MEGA-THEMES IN AFRICA-CHINA RELATIONS

Understanding China’s presence in the African continent

2015

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“Mega-Themes in Africa-China Relations” is Lina’s annual publication and can also be accessed at www.daluinsights.com. Dalu Insights is a boutique consulting firm focused on Africa-China market research and strategy.

Lina welcomes comments and suggestions on her reports and especially urges academics and practitioners in the Africa-China sphere to share their thoughts with her. You can reach her at lina.ayenew@dalu-insights.com

Cover Photo

Photo Credit: Simon Ruf, United Nations Mission for Ebola Emergency Response (UNMEER), March 5, 2015

Photo Description: Beatrice Yardolo [in yellow], Liberia’s last Ebola patient [before it resurfaced again in later weeks], poses for photos with Ebola Response workers of the Chinese Ebola treatment unit (ETU) in Monrovia, Liberia, after she was confirmed to be free of the Ebola virus and released from the ETU.
MEGA-THEMES IN AFRICA-CHINA RELATIONS

This year, not only has China played an important role in Africa’s economies and societies, but it has also attempted to coordinate with the U.S. to address Africa’s most pressing problems. China has also been asserting its status as a superpower as seen in its anti-Ebola response and its creation of massive international institutions. This year’s “Mega-Themes in Africa-China Relations” discusses this and more.

A: Ebola: China’s Role in Curbing the Epidemic

China’s response to the Ebola epidemic has been of historical proportions

1. **Anti-Ebola Drugs: Need for Speed**—China’s drug was based on medication made in the U.S. but its quick manufacturing saved lives

2. **Anti-Ebola Aid: Equipment and Manpower**—China’s medical assistance of USD 120 million was the biggest since the country’s founding

3. **Anti-Ebola efforts: Looking after its own interests**—China’s extreme vulnerability to Ebola might have fueled its coordinated response

4. **Post-epidemic capacity building**—China’s leaders promise to further invest in post-Ebola economies

B: China and the United States: Finding Room to Cooperate

China’s status as a superpower is both forcing cooperation, and creating tension with the U.S. Here are areas where they attempted to find some common ground,

1. **Reducing Carbon Emissions**—The world’s two largest pollutants jointly vow to cut emissions. Will they succeed?

2. **Anti-Poaching Efforts**—China and the U.S. are the largest consumers of ivory and they may totally outlaw the sale of this precious commodity

3. **Establishing the African Center for Disease Control and Prevention (CDC)**—Strengthening Africa’s healthcare system so Ebola does not happen again

4. **Bringing Peace to South Sudan**—China is steering away from its “non-interference” policy and joining the U.S. in bringing peace back to South Sudan

5. **Struggling Cooperation: Powering Africa**—Many thought that the two countries will join forces to electrify Africa; although cooperation has been elusive, hope is not lost

6. **Africa is Still a Stage for Rivalry**—Optmists should be warned that China and the U.S. will not be full-fledged allies in Africa or elsewhere

C: China’s Parallel Institutions - An Emerging Alternative

China continues to develop and flex its diplomatic muscles through the expansion of alternatives to U.S.-led organizations with many countries welcoming the change.

1. **One Belt One Road Initiative**—China is bringing back the ancient Silk Road to connect it to Europe and countries across the Indian Ocean through infrastructure

2. **BRICS New Development Bank**—Analysts predict that loans from this bank could dwarf those from the World Bank, and many seem happy about it
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D: China’s Work in Africa: Aid, Investment, Trade and Soft Power

While the effects of recent financial events remain uncertain (for example, the yuan’s devaluation and Asian stock market woes that sent shockwaves in markets throughout the world), China’s economic presence in Africa remained robust throughout 2014 and 2015. In addition, soft power advances in Africa in terms of the expansion of Mandarin Chinese and Chinese media have also been rampant.

1. China’s approach to aid and its reform—China’s infrastructure-based aid has proven controversial but China is new to the aid game and is going through reforms

2. Deals and Ventures [2014-2015]—Interesting deals happened between Chinese companies and their African counterparts, and they all seem optimistic

3. Soft Diplomacy: Media and Language—Chinese media and Mandarin language are increasingly popular in Africa and some are crying “colonialism!”

E: Do Regular Africans Approve of China?: Polls and Stories

African and Chinese leaders praise each other in the media about their “win-win” partnerships but how about the millions of Chinese nationals and Africans who interact with each other? China and Africa do not have a colonial history but that does not mean that interactions will always be smooth. Although research finds that China’s biggest supporters are in Africa, individual stories prove that there is some tension.

F: The War Against Poaching Africa’s Elephants

Throughout 2014 and 2015, China has made strides in educating its public about the endangerment of African elephants and even publicly promised to end ivory trade. Conservationists hailed this as an important step. Controversy struck this year, however. A research institution accused senior Chinese officials of smuggling ivory out of Tanzania, a claim denied by both Chinese and Tanzanian authorities. Regardless of the accusations, China has come far in its war against poaching.

G: China’s Economic Slowdown and Its Effects on Africa

China’s economic slowdown culminated in a global panic when stock markets around the world plummeted in August 2015. China’s deceleration is felt in many African countries which depend on demand from the Middle Kingdom to sustain their economies. Countries whose GDPs heavily rely on sale of commodities are especially affected. They are urged to diversify their economies to continue on their path of growth.
EBOLA: CHINA’S ROLE IN CURBING THE EPIDEMIC

In March 2014, the first cases of the Ebola outbreak in West Africa were reported. In the months that followed, the disease ravaged West African countries, particularly Liberia, Sierra Leone and Guinea. It was even feared that the disease would reach apocalyptic proportions as the virus made its way to the United States and Europe. The Ebola epidemic would be the worst since the discovery of the disease in 1976 and as of July 2015, 11,284 lives were lost.1

An epidemic such as Ebola demands an international, coordinated response. And China claims to have acquired extensive knowledge and practice in managing epidemics as it combatted SARS between 2002 and 2004 and later, various strains of the Avian Flu. Armed with experience and perhaps hoping to develop a more positive image in Africa, the Asian giant staged various public health interventions including the provision of skilled healthcare workers, construction of treatment centers, monetary assistance and the production of anti-Ebola drugs.

In late 2014, China’s contribution was belittled by many as its pledge of only USD 38 million was dwarfed next to the USD 175 million given by the United States. And before China’s pledge to send 1,000 healthcare professionals to the affected region, Cuba contributed most in medical personnel to the effort.3 It is unclear whether the criticism induced China to take further action, as the Asian country continued to make contributions and headlines in the fight against Ebola. In March 2015, the Chinese government declared that it has provided USD 123 million in cash and supplies.4

Below is a description and analysis of some of China’s anti-Ebola efforts.

1. CHINA AND ANTI-EBOLA DRUGS: THE NEED FOR SPEED

Though China considers itself to be a developing country, it is making strides in modern technology, even in the ethically cumbersome field of biotech. China’s ability in biotechnology was thrust into the limelight during the Ebola epidemic. Sichuan Pharmaceutical, one of the country’s leading generic drug producing companies, bought the rights to sell an experimental anti-Ebola drug which was originally developed by the Chinese military to treat various strains of influenza.5 In October 2014, China sent the drug to West Africa in dosages enough to treat about 10,000 people. The goal was to ensure the availability of the drug in case Chinese medical workers sent to West Africa contracted the disease.6 But the drug, which had not completed its clinical trials, was not used to treat African patients. To date, information about the drug and future plans on clinical trials, sale and distribution remain scant.

The most successful Chinese anti-Ebola drug, however, is MIL77. In June 2015, the New York Times published an article discussing how a nurse who contracted the disease in Sierra Leone was discharged from an Italian hospital after receiving experimental treatments.7 A doctor working in the hospital described it as “absolutely miraculous.” The treatment included the Chinese MIL77, which closely resembles the anti-Ebola drug ZMapp, developed collaboratively between the United States and Canada.
ZMapp was grabbing headlines since it was used to treat American healthcare professionals, Dr. Kent Brantly and Nancy Writebol, who had contracted Ebola in Liberia and were repatriated for treatment. Their triumph against the disease raised hopes about the drug. Unfortunately, however, ZMapp was not mass-produced and quickly ran out. Amid the low-supply crisis, a Chinese company called Beijing Mabworks produced about 100 doses of MIL77, a drug closely related to ZMapp but produced differently. The World Health Organization (WHO) reported that MIL77’s efficacy is comparable to ZMapp’s in monkeys.8

This, of course, quickly led to questions about intellectual property rights. The CEO of Beijing Mabworks disclosed that the company had made a licensing agreement with ZMapp’s intellectual property rights holder, presumably Mapp Biopharmaceutical, a small biotech company based in San Diego.9 But that did not appease critics. Robin Robinson, director of the Biomedical Advanced Research and Development Authority, said that Chinese scientists might have infringed patents if they tried to sell the Chinese MIL77 outside China.10

The legal complication has not slowed MIL77, however. WHO states that MIL77 is currently prioritized for use on Ebola patients, in condition of not interfering with the clinical assessment of ZMapp. ZMapp has been going through clinical trials beginning in February 2015 and the study is being conducted in the United States, Liberia11 and more recently, in Sierra Leone. The randomized controlled clinical trials are expected to determine the overall efficacy of ZMapp and inform future medical decisions.

