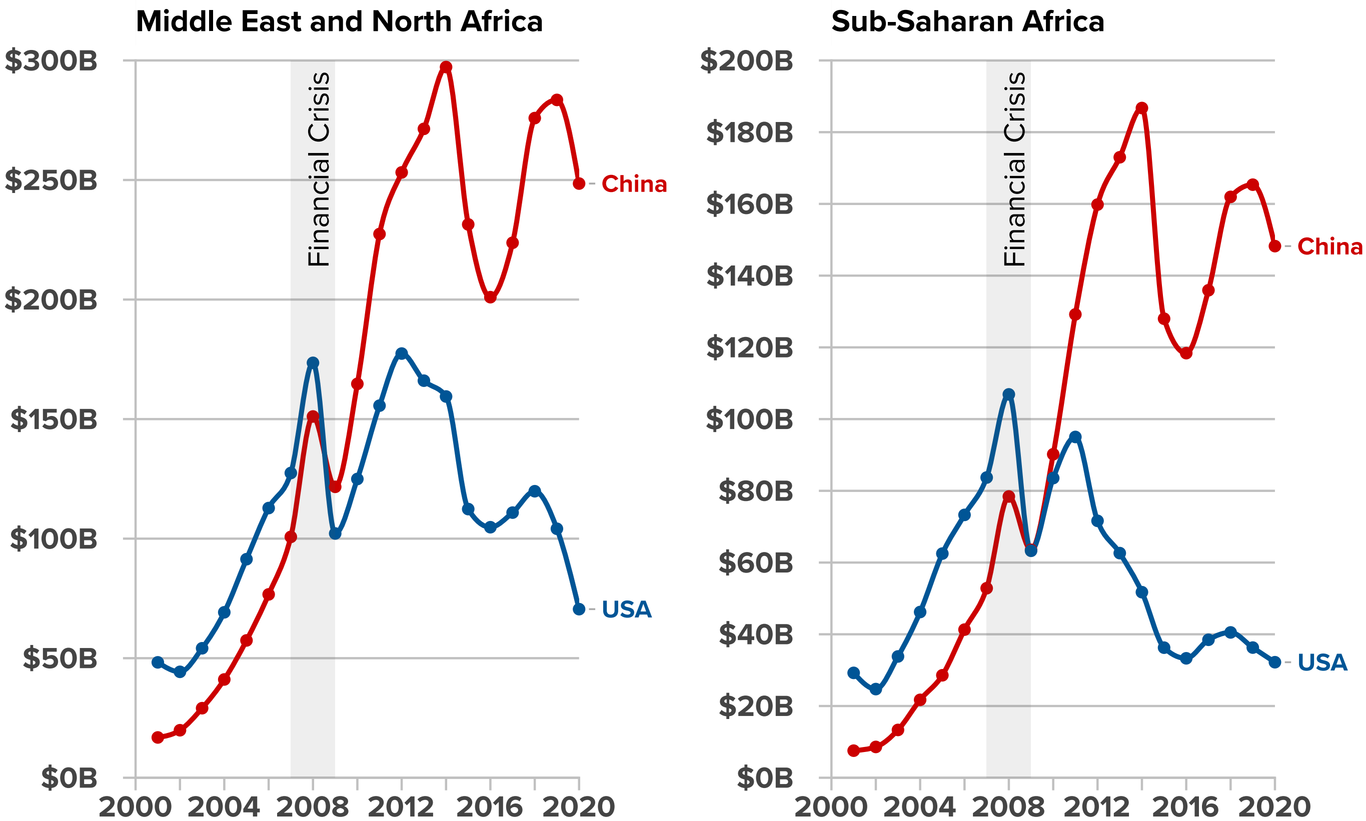
The migration of Chinese nationals into SSA has coincided with the nation's increased investment and trade with the region. The influx includes civil servants, temporary labor migration connected to government-funded investment projects, entrepreneurs, and transit workers. The population of Chinese migrants in Africa is estimated at one to two million, with the largest numbers in Ghana, South Africa, Madagascar, Zambia, and the DRC. In 2020, close to 50 percent of official Chinese workers in Africa (i.e., workers sent by companies or hired as factory

7 Carlos Mureithi, "Trade between Africa and China reached an All-time High in 2021," Quartz, last updated July 20, 2022, https://qz.com/africa/2123474/china-africa-trade-reached-an-all-time-high-in-2021/.

8 General Administration of Customs of the People's Republic of China, "Country (Region) Total Value Table of Import and Export Commodities in December 2021," http://www.customs.gov.cn/customs/302249/zfxxgk/2799825/302274/302277/302276/4127455/index.html.

9 Jevans Nyabiage, "Trade Boom with China Makes Africa One of World's Strongest Performers," South China Morning Post, January 21, 2022, https://www.scmp.com/news/china/diplomacy/article/3164200/trade-boom-china-makes-africa-one-worlds-strongest-performers.

Figure 5: Total Merchandise Trade by Region



Source: IMF DOTS.

laborers) were residing in Algeria, Nigeria, Ethiopia, the DRC, and Angola—the top recipients of Chinese investment.[10] Chinese migrants play a crucial role in setting up small local workshops to make light industry goods, retail shops, and other service providers. They help to create linkages to the home country, channeling goods, products, and capital via informal circuits that are very often left out of official reporting.

In the past, China has faced criticism for importing its own workers for BRI projects. The thought was that Chinese labor would keep China's labor costs low but create local resentment among low-skilled African workers. However, a 2019 report by scholars from SOAS University of London and the London School of Economics and Politics found that contrary to media perception, local workers made up 90 percent of employees in Ethiopia and 74 percent in Angola.[11] Over the past ten years, workforce localization—including recruitment and development to decrease reliance on expatriate labor—in Angola had grown significantly as more Chinese firms moved in. Several factors can impact the localization of labor in SSA countries, including labor laws within the host country, and the type of labor needed (skilled versus unskilled). For example, for BRI projects in the early phases, many firms preferred using Chinese workers for skilled positions as they were already familiar with the operations and technology of these companies.[12] A 2017 McKinsey & Company report found that local labor accounted for 91 percent of workers employed by private firms and 81 percent for SOEs.[13] Notably, since 2015 the number of official Chinese workers has declined by 30.7 percent.[14] This recent decline could be a result of

10 "Data: Chinese Workers in Africa," China Africa Research Initiative, accessed August 26, 2022, http://www.sais-cari.org/data-chinese-workers-in-africa.

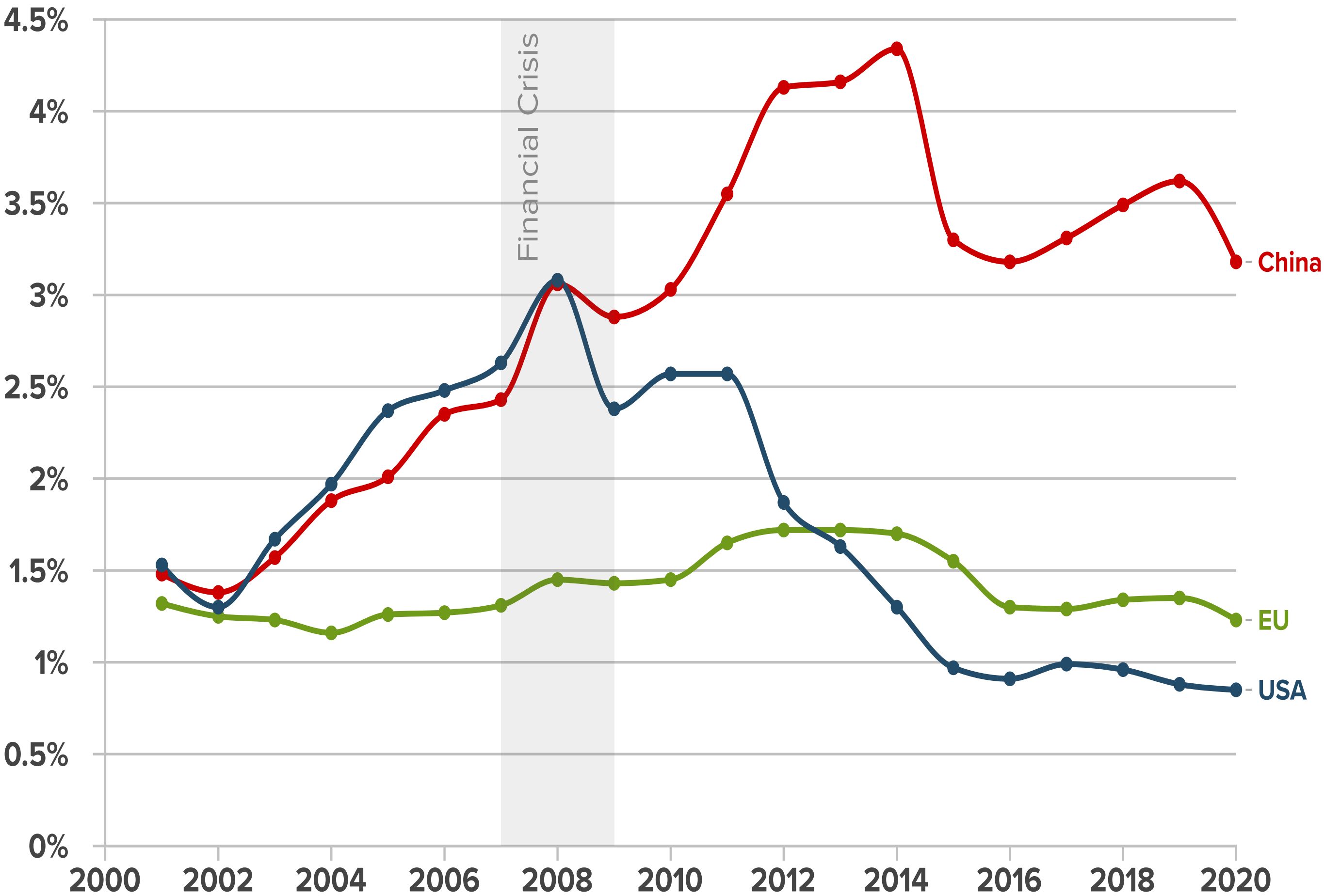
11 Carlos Oya and Florian Schaefer, Chinese Firms and Employment Dynamics in Africa: A Comparative Analysis, Research Synthesis Report, SOAS University of London, 2019, 5, https://eprints.soas.ac.uk/34241/1/file141857.pdf.

12 Carlos Oya, "Labour Regimes and Workplace Encounters between China and Africa," in *China-Africa and an Economic Transformation,* eds. Arkebe Oqubay and Justin Yifu Lin (Oxford, United Kingdom: Oxford University Press, 2019), DOI: 10.1093/oso/9780198830504.003.0012.

13 Kartik Jayaram, Omid Kassiri, and Irene Yuan Sun, The Closest Look Yet at Chinese Economic Engagement in Africa, McKinsey & Company, June 28, 2017, https://www.mckinsey.com/featured-insights/middle-east-and-africa/the-closest-look-yet-at-chinese-economic-engagement-in-africa.

14 Abubakar Idris, "How Many Chinese Workers Are There in Africa Now?" Quartz, last updated July 20, 2022, https://qz.com/africa/1963566/how-many-chinese-workers-are-there-in-africa-now-2/.

Figure 6: Share of Sub-Saharan Africa in Total Trade



Source: IMF DOTS.

increasing labor cost in China making it increasingly unaffordable for companies to bring in workers from China. While companies may be hiring locally and creating jobs for local communities, there have been numerous accounts of resistance to unionization, violations of workers' rights, and unfair labor practices.[15]

To achieve its economic and investment objective in the continent, China also has heavily invested in Africa's human capital, through scholarships and training programs for African professionals. Along with increasing security and economic ties with the region, China has also focused on strengthening its soft power. By providing 16 percent of all scholarships for African students to study abroad in 2018, according to a report from UNESCO, China ranks first among foreign providers.[16] The United States, by comparison, ranks fifth of all Organization for Economic Co-operation and Development (OECD) member countries. Additionally, there are currently sixty-one Confucius Institutes operating within forty-six African countries.[17] These institutes operate in partnership with local universities and serve as Chinese language and cultural centers in their host countries. Since 2004, more than five thousand teachers have been sent to support these efforts. The impact of China's growing presence in this region hence goes beyond macroeconomic effects such as trade flows, commodity prices, and economic growth.

China also has increased its presence and shaped its perception in SSA by expanding state-run media into the region. Major media companies like Xinhua, China Global Television Network (CGTN), Chinese Radio International, and China Daily operate in many African countries, even offering free content to local news outlets. This push began around fifteen years ago when Xinhua moved its regional editorial office from Paris to Nairobi in 2006. In 2021, CGTN

15 Socrates Mbamalu, "Plight of African Workers under Chinese Employers," African Liberty, September 27, 2018, https://www.africanliberty.org/2018/09/27/plight-of-african-workers-under-chinese-employers/.

16 UNESCO, Inclusion and Education: All Means All (Paris: UNESCO, 2020), https://unesdoc.unesco.org/ark:/48223/pf0000373718/PDF/373718eng.pdf.multi.

17 Xinhua, "61 Confucius Institutes, 48 Confucius Classrooms Established in Africa: White Paper," Xinhuanet, November 11, 2021, http://www.news.cn/english/2021-11/26/c_1310334064.htm.