“Today we witness the formal closure of a treatment center, evidencing further departure from those very difficult days... China, I want you to know that in those days, you really responded to a very critical need.”

- Ellen Johnson-Sirleaf [2015]
President of Liberia

The ZMapp-MIL77 anti-Ebola story perhaps illustrates a microcosm of what is going on in the larger geopolitical arena. China is eager to show Africa, other allies and critics that it is equipped with the science as well as the benevolence to be considered a major superpower. Skeptics, like many in the U.S., are weary about whether China’s rising power can be tamed to follow international laws, especially intellectual property regulations. Meanwhile, China’s speed in taking action, which some say leaves little room for thorough planning, can be an asset in situations such as an epidemic. After all, the speedy production of MIL77 saved lives.

Although Ebola showed signs of defeat in the early months of 2015, it seems to be resurfacing. In May 2015, a 17-year-old boy died in Liberia, two months after the country was declared Ebola-free. Now that the world is clinically better equipped, it would be interesting to see how ZMapp and MIL77 and by extension, the United States and China, will continue to fight against Ebola.
2. **CHINA’S ANTI-EBOLA AID PACKAGE: EQUIPMENT AND MANPOWER**

China’s anti-Ebola efforts not only showcased its capabilities in biotechnology but also provided an opportunity for the Asian giant to stage a major humanitarian intervention outside of its borders. For the first time in its history, China sent a military convoy to set up and operate an infectious disease hospital overseas. The hospital was set up at a stadium in Monrovia (the Liberian capital) and run as if it were a Chinese army hospital. It had 100 beds, was air conditioned and boasted a digital medical record storing system. After about six months, the hospital, or the Ebola Treatment Unit (ETU) as it was formally called, was decommissioned. Liberia’s President Ellen Johnson Sirleaf was present at the ceremony marking the end of the ETU’s service and thanked the Chinese government for being one of the first countries to come to Liberia’s aid during the Ebola crisis. She lauded the Asian country saying, “Today we witness the formal closure of a treatment center, evidencing further departure from those very difficult days…China, I want you to know that in those days, you really responded to a very critical need.”

President Sirleaf is not the only high-powered official to praise China’s medical efforts. When China dispatched a mobile laboratory team to Sierra Leone in September 2014, Dr. Margaret Chan, Director-General of the World Health Organization praised, “[China’s donation] is a huge boost, morally and operationally.” The laboratory increased the country’s capacity for testing for the Ebola virus and included a 59-person team comprised of laboratory experts, epidemiologists, clinicians and nurses.

Although China’s medical assistance of USD 120 million was the largest since the country’s founding, some said that China’s efforts were much less than expected. For instance, in the early stages of the epidemic, China’s private sector, particularly the country’s billionaires and corporations were conspicuously silent. While the CEO of Facebook, Mark Zuckerberg, and his spouse donated USD 25 million towards the effort, their Chinese counterparts were nowhere to be found. The World Food Program’s representative in China, Brett Rieson, lamented, “Where are the Chinese billionaires and their potential impact? Because this is the time that they could really have such a huge impact.”

There is no readily available information on whether China’s wealthy made any grand gestures against Ebola. But China’s online users (netizens) made a big splash in donating money to combat the epidemic. Chinese internet users number more than double the entire American population (about 649 million people). Tencent (one of China’s largest internet companies), the World Food Program (WFP) and the China Foundation for Poverty Alleviation (CFPA) raised USD 194,958 million in 24 hours in a campaign that engaged Chinese netizens. The campaign even set a new Guinness World Record for the most individual donations on a single online platform in 24 hours. The amount of money raised is not what is impressive; what is extraordinary is the fact that 105,803 individuals participated in a mere 24 hours. This illustrates that the Chinese, once isolated from events around the world, are increasingly making their voices heard in the international arena, and they feel more connected to the world than ever before.
3. CHINA’S ANTI-EBOLA EFFORTS: LOOKING AFTER ITS OWN INTERESTS

While China’s anti-Ebola efforts highlighted China’s increasing connectivity with the rest of the world, many also regarded it as an attempt to look after its own interests. In 2009, China surpassed the U.S. as the continent’s biggest trading partner and by 2013, China’s trade with Africa hovered around USD 200 billion, which is more than twice the trade between Africa and the U.S. During Chinese Premier Li Ke Qiang’s visit to the African Union in 2014, he announced that by 2020, China expects to achieve USD 400 billion in trade volumes with Africa and raise its direct investment in the continent to USD 100 billion.19 As the epidemic was ravaging West Africa and threatening the whole continent, many suspected that China’s swift anti-Ebola action could be attributed to its intent to protect its economic advantages. After all, the three countries worst hit by the disease (Liberia, Sierra Leone and Guinea) are expected to cumulatively lose USD 1.6 billion from their GDP in 2015.20 Sierra Leone’s GDP growth for 2014, for instance, was reduced by more than half from 11.3% to 4.0% as a result of the disease.21 Although it is not clear exactly how China’s investments in the countries were affected by the massive economic shock, it is not hard to imagine that Beijing had strong reasons to be concerned.

Beijing was also very nervous about the virus entering its borders. With tightly packed cities, Ebola in the Middle Kingdom could leave a trail of devastation of biblical proportions. There are around a million Chinese nationals residing in Africa. In Liberia, Sierra Leone and Guinea, there are more than 20,000.22 Many of them return regularly to their hometowns. In addition, the Chinese city of Guangzhou is home to the largest African expat population in Asia. This city alone is home to 16,000 permanent African residents.23 The high number of expats and visitors between Africa and China made the Asian country especially vulnerable.

“Without [this laboratory], we have no chance to experiment with live viruses or to test viruses on animals, despite the fact that we have been researching diagnosis techniques and therapies for Ebola for eight years using individual genes or proteins.”

- Yuan Zhiming [2015]
Director Wuhan P4 Laboratory

To abate this vulnerability, China imposed a quarantine on travelers coming from the Ebola stricken countries. In October 2014, China’s government began suggesting to people returning from Ebola-affected countries to quarantine themselves at home for 21 days. It also recommended that they go through temperature checks twice a day if they have had contact with patients.24
EBOLA:
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Reports indicated that travelers flying into Guangzhou from the Ebola-stricken countries were made to stay at a state-run hotel free of charge and were allowed to travel freely in the city provided that they would carry a GPS-equipped mobile phone and submit to a health check-up twice a day. None of the travelers were found to carry the disease. While some of the suspected carriers appreciated staying in the hotel for free, others lamented that they were being subjected to double standards as Chinese visitors who came back from the same Ebola-stricken countries were not subject to the same treatment.

In addition to the quarantines, China also upgraded its biosafety capabilities so it could probe further into the disease. In February 2015, the National Health and Family Planning Commission and the Chinese Academy of Sciences inaugurated the country’s first biosafety level-4 laboratory. This was a very big achievement because highly contagious specimens such as the Ebola virus were not able to be analyzed alive in China until the opening of the laboratory. Yuan Zhiming, director of the laboratory confirmed its necessity saying, “Without [this laboratory], we have no chance to experiment with live viruses or to test viruses on animals, despite the fact that we have been researching diagnosis techniques and therapies for Ebola for eight years using individual genes or proteins.” China was not the only one that was previously not equipped to deal with the live virus. As a response to the Ebola epidemic, Japan upgraded its existing infectious lab to the level-4 status, while the U.S. was already in possession of several of these.

Although China’s healthcare facilities and hospitals have not reached the quality levels of those in Western countries, the country seems to be trying to apply its existing knowledge in the anti-Ebola effort. However, the fact that it only just constructed a higher level laboratory and still heavily relies on scientific advances made in the West to upgrade its biotechnology capabilities show that China still has much catching up to do.