TABLE 3. CHINESE TRADE SHARE AND RANK WITH SSA COUNTRIES

	Share Of Country Exports To China	Rank Of China In Country Exports	Share Of Country Imports From China	Rank Of China In Country Imports	Access To Seaports
Angola	62.4%	1	21.6%	1	YES
Benin	8.2%	>5	28.1%	1	YES
Botswana	<1%	>5	2.5%	>5	NO
Burkina Faso	1.1%	>5	9.3%	2	NO
Burundi	4.3%	4	14.4	1	NO
Cameroon	17.4%	1	27.6%	1	YES
Central African Rep.	41.1%	1	8.6%	4	NO
Chad	32.4%	1	28.8%	1	NO
Comoros	<1%	>5	21.9%	1	YES
Dem. Rep. of Congo	53.0%	1	28.5%	1	YES
Congo, Rep. of	49.1%	1	14.9%	1	YES
Côte d'Ivoire	2.7%	>5	17.8%	1	YES
Equatorial Guinea	33.9%	1	11.6%	3	YES
Ethiopia	16.6%	1	26.5%	1	NO
Gabon	62.8%	1	16.6%	2	YES
Gambia	37.9%	1	33.0%	1	YES
Ghana	12.3%	3	23.6%	1	YES
Guinea	35.6%	2	39.0%	1	YES
Guinea-Bissau	3.1%	4	9.6%	3	YES
Kenya	2.4%	>5	23.9%	1	YES
Lesotho	2.6%	>5	4.7%	2	NO
Liberia	5.1%	5	40.7%	1	YES
Madagascar	5.6%	4	23.5%	1	YES
Malawi	3.4%	>5	16.3%	2	NO
Mali	3.3%	3	10.6%	3	NO
Mauritius	1.5%	>5	15.2%	1	YES
Mozambique	11.5%	3	16.8%	3	YES
Namibi	27.3%	1	4.0%	3	YES
Niger	24.5%	2	18.7%	1	NO
Nigeria	4.0%	>5	29.5%	1	YES
Rwanda	1.4%	>5	17.1%		NO
São Tomé and Príncipe	<1%	>5	7.6%	3	YES
Senegal	6.6%	3	17.4%	1	YES
Seychelles	<1%	>5	4.8%	>5	YES
Sierra Leone	25.4%	2	27.1%	1	YES
South Africa	15.4%	1	18.2%	1	YES
South Sudan	88.3%	1	18.2%	2	NO
Tanzania	8.2%	3	34.0%	1	YES
Togo	3.2%	>5	18.0	1	YES
Uganda	1.3%	>5	19.3%	1	NO
Zambia	15.9%	2	13.9%	2	NO
Zimbabwe	3.9%	4	8.3%	3	NO

Figure 7: Total Trade with China from 2001-2020 (millions $)

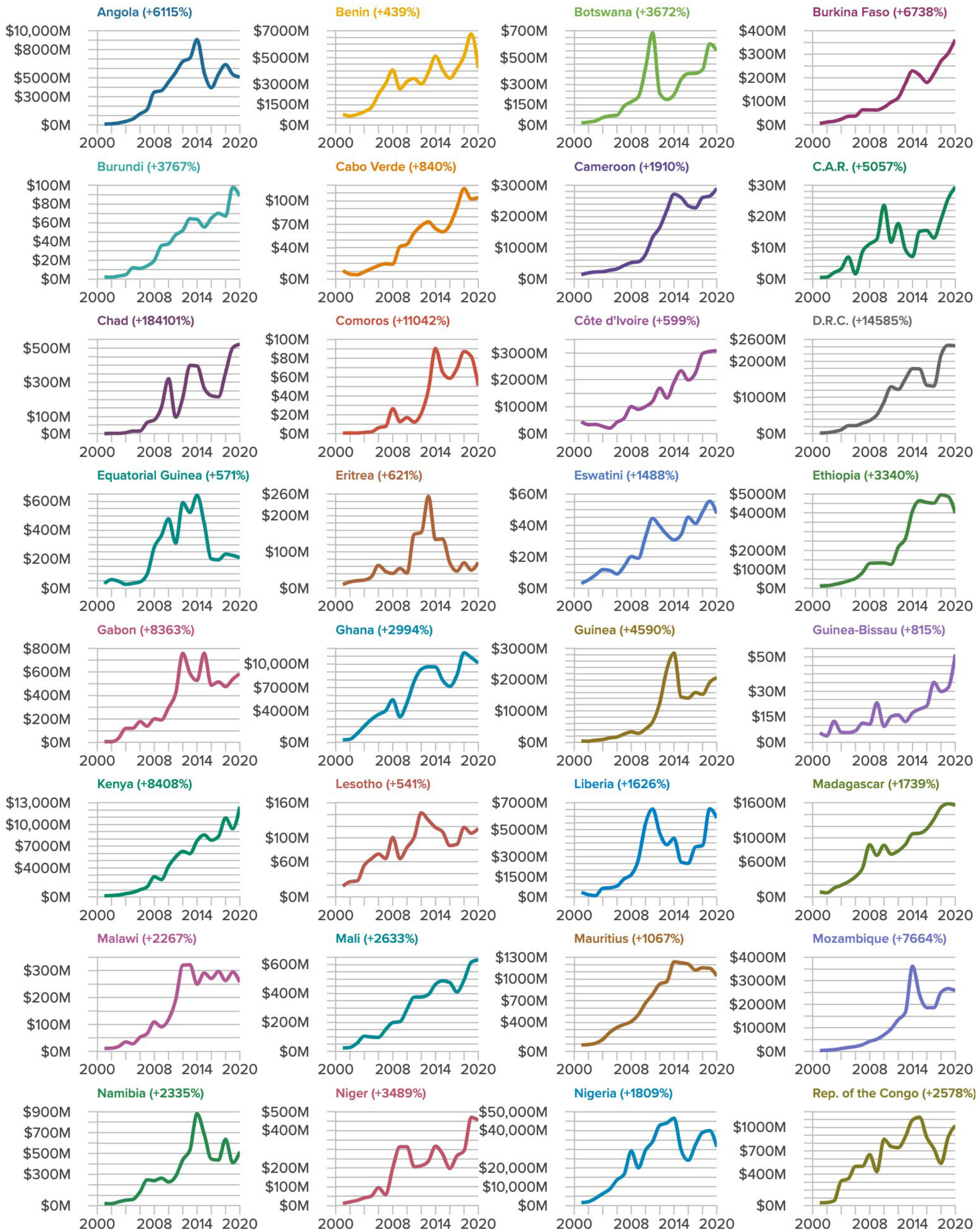
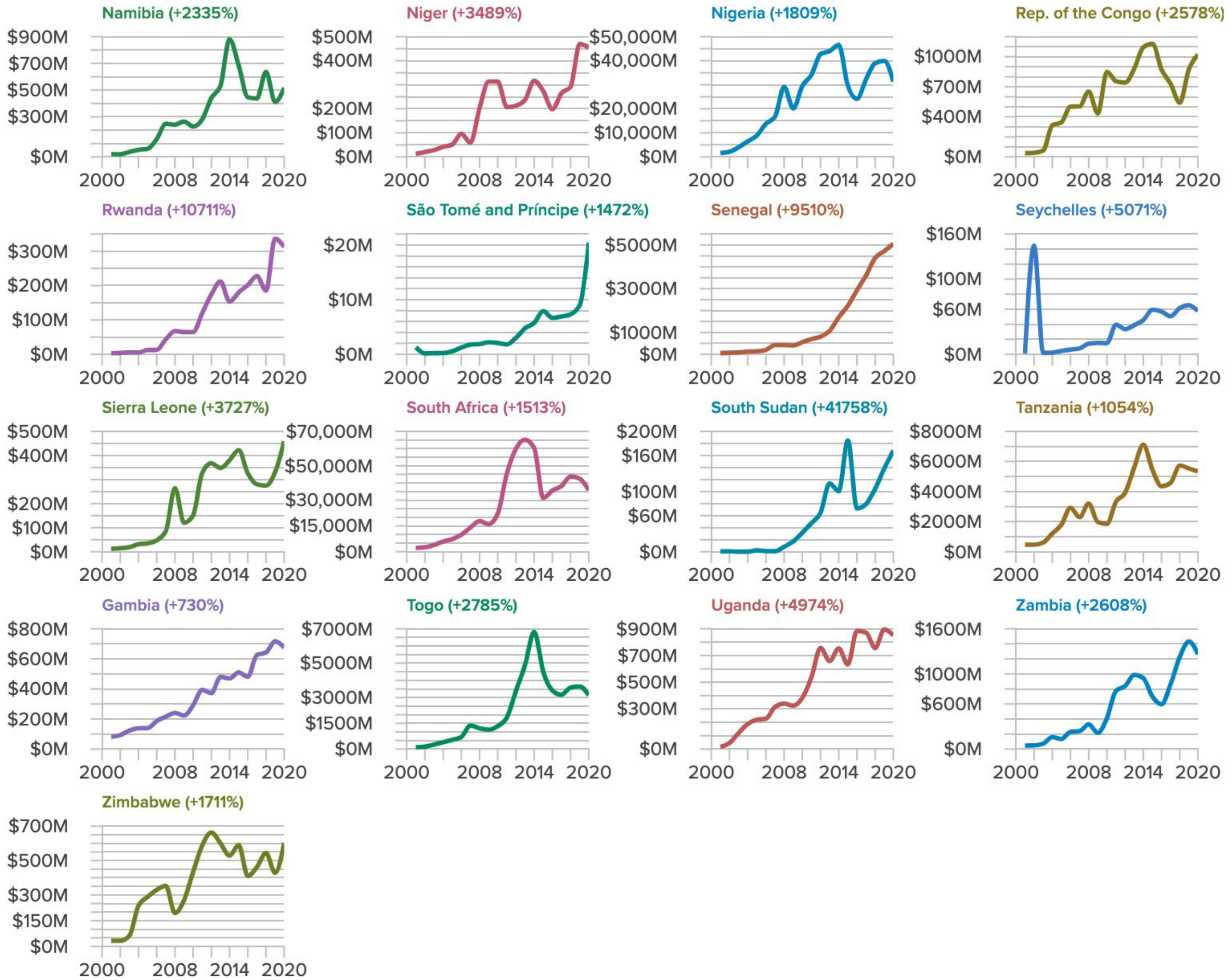