4. CHINA’S ANTI-EBOLA EFFORTS:
POST-EPIDEMIC CAPACITY BUILDING

In mid 2015, many of the anti-Ebola efforts moved from curbing the spread of the disease to mitigating the devastating economic and healthcare outcomes it left in its wake. Besides the economic impact of the disease which, for example, reduced Sierra Leone’s GDP growth rate by half, Ebola also had a crippling effect on the already weak healthcare systems of the countries in question. Liberia lost 10% of its physicians and 8% of its nurses and midwives to Ebola. Sierra Leone, on the other hand, lost 5% of its doctors and 7% of its nurses.

Although the epidemic seems to be resurfacing following reports of new infections, a vast amount of resources has to be allocated to repair the damage already caused. In April 2015, President Obama hosted the leaders of the three countries that were the most affected by the disease: Liberia, Guinea and Sierra Leone. He urged vigilance and continued partnership to eradicate the disease. Meanwhile, in August of the same year, China’s foreign minister Wang Yi paid a visit to the three countries and emphasized
the eradication of poverty and the strengthening of infrastructure to beat Ebola. Wang made promises to help the three countries and even pledged to encourage Chinese enterprises to invest in the post-Ebola economy to construct ports, roads, railways and addressing water supply needs. While in Liberia he even vowed, “You will see houses and roads built by China and Chinese companies helping the people of Liberia…China is ready to continue to play that role and shoulder the responsibility.” Many think that the Asian giant can make good on its promise. Jeanine Cooper, representative to the African Union of the UN Office for the Coordination of Humanitarian Affairs (UN-OCHA) hailed, “China has been one of the leading international partners not only for the affected countries but for the African Union…the spirit of solidarity is very strong…and I am optimistic for the future.”

“You will see houses and roads built by China and Chinese companies helping the people of Liberia…China is ready to continue to play that role and shoulder the responsibility.”

- Wang Yi [2015]
Foreign Minister - People’s Republic of China

As the Ebola epidemic seemed to be drawing to a close, Liberia, Sierra Leone and Guinea succeeded in securing billions of dollars in pledges. In July 2015, it was reported that donors had pledged a whopping USD 3.4 billion to help the three countries recover from the outbreak. The major donors included the World Bank, the African Development Bank, the European Union and the United States. This exceeded expectations as the finance ministers of the three African countries had requested USD 3.2 billion to be used in the next two years to combat Ebola and its effects. It is important to note that China has only donated USD 5 million to this fund. This perhaps indicates that although China’s medical efforts against Ebola are the largest the country has ever undertaken since its founding, Western powers are still leading efforts against the disease.
News headlines throughout 2014 and 2015 seem to suggest that China and the United States are brewing in constant political tension. In June 2015, the Wall Street Journal published an article headlined “U.S. Suspects Hackers in China Breached About 4 Million People’s Records, Officials Say.” The article reported that the Chinese Foreign Ministry denied accusations saying, “Cyber attacks are anonymous, cross-border and hard to trace. If you keep using the words “maybe” or “perhaps” without making a thorough study, this is irresponsible and unscientific.”

Other sources of tension include the devaluation of the Chinese yuan, the Chinese government crackdown on civil liberties and Chinese intelligence officers secretly forcing Chinese corruption suspects in America to repatriate without the proper authorization from the United States.

“Cooperation on such issues as politics, trade, development, and aid is unlikely to occur [between the United States and China] as long as the competitive perceptions…remain unchanged in Beijing and Washington.”

- Yun Sun [2015]
  Nonresident Fellow - Africa Growth Institute

These negative headlines would suggest that there is no room for cooperation between the U.S. and China in Africa or elsewhere. Although leaders of both nations seem to be vying for dominance in the continent, the two countries are finding common ground in some areas including reducing carbon emissions, strengthening Africa’s public health capabilities, and promoting peace and security in South Sudan. Yet, once they have found some consensus, their follow-through and execution remains to be seen. In some cases, their agreements are already turning into disharmony. Below is a discussion of their accords and what came of them.

It should be noted that these signs of cooperation do not signal an era of political and economic alliance. As researcher Yun Sun asserts, the issues that China and the US work on together are only “common denominator” problems that clearly pose a threat to both nations. She warns, “Cooperation on such issues as politics, trade, development, and aid is unlikely to occur [between the United States and China] as long as the competitive perceptions…remain unchanged in Beijing and Washington.”
1. REDUCING CARBON EMISSIONS

In November 2015, President Barack Obama and President Xi Jinping announced that they will reduce their greenhouse gas emissions over the next 20 years. Under the joint agreement, China would peak its carbon emissions by 2030, as well as acquire 20% of its energy from zero-carbon emission sources. The United States, on the other hand, would cut its 2005 level of carbon emissions by about 26% before 2025. Obama praised the agreement saying, “As the world’s two largest economies, energy consumers and emitters of greenhouse gases we [China and the U.S.] have a special responsibility to lead the global effort against climate change.”

If China and the United States do meet their targets, researchers anticipate that global warming could be meaningfully reduced. Their agreement could also spur other nations to take similar bold actions. This would indeed reduce the effects of climate change felt across Africa and other developing nations. And these actions are long overdue as climate change is breaking new records. For instance, the average global temperature for July 2015 was the highest for any month since record keeping began 1880. It is anticipated that 2015 will be the hottest year on record.

New research released in August 2015 sheds some light on whether China can achieve its ambitious target. The study found that for more than a decade, China’s greenhouse gas emissions have been overestimated by international agencies, while the country’s energy consumption has been underestimated. On one hand, it is a relief that between 2000 and 2013 China produced 14% less carbon than previously thought. On the other hand, however, China’s energy consumption grew 10% faster during 2000-2012 than reported by its national statistics. This consumption growth means that hitting the target of peaking its emissions by 2030 is even more elusive.

“As the world’s two largest economies, energy consumers and emitters of greenhouse gases we [China and the U.S.] have a special responsibility to lead the global effort against climate change.”

- Barack Obama [2015]
President - United States of America

Some suggest that the United States is also at risk of not meeting its targets. World Resources Institute, an American think-tank, reported in May 2015 that the U.S. would need to take more aggressive and wide ranging steps than those announced to date. Although the White House denies that there is a gap between the United States’ goals and actions, the report suggests that measures including phasing out coal-fired plants; new standards to cut emissions from manufacturing, construction and mining; limits on aircraft emissions; and reduction of ground travel demand should be carried out.
2. ANTI-POACHING EFFORTS

Between 2014 and 2015, China and the United States made more than one agreement regarding mitigating the effects of human encroachment on the environment. China has long been accused of contributing to Africa’s raging poaching problems. The high demand for ivory in the Asian country is endangering the once abundant African elephants. In November 2014, however, the tone seemed to change from accusation to cooperation. Catherine A. Novelli, the Under Secretary of State for Economic Growth, Energy and Environment told Xinhua (China’s state-run news wire) that Washington will offer material and technical assistance to revitalize the fight against wildlife crimes in Africa. She mentioned that the U.S. will partner with China to strengthen response to wildlife crimes in Africa. Novelli seemed optimistic about the cooperation saying, “It was encouraging to witness a sizeable delegation of Chinese officials attending the wildlife trafficking conference in Tanzania. Our Chinese colleagues are responding positively to the anti-poaching message.”

In 2015, the Chinese government made a bold pledge that could serve as an immense arsenal against poaching. Zhao Sucong, Head of the State Forestry Administration, announced that China intends to eventually ban the sale of ivory and its products. This means that the currently legal avenues of acquiring ivory would ultimately be closed. Meng Xianlin, China’s top representative for the Convention on International Trade in Endangered Species (CITES), announced that the United States should also do its part in taking a strong stance against ivory trade. It is important to note that China and the U.S. rank first and second globally as the largest consumers of ivory. The ball, it seemed, was in America’s court.

During his visit to several African countries in July 2015, President Barack Obama expressed his intentions to also ban ivory trade. The Obama administration is proposing to restrict the sale of ivory across state borders and curb commercial exports. Gavin Shire, Chief of Public Affairs at the U.S. Fish and Wildlife Service, has declared that at the moment, there is no limit to the number of trophies (tusks) brought back to the United States per hunter. He says that the proposed rules will limit the number to two per-year per hunter. Though it is not certain how the United States will eventually completely outlaw the trade of ivory, the proposed plan is already receiving backlash from conservative groups such as the American National Rifle Association (NRA). The association believes that the sale of guns which are adorned with ivory handles and that are family heirlooms would eventually be banned under the new rules.

Jennifer Baker, a spokeswoman for the NRA accused, “[The new rules against ivory trade] take law abiding citizens and make them criminals.”

As of August 2015, it is unclear exactly what roles China and the U.S. will play or if their supposed partnership will add real value. But it is important to realize that their demands for ivory are connected. The British conservation group, Care for the Wild International (CWI), found that much of the ivory illegally imported into the United States arrives via China. This means that the Middle Kingdom’s ivory thirst is also fueled by the same demand in the United States. With Africa losing a staggering 100,000 elephants just in the last 3 years and Central Africa losing 65% of its elephant population in the last decade, it was only about time that the two countries coordinated efforts to mitigate the problem.
3 ESTABLISHING THE AFRICAN CENTER FOR DISEASE CONTROL (CDC)

At the twilight of the 2014-2015 Ebola epidemic in Africa, China promised to assist in the creation of an organization to strengthen Africa’s public health capabilities. China’s ambassador to Ethiopia, Xie Xiaoyan, expressed that his country will provide support to establish the African Center for Disease Control and Prevention (ACDCP) as soon as possible. The ambassador also mentioned that China’s Center for Disease Control and Prevention would also be heavily involved in providing technical assistance.

A few months before China’s announcements, U.S. Secretary of State John Kerry and Dr. Nkosazana Zuma, Chairwoman of the African Union Commission signed a memo of cooperation to create ACDCP. Thomas Frieden, director of the U.S. Centers for Disease Control and Prevention explained Africa’s need saying, “The West African Ebola epidemic reaffirmed the need for a public health institute to support African ministries of health and other health agencies in their efforts to prevent, detect and respond to any disease outbreak.” The U.S. promised to send two long-term technical advisers and support fellowships for 10 African epidemiologists.

Although the two countries had separately made agreements and promises regarding the Center, they did not make any announcements about cooperation with each other until June 2015. During the 6th China-U.S. High-Level Consultation on People-to-People Exchange in Washington D.C., Ren Minghui, Director of the Department of International Cooperation of the National Health and Family Planning Commission said that the U.S., China and the African Union are exploring ways of further cooperation based on a “unified and integrated plan” and that they are willing to leverage their respective strengths to support the African Union in building the system.

In this case, again, how they are planning to move forward or what role they would play in establishing a much-needed and ambitious organization has not yet been determined. China’s public health system has shown tremendous improvements in the last few years. Its reforms have resulted in 95% insurance coverage rates by 2012. In addition, the country has experience in managing epidemics and large populations. These advantages, coupled with American focus on quality and transparency could result in a winning partnership. It could very well be one of their greatest contributions to Africa.
BRINGING PEACE TO SOUTH SUDAN

South Sudan, Africa’s youngest nation, declared its independence from its northern neighbor, Sudan, in July 2011. The country was established in the wake of Africa’s longest civil war and hope for peace and stability were soaring high. Unfortunately, though, peace continued to be unattainable. In December 2013, a civil war broke out between President Salva Kiir’s government troops and fighters loyal to sacked Vice-President Riek Machar. Although analysts cannot speak with certainty, estimates indicate that about 50,000 people have been killed since the conflict broke out and close to 2 million have been displaced.

The United States was very active in the independence of South Sudan. It played an important role in creating the 2005 Comprehensive Peace Agreement which eventually led to the 2011 referendum that resulted in South Sudan’s secession. The American government also continues to aid Sudan through the humanitarian crisis that unfolded after 2013.

China, on the other hand, is South Sudan’s biggest investor. In 2011, almost 5% of China’s oil was sourced from the new African nation. Although South Sudan’s economy has long been based on subsistence agriculture, now 90% of its revenue comes from oil. Almost 75% of the united Sudan’s oil reserves are in South Sudan, while the refineries and pipelines are located in northern Sudan. Very much aware of South Sudan’s oil potential, China has been investing heavily in South Sudan’s oil sector. The China National Petroleum Company (CNPC) has a significant stake in South Sudan’s oil fields and even signed an agreement in December 2014 to boost oil production.

“China’s decision to halt the weapons sale comes ‘conveniently’ after one shipment arrived in South Sudan… nevertheless it’s indicative of a renewed effort on their part to not play a part in fueling the conflict with arms.”

- Johan Leff [2015]

Director of Operations - Conflict Armament Research

As stated above, both China and the United States have a serious stake in South Sudan’s stability. It is not surprising to see the United States’ involvement in Africa’s security issues. China however, has long adhered to its “non-interference” policy. This policy was first articulated by China’s Premier Zhou Enlai at the Bandung Conference in 1955. During this conference that gathered decolonized African and Asian countries, Zhou Enlai also discussed other aspects of cooperation including mutual respect for sovereignty and non-aggression. Nearly 60 years later, China seems to be steering away from this policy. With investments and trade agreements all over the world, the Asian country can no longer sit on the sidelines.
South Sudan’s conflict has become a case-study in the evolution of China’s non-interference policy. Until recently, China had only been sending noncombat personnel to United Nations missions including engineers, medical workers and transport staff. In South Sudan, however, things are different. In December 2014, it was announced that China would send 700 combat troops to South Sudan. Foreign Minister Wang Yi also discussed the possibility of making helicopters and air force personnel available.

China did more than sending its own combat troops to the conflict-ridden region. Along with the United States, it has also funded peace talks held in neighboring Ethiopia; was actively involved in the mediation process; and questioned the “logic” of employing sanctions (a move that the United States was considering). It also persuaded the Security Council to send peacekeepers to not only protect civilians but also South Sudan’s oil installations. This led analysts around the world to conclude that China’s interest in South Sudan were driven by its oil investments.

The controversy surrounding China’s involvement in South Sudan were beyond the protection of oil investments. Reports had also circulated that a state-owned Chinese manufacturer was selling arms to South Sudan. China North Industries Group Corp., also referred to as Norico, sold USD 38 million worth of weapons in June 2014. In September of the same year, China announced that it has halted weapon sales. Lan Kun, an attaché at the Chinese Embassy in South Sudan vowed, “No more weapons are heading to South Sudan...the deal for the weapons was struck before the war broke out and the embassy had no knowledge of the sale.” Once again, analysts and researchers scoffed at China’s response. Jonah Leff, director of operations at Brussels-based Conflict Armament Research said, “China’s decision to halt the weapons sale comes ‘conveniently’ after one shipment arrived in South Sudan...nevertheless it’s indicative of a renewed effort on their part to not play a part in fueling the conflict with arms.”

Currently the state of South Sudan is in a limbo. A peace agreement between the warring factions was reluctantly signed on August 26, 2015. Peace talks have not been going smoothly since then, however, as fighting continued to rage on. In September 2015, the United Nations Security Council had drafted a resolution that would have imposed sanctions on the South Sudanese army chief and on a top rebel commander but Russia and Angola have opposed the move. Russia’s UN ambassador Vitaly Churkin was quoted saying, “The United States, very often they just say ‘sanctions, sanctions, sanctions,’ and in some cases, it severely aggravates the situation.”
CHINA AND THE UNITED STATES: FINDING ROOM TO COOPERATE

5 STRUGGLING COOPERATION: POWERING AFRICA

In 2013, Obama launched Power Africa, an initiative aimed at doubling Africa’s access to electricity in the following 5 years. The American government had initially committed USD 7 billion, with international institutions and private organizations pledging to the effort as well. In November 2014, the United States announced that it is considering partnering with China on the project. The announcement was hailed as a possible strategic shift on the part of the United States. Perhaps it would finally engage China in infrastructure development, a sector that the Asian country excels in. Africa had a lot to gain from the agreement. After all, the entire sub-Saharan region only produces as much electricity as Spain.78

Unfortunately, China’s role in Power Africa is not very concrete and there is some distrust between China and the United States regarding projects. In August 2014, China invited the U.S. to cooperate in financing and building infrastructure in Africa and other parts of the world.79

“We don’t want the Power Africa brand to be tarnished by one major project that’s going to fail.”