Figure 7: Total Trade with China from 2001-2020 (millions $)



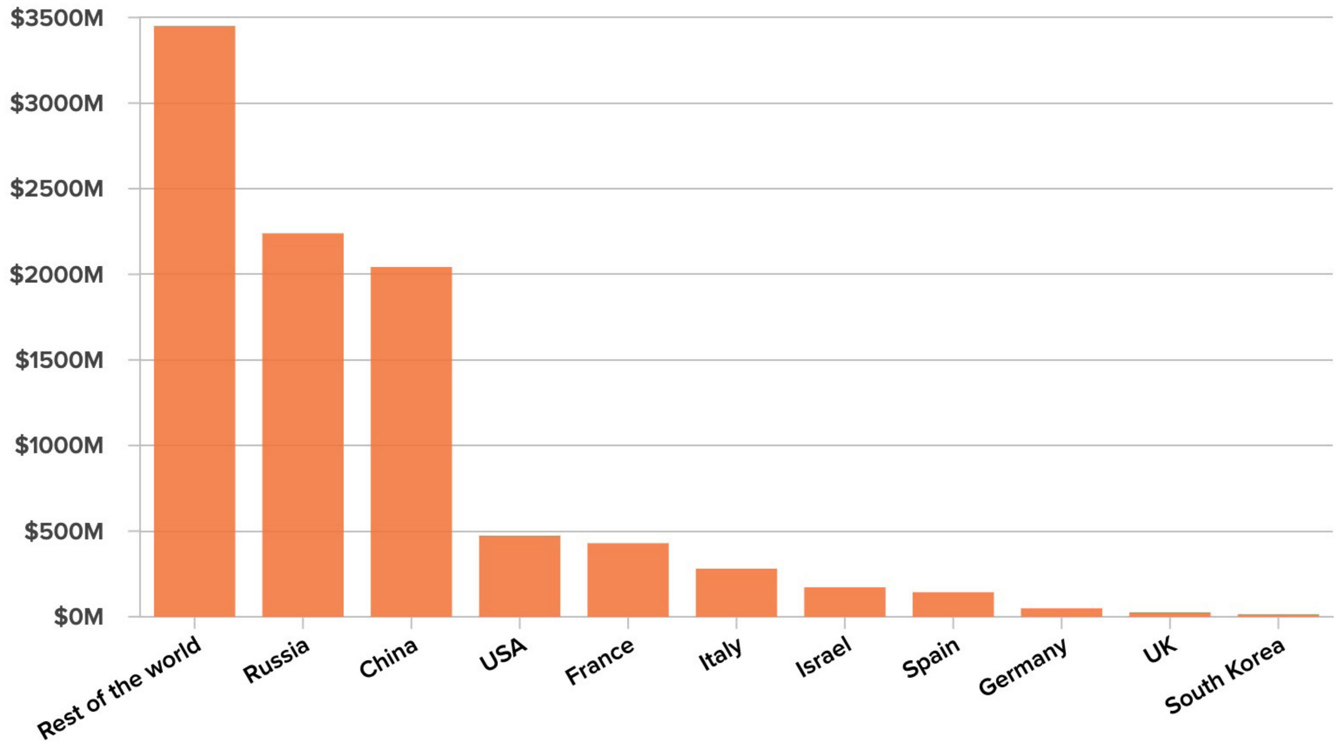
Source: IMF DOTS • %'s represent growth rate of total trade from 2001 to 2020

set up its Africa headquarters in Kenya. While China's presence in the region is clear, it is difficult to measure whether the expansion of Chinese state-run media into SSA has been an effective tool in shaping public perception of China. A survey done by Afrobarometer on the perception of China in seventeen SSA countries indicated that for the most part people view China favorably. Indeed, 63 percent of Africans view China's influence in the continent as somewhat or very positive, scoring the highest in the following three SSA countries: Liberia, 81 percent; Niger, 84 percent; and Mali, 92 percent. In terms of development model, the survey found 32 percent of Africans prefer the development model of the United States over China, while 23 percent chose the reverse.[18]

It is not clear how much of this favorable perception of China is linked to its media and cultural efforts in the region overall, but an analysis indicates China's efforts have been unsuccessful in some countries. A 2018 paper published in the International Journal of Communications on the influence of Chinese media in Africa focused on university students in South Africa and Kenya, two countries where China has a large media presence, and concluded that Chinese media contributed little to increasing Beijing's soft

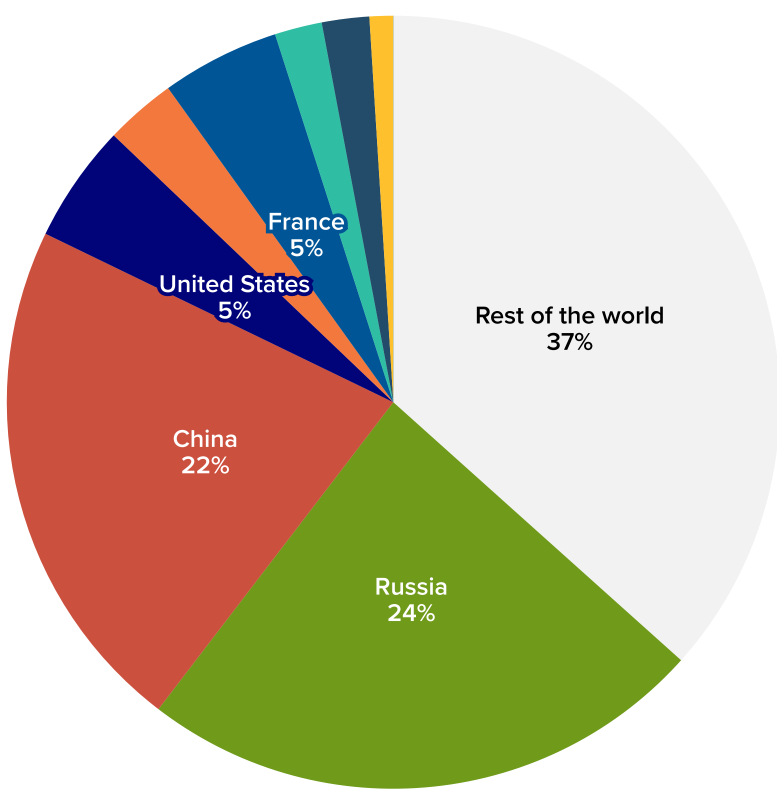
18 Mogopodi Lekorwe et al., China's Growing Presence in Africa Wins Largely Positive Popular Reviews, Afrobarometer, October 24, 2016, https://www.afrobarometer.org/wp-content/uploads/migrated/files/publications/Dispatches/ab_r6_dispatchno122_perceptions_of_china_in_africa1.pdf.

Figure 8: Top 10 Arms Exporters to Sub-Saharan Africa 2010-2021 (million $)



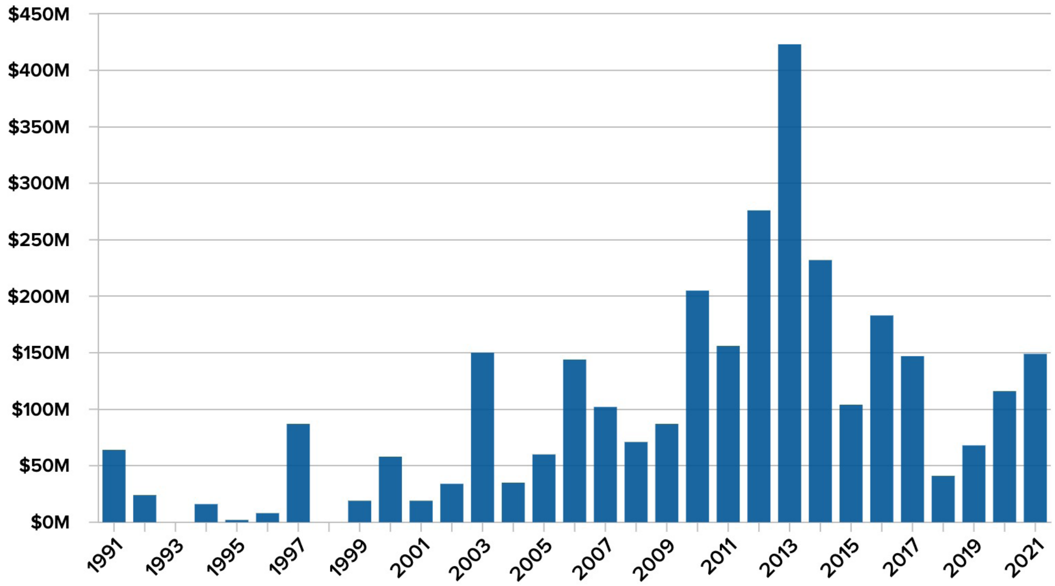
Source: Stockholm International Peace Research Institute (SIPRI), data from Importer/Exporter Trend Indicator Value (TIV) Tables, accessed October 2, 2022, https://armstrade.sipri.org/armstrade/page/values.php.

Figure 9: Share of Top 10 in Total Arms Exports to Sub-Saharan Africa 2010-2021 (%)



Source: SIPRI Importer/Exporter TIV Tables, accessed October 2, 2022.

Figure 10: China's Arm Exports to Sub-Saharan Africa Region between 1991-2021 (million $)



Source: Stockholm International Peace Research Institute

power among the student populations.[19] For example, in South Africa, many students associated Chinese media with censorship. A case in point: two Chinese firms obtained a 20 percent stake in the second-largest South African media group, Independent Media (IOL), in 2013; IOL faced controversy in 2018 over the termination of a column that condemned China's persecution of Uyghurs, according to Reporters Without Borders.[20] This kind of "heavy handedness" can be counterproductive as it leads to criticism from the local community, in this case concerning the two IOL investors: China-Africa Private Development Fund (Cadfund) and China International Television Corporation (CITVC). Nonetheless, the scholarly paper notes that China offers scholarships to SSA students for media studies in China, and it bears watching for any lasting influence on strengthening Chinese media values and engagement in the region.

ARMS TRADE, SECURITY, AND MILITARY BASES

As seen above, China has become the largest trading partner and primary investor and lender in sub-Saharan Africa. This has caused its overall relationship with the region to become a special point of concern for the international community. In addition to strong economic ties, China has been a historical security partner for the region and in recent years, it has played a major role in addressing SSA's security issues. Second only to the United States, China is a leading financial contributor to UN peacekeeping missions around the world and is currently the largest troop contributor of the Security Council members. By early 2020, China had deployed over two thousand soldiers and staff for UN peacekeeping missions in the DRC, Central African Republic, Mali, Sudan, and South Sudan.[21]

According to data compiled by the Stockholm International Peace Research Institute (SIPRI), between 2017 and 2020, China exported almost three times as many arms to SSA than the United States. Between 2010 and 2021, total arms exports to SSA reached $9.32 billion. China accounted for 22 percent (or $2.04 billion)–second only to Russia, at 24 percent ($2.24 billion). The United States, by comparison, made up only 5 percent, $473 million (Figures 8 and 9).

Five SSA countries were recipients of more than 60 percent of Chinese arms exports to the region: Tanzania (19.6 percent), Nigeria (13.5 percent), Sudan (12.6 percent), Cameroon (11.2 percent), and Zambia (6.22 percent). These countries also are home to some of China's largest investment and construction projects in SSA, pointing to a growing linkage between Beijing's economic interests and

19 Herman Wasserman and Dani Madrid-Morales, "How Influential Are Chinese Media in Africa? An Audience Analysis in Kenya and South Africa," International Journal Communication (2018), accessed August 26, 2022, https://ijoc.org/index.php/ijoc/article/view/7809/2355.

20 Reporters Without Borders, "South Africa: Journalist Loses Column after Publishing an Article Critical of China," last updated September 21, 2018, https://rsf.org/en/south-africa-journalist-loses-column-after-publishing-article-critical-china.