- Andrew Hescowitz [2015]
Coordinator - Power Africa

Reports indicated that Beijing first approached Washington to discuss collaboration on building the Inga-3 Dam in the Democratic Republic of Congo. This dam is a part of the Great Inga Dam project, which would be one of the biggest in the world. It would have a capacity that is almost double China’s Three Gorges Dam—currently the world’s biggest hydroelectric dam.80 Disappointment ensued, however, when Andrew Hescowitz, Coordinator of Power Africa said, “We don’t want the Power Africa brand to be tarnished by one major project that’s going to fail.”81

The United States seems to be turning its back on the building of huge dams. Congress even passed an amendment forbidding the American representative at the World Bank from lending support to the construction of large dams.82 The reason given for this is that construction of dams poses environmental threats and results in evacuation of local populations, which may turn violent.83

As of August 2015, the construction of the Great Inga Dam has shown little progress. The feasibility studies have lasted close to five years; bidders in the project have been accused of corruption; and engineering companies have suggested that the site of the dam be changed due to unsuitable geological conditions.84 The future of Inga remains vague. But one thing that is clear: it would not host US-China cooperation. Meanwhile, Obama’s Power Africa project is off to an underwhelming start. The New York Times reported that in 2015, two years after the announcement of Power Africa, it has yet to deliver any electricity.85 Hope is not totally dashed for cooperation, however. America’s General Electric and China’s Sinomach just signed an MOU in September 2015 to build a power facility in Kenya. Although the deal and its significance have not yet been analyzed, many hope that Power Africa would eventually lead to cooperation such as this to meet Africa’s need for reliable electricity.

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PHOTO OF THE DAY

CHINA AND THE UNITED STATES: FINDING ROOM TO COOPERATE

6 AFRICA IS STILL A STAGE FOR RIVALRY

As seen above, it seems that when it comes to issues that pertain to their own interests, China and the United States have little trouble seeking each other out as possible partners. However, cases like these are few and far between. Optimists who believe that these examples of cooperation will lead to major ideological shifts and alliances are sure to be disappointed.

Africa is still very much a point of contention between the United States and China. For instance, in October 2014, the South African government denied the Dalai Lama a visa to go to Cape Town for a summit gathering Nobel Peace Prize laureates. Through this gesture, the South African government was trying to confirm its allegiance to China, as the Asian country regards the Tibetan spiritual leader as a separatist. There was an outcry against South Africa for its visa refusal, even from South Africans. Archbishop Desmond Tutu berated the South African government saying, “[I am] ashamed to call this lickspittle bunch my government…”

“…economic relationships can’t simply be about building countries’ infrastructure with foreign labor or extracting Africa’s natural resources.”

- Barack Obama [2015]
President - United States of America

China is very firm on how it regards Tibet and quick to criticize any move that could be seen as pledging allegiance to the Dalai Lama. After all, when President Obama hosted the Dalai Lama at a prayer meeting in Washington in early 2015, the American leader was admonished by Chinese state media. It scolded saying, “Chumming with a secessionist is playing with fire, which severely harms the mutual trust between China and the United States, and downgrades Obama’s credit as a national leader for breaking his commitments to China on the Tibet issue.” Through denying the Dalai Lama a visa, South Africa is probably avoiding a similar wrath.

Despite China’s heavy-handedness on the Tibet issue, there is no question that the Asian giant’s penetration of African markets is superior to that of the United States. Waking up to this fact, the Obama administration has taken some key steps to increase American influence on the continent. It has renewed the African Growth and Opportunity Act (AGOA), which allows African goods to be sold to the United States duty-free. AGOA has been in existence since 2000 and was due to expire in 2015. In addition to holding the first ever US-Africa Leaders Summit that gathered Africa’s heads of state, Obama also toured several African countries in July 2015. During his speech at the African Union Headquarters (AU) in Addis Ababa, Obama took a jab at China saying, “…economic relationships can’t simply be about building countries’ infrastructure with foreign labor or extracting Africa’s natural resources.”
Regardless of the United States’ accusations that China is extracting Africa’s resources and acting like a neo-colonial power, the Asian giant has shown Africa to be more than a destination for aid. The Asian nation began gathering African leaders en masse in 2000 when the Forum on China-Africa Cooperation (FOCAC) was created. This was 14 years before the United States began its US-Africa Leaders Summit. And the very African Union Headquarters that Obama gave the above speech in was constructed and funded by the Chinese for USD 200 million and given as gift to the the AU in 2012. All the while, Chinese leaders also continue denying their presence in Africa as an act of colonialism. As Foreign Minister Wang Yi asserted, “Politically, we always speak up for African countries and uphold justice. Economically, we help African countries to enhance development to achieve prosperity…I want to make clear one point, that is, China will never follow the track of western colonists.”

“Politically, we always speak up for African countries and uphold justice. Economically, we help African countries to enhance development to achieve prosperity…I want to make clear one point, that is, China will never follow the track of western colonists.”

- Wang Yi [2015]
Foreign Minister - People’s Republic of China
The strain between the United States and China is felt beyond the confines of the African continent. In fact, throughout 2014 and 2015, China was flexing its diplomatic muscle around the globe and setting up organizations that paralleled institutions dominated by the United States. While the United States exerts formal and informal influence on dominating financial institutions such as the International Monetary Fund (IMF) and the World Bank, China has used its vast financial reserves to create parallel institutions that increase its dominance around the world. Here are a few developments from 2014 and 2015.

1 **ONE BELT ONE ROAD INITIATIVE**

This initiative is the 21st Century iteration of the ancient Silk Road that connected the Far East to Europe and destinations in between. The 21st Century Maritime Silk Road and the Silk Road Economic Belt (referred to as One Belt One Road) are a network of roads, railway lines, energy pipelines, power stations and coastal ports that extend to Europe and across the Indian Ocean. The plan is also to promote greater financial and information integration, as well as the use of the yuan by foreign nations.

President Xi Jinping first introduced the plan in 2013 and throughout 2014 and 2015, the funding networks of this massive initiative were designed. China set up the Silk Road Fund, endowed with about USD 40 billion. The Chinese state-owned conglomerate, CITIC, announced that its banking, securities, trust and construction divisions will jointly invest more than USD 112.79 billion in China’s One Belt One Road Initiative. In addition, China got the ball rolling for the Asian Infrastructure Investment Bank (AIIB), boasting more than 50 Prospective Founding Members (PFMs), and geared to fund some of the projects in One Belt One Road. AIIB plans to expand its initial subscribed capital of USD 50 billion to USD 100 billion. In fact, China diluted the focus of AIIB on Asia and replaced it with a distribution of capital shares between regional (75%) and non-regional (25%) members to garner stronger international support. European countries including the United Kingdom, France, Germany and Austria have joined, despite Washington’s pressure not to do so. From the African continent, South Africa and Egypt are the only nations that have joined AIIB.

Analysts are suggesting that China’s goal is to mitigate its economic slowdown by improving its connectivity and entry into new markets, as well as using its economic prowess as a diplomatic tool.

What does this mean for Africa? Although the One Belt One Road Initiative does not formally include Africa, it is very much inline with what the Asian country is trying to achieve in the African continent. Just like the One Belt One Road plan, China is interested in building massive infrastructure to connect all African countries. In January 2015, the Chinese government signed a Memorandum of Understanding (MOU) with the African Union (AU) to build highways, airports and high speed railways to connect all 54 African countries. Chairwoman of the AU, Dr. Nkosazana Dlamini-Zuma, hailed the agreement saying, “We have come up with an MOU that covers railways, highways and aviation as well as industrialization….we want to be linked and this project is going to link all our capital and commercial centers so that we can be able to move quickly in bulk by rail across the continent.”
The theme of “regional connectivity through infrastructure” felt across the One Belt One Road Initiative and China’s work in Africa have led some to think that it is only natural for Africa to be formally included. Former Chief Economist of the World Bank, Justin Yifu Lin, argued that this will offer major opportunities for Chinese companies to explore their overseas market as well as providing a major economic boost for Africa.¹⁰⁰ Africa’s infrastructure development will give a much needed boost to Chinese exports as well as make use of China’s excess capacity in construction. On the other hand, labor-intensive sectors such as manufacturing would be smoothly transferred to Africa as labor costs continue to climb in China.¹⁰¹

Some researchers such as Yun Sun from the Brookings Institution have suggested that the possibility of Africa being formally involved in the One Belt One Road Initiative is fraught with problems.¹⁰² Firstly, Africa’s inclusion would only be carrying over the problems that China currently has in the continent (negatively impacting the environment, for example), without coming up with any real solutions. On the other hand, China’s financing of Africa’s projects is not grant-based but on concessional loans. What if Africa is incapable of repaying these loans? The answer, it seems, lies in the future.