21 Richard Gowan, "China's Pragmatic Approach to UN Peacekeeping," Brookings Institution, September 14, 2020, https://www.brookings.edu/articles/chinas-pragmatic-approach-to-un-peacekeeping/.

security concerns in the region. It is interesting to note that China's arms exports to SSA reached an all-time high of $423 million in 2013, which coincides with the launch of the BRI (Figure 10).

The case of Nigeria's multifaceted relationship with China is particularly important in illustrating the overlap between China's security and economic interests in SSA. In addition to being the most populous country in the region, Nigeria has vast amounts of energy resources and several seaports on the Atlantic coast. Nigeria attracted more than 13 percent of all Chinese investment and construction in SSA between 2006 and 2020: the largest SSA recipient of Chinese capital and projects. From 2017 to 2021, Nigeria was one of the five largest arms importers in SSA, and the nation accounts for 20 percent of all Chinese arms exports to SSA between 2010 and 2021. In 2021 alone, China accounted for 34.4 percent of Nigeria's arms imports, while the United States and Russia accounted for 2.67 percent and 6.49 percent, respectively. To address its security challenges, Nigeria's military spending reached $4.5 billion in 2021, a 56 percent increase from the previous year.[22] Contrary to its usual practice of exporting light arms to SSA, Beijing has started selling more advanced weaponry to Nigeria, highlighting the centrality of Nigeria in China's geopolitical calculations in the SSA region. Therefore, in addition to its military exports to Nigeria, China has offered to send its own security experts to aid Nigeria in combating the insurgencies and armed groups that have been plaguing the nation's security and stability for decades.[23]

Moreover, Russia's 2022 invasion of Ukraine may open additional opportunities for Chinese military influence in Nigeria. International sanctions in the wake of that invasion may limit the benefits of Nigeria's 2021 agreement with Moscow for military equipment and training—and could mean an increase in Nigeria's arms imports from China.[24] US sanctions of many Russian defense contractors are forcing Nigeria to consider alternatives: China is clearly the default option as the growing relationship between China and Nigeria in the past few years has also made China the top arms exporter to Nigeria, surpassing Russia in arms exports for two consecutive years.[25]

In the past few years, China has also funded programs to train military personnel from various African countries. This serves as a way for China to export its own governance model.[26] China has focused on security training programs, inviting thousands of military officers from African countries to participate in workshops.[27]

Through the BRI, China has also funded numerous seaports in the SSA region. There are at least forty-six ports at various stages that are funded, operated, or constructed by China in SSA.[28] While these ports are built for commercial usage, there are a growing number of countries where this could change in the future as China considers increasing it military presence in the region. Counterpiracy operations, efforts to improve maritime security in the Gulf of Guinea and at the Horn of Africa, and invitations by local governments to help them on security fronts are Beijing's main justifications for potentially adding military bases in the region.[29] In testimony before the House Services Committee, a US Defense Department official announced that China is seeking to add one naval military base on the Atlantic Ocean in SSA.[30] China has made the most progress in its outreach for such a base in Equatorial Guinea; notably, between 2006 and 2020, Chinese investments and construc-

22 SIPRI Importer/Exporter data.

23 Kristin Huang, "China Offers to Send Security Team to Nigeria," South China Morning Post, December 18, 2021, https://www.scmp.com/news/china/diplomacy/article/3160226/china-offers-send-security-team-nigeria.

24 Murtala Abdullahi, "Analysis: Russia Sanctions Could Spur Chinese Arms Sales to Nigeria," Al Jazeera, April 1, 2022, https://www.aljazeera.com/features/2022/4/1/ukraine-war-sanctions-could-boost-chinese-arms-supply-to-nigeria.

25 SIPRI Importer/Exporter data.

26 Huang, "China Offers."

27 Hearing on China's Strategic Aims in Africa, Before the U.S.-China Economic and Security Review Commission, Panel III: China's Military and Security Presence in Africa, May 8, 2020 (statement of Judd Devermont, director of the Africa Program of the Center for Strategic and International Studies).

28 Judd Devermont, Amelia Cheatham, and Catherine Chiang, Assessing the Risks of Chinese Investments in Sub-Saharan African Ports, CSIS, June 4, 2019, https://www.csis.org/analysis/assessing-risks-chinese-investments-sub-saharan-african-ports.

29 Reuters staff, "China Appoints New Special Envoy for Turbulent Horn of Africa Region," Reuters, February 22, 2022, https://www.reuters.com/world/china-appoints-new-special-envoy-turbulent-horn-africa-region-2022-02-22/.

30 David Vergun, "General Says China Is Seeking a Naval Base in West Africa," Department of Defense (website), March 17, 2022, https://www.defense.gov/News/News-Stories/Article/Article/2969935/general-says-china-is-seeking-a-naval-base-in-west-africa/.

tion contracts in Equatorial Guinea were valued at $3.36 billion.[31] China is considering other countries for bases like Angola; and in East Africa, China is looking at nations such as Kenya, Namibia, the Seychelles, and Tanzania. Nevertheless, some experts argue that such concern is overstated and there is little evidence to support the claims that China is keen on expanding its military presence along the SSA's Atlantic coast.[32]

As of now, however, China has one military base in the SSA region, in Djibouti. Established in 2017 with the objective of anti-piracy operations in the Gulf of Aden, the base hosts around two thousand troops and features helicopter landing pads and piers to dock aircraft. Not surprisingly, the country has also been a large recipient of BRI investments: from 2012 to 2020, Djibouti received investments and loans valued at $14 billion. This includes a $4 billion railway connecting Djibouti to Addis Ababa, the capital of neighboring Ethiopia and a regional hub; $3.5 billion for international trade zones; and a $300 million water pipeline.[33] Moreover, in 2022, China appointed its first special envoy to the Horn of Africa to promote "peaceful development."[34]

On political fronts, too, Beijing is expanding its footprint in SSA, just as one would expect of a rising global power with a strategic interest in the region. For example, in 2021, Beijing condemned the military coup in Guinea,[35] a country where China has made significant investments in the country's bauxite and iron ore deposits. In contrast, China joined Russia in blocking the UN Security Council in early 2022 from supporting new economic sanctions on Mali as a result of a second coup that postponed elections until 2025.[36] Additionally, China recently refrained from openly condemning the coup in Burkina Faso.[37] All of these developments point to China's increasing activity on political fronts in SSA, complementing its economic and security ties to the region.

CONCLUSION

The SSA region is central to China's geoeconomics and geopolitical objectives. The region is rich with myriad natural resources—ranging from oil and natural gas to gold, metals, minerals, and rare earths—central to the functioning of the global economy, especially in emerging industries requiring large capacity batteries in renewable energy and electric vehicle technologies. Over the past two decades, China has emerged as the leading trading partner with and investor in the region, as the United States and the EU have seen their shares in SSA trade and investment dwindle. In short, China has become a main source of development finance, technical assistance, and even loans for the SSA, presenting itself as a viable alternative to the World Bank Group and the International Monetary Fund in the region.

The growing interdependence of China and the SSA region has alarmed US and EU policymakers, especially given the weakening of their economic and trade ties with the region. Past US-SSA and EU-SSA trade and investment agreements have done little to improve the decline of the global North's presence in the region. Meanwhile, keen on benefiting from China's investment in and trade with the SSA region (see Figure 11), many of these nations have either sided with Beijing on geopolitical issues or avoided siding with Washington and Brussels. True, some of these nations voted to deplore Russian aggression in Ukraine in a nonbinding March UN vote,[38] including Botswana, Kenya, and Zambia; however, the vote to suspend Russia from the UN Human Rights Council generated a different response, suggesting countries in the SSA region and elsewhere in the global South—including Angola, Botswana, Cameroon,

31 Bonny Lin et. al., "Is China Building a New String of Pearls in the Atlantic Ocean?," CSIS, December 20, 2021, https://www.csis.org/analysis/china-building-new-string-pearls-atlantic-ocean.

32 Cobus van Staden, "Fears of a Chinese Naval Base in West Africa Are Overblown," Foreign Policy, March 3, 2022, https://foreignpolicy.com/2022/03/03/china-pla-navy-base-west-africa-atlantic-equatorial-guinea/.

33 Devermont, Cheatham, and Chiang, Assessing the Risks.

34 Reuters staff, "China Appoints."

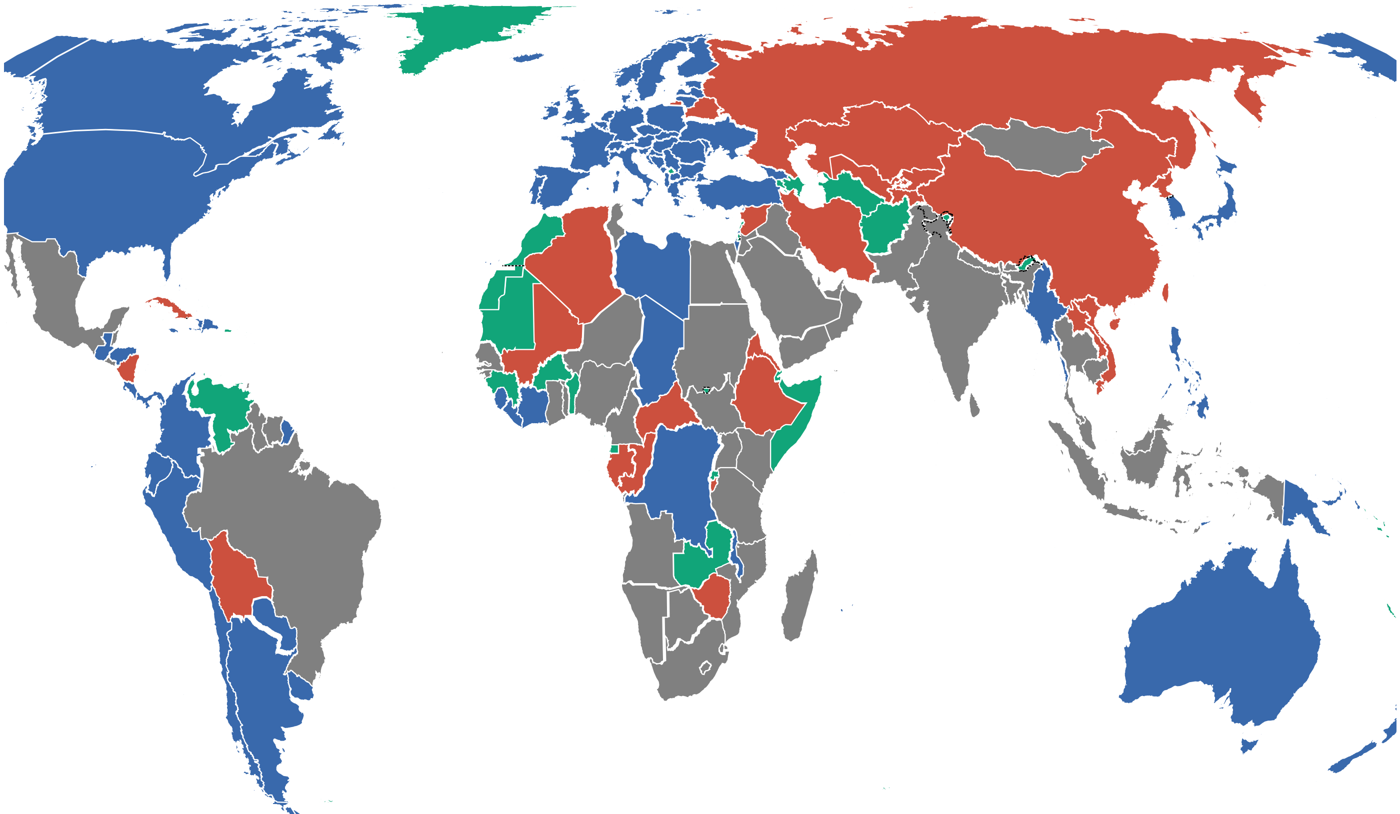
35 Ovigwe Eguegu, "Does Guinea's Coup Matter to China?," Diplomat, September 21, 2021, https://thediplomat.com/2021/09/does-guineas-coup-matter-to-china/.

36 News Wires, "Russia, China Blocked UN security council from supporting new sanctions," France 24, January 12, 2022, https://www.france24.com/en/africa/20220112-un-security-council-falls-short-of-imposing-new-sanctions-on-mali-after-elections-delay.

37 Yahoo, "China and Russia Seek Bigger Security Role in Post-coup Burkina Faso," Yahoo, February 3, 2022, https://www.yahoo.com/now/china-russia-seek-bigger-security-093000421.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAADcuAFTnOPLyjrVUWCi0d0qpmKBzzB3gnVDwgKJVkOvD2iKu-ig4deoPqwuqXFmv5aV3sDpvk9nGAJ3cXZJvKrqzwM42p-JBL2s73QEtyTJYVvFKdFSBEsFiJc2z3Y7kyVYuP8CmX-c9JYJ7SfCe1DsI5_46RT9rhT733gd-UVt3a.

38 Ivana Saric and Zachary Basu, "141 Countries Vote to Condemn Russia at UN," Axios, March 2, 2022, https://www.axios.com/2022/03/02/united-nations-ukraine-russia-141.

Figure 11: UN Resolution Votes to Suspend Russia from UN Human Rights Council



Source: United Nations High Commissioner for Refugees.

Ghana, Kenya, and South Africa[39]—are not in a hurry to support the agenda of the global North (i.e., North America, Japan, and Europe).

For the past four decades, China has managed to expand its economic, financial, and trade ties with the rest of the world while holding a noninterventionist stance on the political and security affairs of other countries. However, with the relative decline of the US military and security presence in several countries in the South Asian, MENA, and SSA regions and the increasing degrees of Chinese economic and security interest in these regions, Beijing has found itself playing a more active and pronounced role in these regions' security and political issues. Why? First, political and security instabilities threaten China's economic interests and investments in a given country or region. Second, as a rising global power, China cannot remain aloof to security and political issues forever—especially in relation to its partner countries. The reason is simple: as a global power, in addition to economics and trade, China must start projecting its power in other domains, most importantly geopolitics and security. This is what is expected from a global power, and Beijing needs to deliver on this front for it to achieve its long-run global objectives.