“We have come up with an MOU that covers railways, highways and aviation as well as industrialization….we want to be linked and this project is going to link all our capital and commercial centers so that we can be able to move quickly in bulk by rail across the continent.”

- Dr. Nkosazana Dlamini-Zuma [2015]
  Chairwoman - African Union
BRICS NEW DEVELOPMENT BANK

In July 2014, Brazil, Russia, India, China and Russia (often called the “BRICS” countries), agreed to set up a New Development Bank. At the time of the agreement, reports indicated that the Bank would work on an equal-share voting basis and that each country would contribute USD 10 billion to the capital base. The BRICS countries would use this to finance infrastructure projects and what is deemed as “sustainable projects,” while other low and middle income countries will have the opportunity to buy in and apply for funding.

A year later, in July 2015, the bank opened for operations. Unsurprisingly, China is playing a decisive role in the Bank. In addition to serving as its headquarters in Shanghai, it is also contributing 41% of the USD 100 billion in Contingency Reserve Arrangement (CRA) pool. The CRA is designed to provide assistance to member states in times of liquidity problems.

This is a definite sign of China’s increase in economic dominance. Reports suggest that the BRICS represent 42% of the world’s population and trade among the countries totals around USD 6.14 trillion or 17% of the world’s total. Playing a leading role in this massive alliance is certainly a great feat for China.

The World Bank, an institution that is heavily influenced by the United States, appeared to welcome the arrival of the BRICS Bank as a complementary organization to solve the world’s most pressing infrastructure problems. World Bank President Jim Yong Kim asserted, “We are ready to work closely with the BRICS New Development Bank and other infrastructure banks, to share our knowledge and to co-finance infrastructure projects. Such partnerships will be essential to achieve our common goals: to eradicate extreme poverty by 2030, improve well-being and reduce the inequalities.”

On the surface level, affirmations of cooperation may abate undertones of competition between the Bretton Woods organizations (IMF, World Bank) and the newly-minted BRICS Bank. International relations experts are saying that the BRICS Bank will definitely challenge the hegemony that the Bretton Woods institutions have been enjoying for the better of the last 60 years. Raj Desai and James Vreeland, experts in international development and government, published an article on the Washington Post discussing this shift in dominance. They argue, “Developing nations hope that BRICS Bank…may eventually challenge World Bank-IMF hegemony over matters such as funding for basic services, emergency assistance, policy lending and funding to conflict-affected states.” The experts even suggest that in a couple of decades, if the BRICS Bank expands its membership and mobilizes co-financing by governments and private investors, its loans could potentially dwarf World Bank loans.

Despite the anticipated shift in financial supremacy, it should be noted that there is a huge infrastructure gap that needs to be filled before any friction materializes between the western-dominated institutions and the emerging market organizations. The World Bank says that there is currently a USD 1 trillion infrastructure gap in low and middle income countries. For developing countries, the more there are international financial organizations to finance their ambitious projects, the better.
In October 2014, the Financial Times published an article declaring that for the first time, China’s outbound investment is set to eclipse inbound investment. Citing the fact that a Chinese insurance company purchased Waldorf Astoria, the iconic New York hotel, earlier that month, the article predicted a steady flow of investment abroad. And Africa has been on the receiving end of this capital outpour.

While the effects of recent financial events remain uncertain (for example, the yuan’s devaluation and Asian stock market woes that sent shockwaves in markets throughout the world), China’s economic presence in Africa remained robust throughout 2014 and 2015. In addition, soft power advances in Africa in terms of the expansion of Mandarin Chinese and Chinese media have also been rampant. Another instrument that China utilizes to interact with Africa is aid. In 2015, the government of the Asian country is expected to make some changes to its foreign aid policies.

The following is a short compilation of China’s activities in Africa between 2014 and 2015. It is important to bear in mind that these projects are selected based on the author’s professional judgment. If projects or issues are not mentioned, it does not undermine their importance. Furthermore, in this paper, “China” is used to refer to the Chinese government, State Owned Enterprises (SOEs), entities affiliated with the Chinese government (such as Confucius Institutes) and private Chinese companies. Distinction is made when appropriate.

1 CHINA’S APPROACH TO AID AND ITS REFORM

In the 2014 edition of Mega-Themes in China-Africa Relations, China’s various aid instruments including concessional loans were discussed. In fact, China’s concessional loans constitute a major part of China’s aid packages. These loans are normally used to build infrastructure in recipient countries. In July 2014, the Information Office of the State Council released a white paper on the country’s foreign aid which revealed that between 2010 and 2012, 44.8% of China’s aid was used to build “economic infrastructure” and 27.6% to construct “social and public infrastructure.” “Economic infrastructure” refers to transport, communications and power supplies whereas “public infrastructures” include hospitals and schools. These policies and activities are of a huge interest to Africa because the continent is China’s biggest foreign aid recipient. More than 50% of the Chinese aid fund is actually spent on Africa.

The focus on infrastructure in China’s aid efforts has polarized many experts and analysts. Construction of infrastructure in Africa through China’s concessional loans usually result in Chinese companies winning contracts. As a result, China can export some excess capacity in construction and Chinese companies are able to gain crucial international experience. The obvious commercial advantages China enjoys as a result makes many question if its intentions are indeed altruistic. The fact that China’s two main aid avenues are housed in the Ministry of Commerce and the China Export Import Bank also seems to bolster the critics’ arguments.
But others view this as a benefit. Many developing countries, including those in Africa, have long been weary of the superior-inferior relationships in their aid experience with Western nations and Western-dominated organizations. There are also many pre-conditions attached to Western aid. Leaders of recipient countries may feel that fulfilling these pre-conditions is beyond their ability at best and encroachment on their sovereignty at worst. With China, however, recipient countries are likely to feel like they are on equal footing. Both these countries and China are openly benefitting from these aid projects and this exudes the feeling of “win-win partnerships.”

Unlike Western countries, however, China is new to the aid game. It gave more towards aid in the last few years than it did for the previous 60. Yun Sun, a prolific researcher, wrote that China’s cumulative foreign aid between 1949 and the end of 2009 was around USD 43 billion.117 The amount between 2010 and 2012 was a whopping USD 14.9 billion.118 She concludes that more than a quarter of China’s aid from 1949 (since the creation of the People’s Republic) to 2012 happened during the last three years of that period.

As expected, China will continue to develop and evolve its aid strategies. At the end of 2014, the Asian country announced that it would “comprehensively deepen the reform of its foreign aid system.”119
Yun Sun, the researcher mentioned above, analyzed ideal and desired outcomes of this reform from the point of view of experts and scholars. She says that currently, China’s foreign aid is mainly handled through ministerial measures and executive orders rather than legislation from the National People’s Congress. Strong top down legislation is needed so that aid channels are streamlined and covered in broader strategy. China also needs to get more skilled professionals who are trained in aid and development. Yun Sun laments that currently, most of the staff in China’s foreign aid institutions come from a foreign language or international relations background. In addition, China also needs to put more analysis into the impact of its projects through monitoring and evaluation (M&E). As its foreign aid expands in depth and breadth, it should do more than just finishing up physical infrastructure projects.

It will certainly take time for China’s aid reform to make significant changes on the ground. In addition, China is very likely to continue focusing its aid projects on the building of infrastructures. The Chinese Ministry of Commerce has stated that in the foreseeable future, China will enhance its foreign aid to countries covered under the One Belt, One Road Initiative (see above). And as Yun Sun asserts, the One Belt, One Road Initiative focuses on connectivity through infrastructure, suggesting that the status quo in China’s foreign aid will persist for decades to come.
### DEALS & VENTURES [2014-2015]

Beyond aid, the Africa-China ecosystem has witnessed some major deals and ventures between 2014 and 2015. Here is a short summary. To emphasize again, if projects or issues are not mentioned, it does not undermine their importance.

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<td>November, 2014</td>
<td><strong>China Railway Construction Corp (CRCC) signed a USD 12 billion deal in Nigeria</strong></td>
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|                  | In November 2014, the Chinese state owned enterprise (SOE) signed a USD 12 billion agreement to construct a railway along Nigeria’s coast. It is regarded as China’s single largest overseas contract. This historical agreement is set to build an 870-mile railroad and will link Lagos, the financial capital to Calabar, an oil city in eastern Nigeria.