Moreover, the widening divide between the global North and the global South, with the United States and China as their de facto leaders, respectively, has made Beijing seriously consider having military presence beyond its borders. Having access to the Indian and Atlantic oceans, many SSA countries are attractive options for Chinese military and naval bases. With its strong economic and financial ties with SSA, China is well positioned to engage in discussion with many SSA governments to establish its military and naval facilities within their borders. This has added to US and EU worries regarding China's strong multidimensional presence in the SSA region, which has also included China's expansion of soft powers in the region through establishing various media and cultural outlets and investing in human capital.

The United States, the EU, and their global allies still have the chance to rebuild their relationships with the global South and, in particular, with the SSA region. One channel to do this is through the Partnership for Global Investment and Infrastructure (PGII), formerly known as the Build Back

39 Hillary Essien, "Nigeria, Other African Countries Abstain from Voting to Suspend Russia from UN Human Rights Council," Peoples Gazette, April 7, 2022, https://gazettengr.com/nigeria-other-african-countries-abstain-from-voting-to-suspend-russia-from-un-human-rights-council/.

Better World (B3W) initiative,[40] launched by President Biden and Group of Seven leaders. The PGII aims to "develop a values-driven, high-impact, and transparent infrastructure partnership to meet the enormous infrastructure needs of low- and middle-income countries," and has already announced flagship projects in Angola and Senegal, and capital for micro, small, and medium enterprises (MSMEs) in West Africa.[41] Another is the Global Gateway, an EU initiative that will offer an Africa-focused investment package totaling €150 billion and will aim "to support Africa for a strong, inclusive, green, and digital recovery and transformation."[42] It is hard to see the G7's PGII or the EU's Global Gateway replacing China's BRI simply because the BRI is nine years ahead of these initiatives, and it has over 140 countries, including Italy and seven G20 economies, as part of its signatories.[43]

President Biden also has announced the US Strategy Toward sub-Saharan Africa which highlights four strategic objectives to advance US priorities over the next five years: foster openness and open societies, deliver democratic and security dividends, advance pandemic recovery and economic opportunity, and support conservation, climate adaptation, and a just energy transition.[44] The strategy "reframes the region's importance" to US national security interests, encouraging cooperation on key areas of US policy priorities. In terms of trade and investment, the strategy relies heavily on the PGII and existing initiatives such Power Africa, Prospect Africa, and Feed the Future to bolster cooperation between the United States and sub-Saharan nations.

Moving forward, there are evident areas where the PGII and the Global Gateway can certainly complement the BRI in the SSA region. Back in 2013, the African Union identified twelve national and regional priority areas for the next fifty years. These included infrastructural development; sustainable and inclusive economic growth; and science, technology, and innovation. With the first ten-year plan coming to an end in 2023, the United States and allied countries have the opportunity to coordinate on the next ten-year plan through their recently launched initiatives.[45]

Additionally, the SSA region needs to continue to work toward meeting basic needs: only 30 percent of the population has access to safe drinking water, 33 percent have basic sanitation facilities, and only 48 percent have access to electricity. Meeting these needs will require financing to develop infrastructure.[46] Through the PGII and the Global Gateway and the Africa Strategy, the United States and its allies have highlighted a vision for sustainable and green infrastructure. Therefore, these initiatives could meet at least a portion SSA's financing gap in infrastructure, while ensuring that the developed world commits to investing in the communities most impacted by climate change.[47] This would help rebuild US and EU relationships with SSA countries and create a viable alternative to China in the region for decades to come.

Western-dominated multilateral development and financial institutions such as the World Bank Group and IMF play an important role in providing development financing alternatives. However, they must adopt serious reforms of their governance structures to increase the voice of the global South, including SSA, and help the region to address basic human needs.[48]

It is true that for at least the past two decades China has been the main source of development finance, loans, and

40 White House, "Fact Sheet: President Biden and G7 Leaders Launch Build Back Better World (B3W) Partnership," White House Briefing Room, June 12, 2021, https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/12/fact-sheet-president-biden-and-g7-leaders-launch-build-back-better-world-b3w-partnership/.

41 White House, "Fact Sheet: President Biden and G7 Leaders Formally Launch Partnership for Global Infrastructure and Investment," White House Briefing Room, June 26, 2022, https://www.whitehouse.gov/briefing-room/statements-releases/2022/06/26/fact-sheet-president-biden-and-g7-leaders-formally-launch-the-partnership-for-global-infrastructure-and-investment/.

42 "EU-Africa: Global Gateway Investment Package," European Commission, accessed August 26, 2022, https://ec.europa.eu/info/strategy/priorities-2019-2024/stronger-europe-world/global-gateway/eu-africa-global-gateway-investment-package_en.

43 "Countries of the Belt and Road Initiative (BRI)," Green Finance & Development Center, accessed August 26, 2022, https://greenfdc.org/countries-of-the-belt-and-road-initiative-bri/.

44 White House, U.S. Strategy Toward Sub-Saharan Africa, August 2022, https://www.whitehouse.gov/wp-content/uploads/2022/08/U.S.-Strategy-Toward-Sub-Saharan-Africa-FINAL.pdf.

45 African Union, "National & REC Development Priorities," African Union, accessed October 2, 2022, https://au.int/agenda2063/priorities.

46 World Bank, "World Development Indicators," accessed August 26, 2022. https://datatopics.worldbank.org/world-development-indicators/.

47 Kannan Lakmeeharan et, al. "Solving Africa's Infrastructure Paradox," McKinsey & Company, March 6, 2020, https://www.mckinsey.com/business-functions/operations/our-insights/solving-africas-infrastructure-paradox.

48 Amin Mohseni-Cheraghlou, "Democratic Challenges at Bretton Woods Institutions," Atlantic Council, April 11, 2022, https://www.atlanticcouncil.org/blogs/econographics/inequality-at-the-top-democratic-challenges-at-bretton-woods-institutions/.

technical assistance for many SSA economies, and that the United States, EU, and international development and financial institutions have largely failed the region. But there is ample opportunity for the United States and the EU to show support for the region and create alternatives to China's development finance and trade in SSA. The region's infrastructure financing gap is up to $108 billion per year.[49] While this is a hefty gap for the United States and the EU to fill, there are other ways to start rebuilding their relations with the SSA region: for example, helping with the region's lackluster vaccination rates and preventing the increasing prevalence of food insecurity and famine, which is impacting tens of millions in the region, would do a lot in making initial inroads in the region. SSA's geostrategic location, its vast energy, minerals, and natural resources, a growing and young population, and its large consumer markets are all important reasons for why the United States and the EU need to take a renewed look at SSA. After all, it is better late than never.

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49 African Development Bank Group, "Africa's Infrastructure: Great Potential but Little Impact on Inclusive Growth," Chapter 3 in African Economic Outlook 2018, January 24, 2018, 63, https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/2018AEO/African_Economic_Outlook_2018_-_EN_Chapter3.pdf. The report estimates the financing gap at between $68 billion and $108 billion. See the full report: https://www.afdb.org/en/documents/document/african-economic-outlook-aoe-2018-99877.

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