The deal is supposed to be both beneficial to Chinese companies and the African country. CRCC chairman Meng Fenchao has asserted that the project will adhere to Chinese technological standards and result in the export of about USD 4 billion in Chinese construction machinery, trains, steel products and other equipment. Nigeria, on the other hand, will benefit from the jobs created. Very much aware that Chinese enterprises are accused of bringing cheap Chinese labor to Africa, CRCC has said that it will create up to 200,000 local jobs during the construction and 30,000 after completion of the project. This is welcome news in Nigeria, which is the most populous nation in Africa and whose median age for its citizens is 18 years-old.

| June, 2015       | **Track laying of the Ethiopia-Djibouti railway more than half-way done**                        |
|                  | The China Civil Engineering Construction Corporation (CCECC), the largest state-owned construction company in China, celebrated the completion of 420 km of the total 756 km railway track in June 2015. The China Railway Group (CREC) is in charge of the construction of the remaining tracks. This rail line will connect the capital of Ethiopia with Djibouti, enabling the movement of cargoes between the two nations. Ethiopia, a landlocked nation, relies on the ports of Djibouti for the sea transportation of its exports and imports. It is certainly a welcome addition for the country, which is Africa’s fifth largest economy and whose growth has been in the double digits for the last few years.

The Chinese government and Chinese companies have been accused of only targeting resource-rich countries in Africa. There is now an increasing number of studies that refute these claims. And Ethiopia is often cited as one of the non-natural resource-driven economies that China has targeted. The country has been a recipient of Chinese concessional loans and investments. In fact, China is the African nation’s biggest foreign investor as well as leading trade partner. The Ethiopia-Djibouti railway track, for example, was mostly funded through the USD 3 billion credit from the Export-Import Bank of China. Ethiopia sees economic advantages from the flow of Chinese capital. China, on the other hand, garners diplomatic benefits from its warm relationship with the East African nation, which is also the headquarters of the African Union. In addition, Ethiopia has the second largest population in Africa and serves as a market for China’s cheap consumer merchandise.
### CHINA’S WORK IN AFRICA

**AID, INVESTMENT, TRADE & SOFT POWER**

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| August, 2015 | **Africa’s richest man signs deal with Chinese company to build cement factories**  
Aliko Dangote, a Nigerian citizen and Africa’s wealthiest man, signed a USD 4.3 billion deal with Sinoma International Engineering Co. in August 2015. The deal is to build seven cement plants across the African continent and one in Nepal. Reports indicate that the new factories will be completed within 30 months and will add about 25 million tons to Dangote Cement’s capacity which currently hovers around 45 million tons.  
Africa’s infrastructure boom and hunger for cement makes this deal very timely. In addition, this agreement represents instances that are currently increasing in visibility: African corporations and their Chinese counterparts playing an active role in the Africa-China ecosystem. |
| August, 2015 | **Xiaomi’s mobile ventures in Africa**  
Known mostly as “China’s Apple,” Xiaomi is the world’s most valuable start-up and worth around USD 46 billion. The company produces mobile devices akin to those that bear the Apple and Samsung brands but sells its products at only half the price. Since its founding in 2010, Xiaomi has been satisfying the Chinese consumers’ need for gadgets that are reasonably priced but possess all the necessary qualities that are needed in this ever-connected age. In fact, in 2015, Xiaomi toppled Apple in China’s smart phone market and is already seeking greener pastures to sell its mobile devices. In August 2015, Xiaomi ventured to Africa.  
Africa has been “going mobile” at a neck-breaking pace. Skipping several generations of telecommunications technology, most African households now boast a mobile phone. Research and polling firm Gallup found that 65% of households in 23 countries in Sub-Saharan Africa had at least one mobile phone in 2013. The numbers are surely greater today. This cellphone penetration has enabled the lower rungs of African societies to be increasingly connected to the world around them. Farmers are able to know market prices of their grains before they sell their harvest and community health workers are able to track down patients more easily. The benefits can go on and on.  
Amid these fertile conditions in the mobile market in Africa, Xiaomi has a significant edge. Its relatively cheap products have reasonably good quality are a godsend for the price-conscious African consumer. Xiaomi, a private Chinese company, has appointed Mobile In Africa Ltd as its distributor in the African continent. Mobile In Africa is setting up online stores in 14 African countries, which is inline with Xiaomi’s strategy of online sales in China. Two smart phones from Xiaomi’s portfolio have been selected for the launch and they cost USD 160 and USD 320 respectively.  
Chinese companies are doing more than just providing gadgets. ZTE and Huawei, China’s telecom giants, have been taking projects all over Africa to expand phone lines and internet access. For instance, the Wall Street Journal quoted a ZTE spokesman who says the company has built more than 2,000 cellphone transmission sites in Ethiopia and laid about 5,000 miles of fiber optics. Paying mobile users in in Ethiopia have skyrocketed from one million in 2005 to 12 million in 2013. Amid Ebola’s wake in Guinea, China’s other telecom giant, Huawei, announced that it will work on a USD 238 million project to offer high-speed internet access to most of the West African country.  
Africa’s mobile revolution will not only offer a marketplace for Chinese companies but will also spawn new industries and services that have not even begun in the continent. The African middle class has tripled over the last 30 years and mobile services will inevitably be geared to satisfy the increasingly sophisticated pallet of these new African consumers. |
Currently, Mandarin Chinese is one of the most popular foreign languages studied by students around the world. For example, Chinese has overtaken French as the most commonly studied language in the United States, excluding English and Spanish. In 2013 alone, 5 million people took the HSK exam, a proficiency test for Mandarin Chinese.

Mandarin Chinese’s popularity is partially propagated by the Chinese government. As of 2014, there were 480 Confucius Institutes established in 6 continents. Affiliated to China’s Ministry of Education, the Confucius Institutes are centers that promote Chinese language and culture. They are the Chinese equivalent to the British Council and Alliance Française.

Like all places around the world, African countries are also putting a concerted effort to teach their students Mandarin Chinese. As of 2014, there were 38 Confucius Institutes across the continent and demand for them is set to increase. In July 2015, the Chinese government gave a USD 17 million grant to be partially used to create the largest African Confucius Institute in Nairobi, Kenya. Also in 2015, South Africa announced that its public school students will have an option to study Mandarin starting from 4th grade.

There are obvious benefits to studying Mandarin Chinese in Africa. Proficiency in the language opens doors in a range of sectors. It also promotes greater understanding of the world’s second largest economy and enhances people-to-people interactions. As Nelson Mandela said, “If you talk to a man in a language he understands, that goes to his head. If you talk to him in his language, that goes to his heart.”

Despite these benefits, not everyone is happy about the expansion of the language in Africa. Some assert that the introduction of Mandarin will relegate the instruction of indigenous languages to the fringes of the school system. Others think that the capacity of African schools is not efficient enough to add yet another language to curriculums. The vice chancellor of the University of the Free State in South Africa, Prof. Jonathan Jansen criticized, “I don’t see the need for introducing Mandarin when we can’t seem to teach English, Afrikaans and Zulu properly…”

Africa is dominated by anglophone and francophone nations, a legacy of its colonial past. The aggressive expansion of Chinese Mandarin reminds some of the linguistic suppression that Africa went through. The South African Democratic Teachers’ Union is
of the opinion that Mandarin’s expansion indicates China’s neo-colonialism tendencies. The union’s general secretary, Mugwena Maluleke asserted, “As much as during colonization some people were complicit in selling our souls, that’s what’s happening [again now]…We’re going to make sure that we’ve got serious campaigns against this particular colonization. We see it as the worst form of imperialism that is going to happen in Africa.”

Despite these opinions, expansion of Mandarin shows no signs of slowing down. Africa has the youngest population in the world, with 200 million people aged between 15 and 24. With unemployment across the continent soaring high, young people are likely to look for skills that would give them an edge in the job market, including learning Mandarin.

CHINESE MEDIA EXPANDS IN AFRICA

As part of China’s soft power approach, Chinese media have been stretching their arms to foreign lands and are now widening their coverage in Africa. At a time when Western media are cutting their foreign reporting budgets, China’s media have been aggressively expanding across the globe. China’s state-owned media powerhouse, Xinhua, has over 180 bureaus while the China Central Television (CCTV) has over 70. As a comparison, Reuters has 200 and the Associated Press (AP) has 280. China Daily, a print and online newspaper, is also the most widely known English language paper emanating from the Asian country and boasts a readership of 900,000 globally. China Radio International is the world’s second largest radio station after the BBC and produces content in 64 different languages.

All the media mentioned above have a fairly strengthening presence in Africa.

Perhaps the most feared aspects of China’s media ventures are censorship and propaganda. Chinese media are often criticized for simply serving as a mouthpiece for the Communist Party or omitting information that is deemed controversial. Many are concerned that the Chinese media in Africa would not portray the journalistic truth behind events but shroud facts to increase China’s likeability in the continent.

However, African reporters employed at Chinese media agencies are saying that they have complete liberty in terms of what they put on the news. The Guardian recently published a quote from Beatrice Marshall, the anchor of CCTV Africa’s flagship news and current affairs show saying, “I can guarantee you that we have been 100% in control of our own editorial content. Are there any red lines? Up until this point, absolutely not.”

“I don’t see the need for introducing Mandarin when we can’t seem to teach English, Afrikaans and Zulu properly…”

- Profesor Jonathan Jansen [2015]
Vice Chancellor - University of the Free State - South Africa
For critics who are still not convinced, the next comment is perhaps more believable. James Wan, an editor of African Arguments, a series of short books about Africa today, has studied how the Chinese government plays a role in what is depicted in Chinese media. He quotes an expert on Chinese media, Bob Wakesa, who gave a more trend-based view. Wakesa says, “If you look at Chinese news agencies in the early 1990s, there was no room at all for criticism of African leaders…nowadays, they increasingly don’t shy away from this, though they might not go the whole hog. China still operates under a communist system in which criticism is not really appreciated and there are still no go zones.”

It is hard to deny that China tends to paint a rosy picture of its relationship with African leaders and the media reflects this stance. This is also a result of China’s long-standing “non-interference policy” which forbids it from “meddling” in the internal affairs of other countries. However, the increasing freedom of journalists to call out events as they see them is certainly encouraging.

“I can guarantee you that we have been 100% in control of our own editorial content. Are there any red lines? Up until this point, absolutely not.”

- Beatrice Marshall [2015]  
  Anchor - CCTV Africa

James Wan’s research mentioned above also discusses the difference between Western and Chinese media. Though Western media are not usually accused of being their governments’ mouthpiece, they still suffer from criticism in their coverage of Africa. For a long time, prominent Africans have scolded Western media for only portraying the continent as a place of suffering and injustice. Positive news rarely made headlines. Chimamanda Ngozi Adichie, one of the most prominent young African authors of our time, warned of the “single story” approach and its sinister effects. In her popular TED talk, which has garnered more than 9 million views, she says, “Stories matter. Many stories matter. Stories can break the dignity of a people but stories can also repair that broken dignity...when we reject the single story, when we realize that there is never a single story about any place, we regain a kind of paradise.”

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Wan’s research quotes Zhang Yanqiu, Director of the Africa Communication Research Centre at the Communication University of China, who has an interesting take on Chinese and Western journalism. She believes that Western media play a “watchdog” role, whereas Chinese media utilize “constructive journalism.” “Constructive journalism” is perhaps a misnomer as Zhang believes that it can be both positive and negative. She asserts, “The idea is to give a new kind of balance and shine a new kind of light on the continent. Instead of just reporting on the situation, it asks ‘how can we help them?’ Western media may be telling the truth, but if you are telling the truth and things are just getting worse and people are afraid of travelling to Africa, for whose good is this?”

While it is unclear how successfully China’s “constructive journalism” is accepted across the continent, Western media are still highly regarded. Chinese media, on the other hand, are continuing to get traction. Perhaps it is best to have a journalistic approach that is a mix of both Chinese and Western styles, incorporating good news with the bad while reaching a happy medium. This thought is not completely idealistic as Western media are now increasingly reporting stories from the “Africa rising” narrative and Chinese media, as mentioned above, are beginning to shed light on Africa’s many faults.

“Western media may be telling the truth, but if you are telling the truth and things are just getting worse and people are afraid of travelling to Africa, for whose good is this?”

- Zhang Yanqiu [2015]

Director of Africa Communication - Communication University of China
Many African leaders often praise the Asian country as a reliable partner in Africa. They say their relationship is a “win-win,” and paint an optimistic picture for the future.

Critics, however, are skeptical. They believe that the close relationship between the governments is mired in unethical pursuits. For instance, in November 2014, leading media around the globe reported that African presidents “use aid from China for patronage politics.”

New research suggested that the birthplaces or hometowns of African presidents receive a disproportionate amount of aid from China. Roland Holder, professor of economics at the University of St. Gallen in Switzerland and co-author of the report said, “As soon as a region becomes the birthplace of an African president, this region gets 270% more development assistance (from China) than it would if it were not the birth region of the president.”

This of course, added yet another point in critics’ arsenal.

Deborah Brautigam, a renowned researcher in the Africa-China space, warns that things are more complicated than that. She is quoted in a Guardian article saying, “Most Chinese finance in Africa is not official aid, but business-related export credits borrowed by governments to finance infrastructure projects of various kinds. If these governments want to channel projects to their hometown, Chinese banks would have no objection. For official aid, however, which is heavily diplomatic, the Chinese government looks beyond any sitting African leader to all the leaders to come and to public opinion more generally.”

Regardless of the technicalities, the allocation of disproportionate amounts of resources towards African leaders’ hometowns is worrisome. It also casts doubts on the intentions and objectivity of both African and Chinese leaders. Therefore, it is important to inquire how regular Africans feel about China. Not only would this add another dimension to the Africa-China debate, but it would also shed light on how the people on the ground and beyond the headlines are faring.

“As soon as a region becomes the birthplace of an African president, this region gets 270% more development assistance [from China] than it would if it were not the birth region of the president.”

- Roland Holder [2015]
Professor of Economics - Univeristy of St. Gallen
The Pew Research Center, which regularly runs polls on the favorability of major superpowers around the globe, sheds light on what Africans think about China in general. According to their research, most Africans view China very positively. In fact, the highest praise for China is found in Africa. The graph below shows the favorability of China in nine African countries along with Japan, Pakistan, Brazil, France, Germany, the United States, Israel, Lebanon and Jordan.

Although China is seen more favorably in Africa than in other parts of the world, the United States has even higher ratings in the continent. All of the African countries surveyed above have a more favorable view of the United States than of China. This perhaps indicates that ordinary Africans do not wish their governments to lean overly towards the East or the West. They view both favorably and are likely to want to see cooperation with both sides.

Broad-based surveys like the above may drown out individual stories, however. That is why it is important to seek out specific cases and instances to further probe into China’s likeability in Africa. During 2014 and 2015, there were several instances that tarnished the reputation of China in Africa. The following stories provide some insight.
In November 2014, a violent labor dispute erupted at a Chinese-run sugar factory in Madagascar and resulted in four deaths. Local workers at the plant were demanding better wages and contracts for seasonal workers. Among the fatalities are a police man and a soldier on duty at the factory who were slashed to death with knives. The Chinese embassy in Madagascar expressed outrage and insisted that the Chinese company has been adhering to local laws and regulations and that it has created many jobs in town. The embassy also warned that it is up to Madagascar’s government to control the matter and make sure it does not affect the country’s investment climate.

Reports indicated that the Chinese company was only paying the workers about USD 37 a month, a common scene in Africa where many Chinese companies are accused of underpaying their local staff. Although many Chinese companies insist that they are adhering to local labor laws, their workers demand higher wages. In cases like this, it is up to the African governments to hold Chinese or any other foreign companies responsible and ensure the protection of their citizens. In addition, African governments should also enact stronger labor laws that ensure the livelihoods of their populations. On the other hand, China should coordinate its efforts to do more than just meet the minimum labor requirements in its host countries. Otherwise, the country will risk its investments and goodwill that it has worked on for many years to acquire.

“We do not expect such reckless conduct from Chinese businesspeople in Kenya...We shall deal with any repeat of such misconduct with the severity, firmness and alacrity it deserves.”

- Miao Yizong [2015]  
Spokesperson - Chinese Embassy in Kenya

Another disconcerting event went viral in the Africa-China community in March 2015. A Chinese restaurant in Nairobi, Kenya, was refusing to serve locals after dark. The owners of this establishment (dubbed “the racist restaurant”), reasoned that they turn away local Africans for “security reasons.” Esther Zhao, a manager at the restaurant was quoted saying, “We don’t admit Africans that we don’t know because you never know who is Al-Shabaab and who isn’t...It is not like it is written on somebody’s face that they are a thug armed with a gun.”

The backlash against the restaurant was swift and damning. Kenyan officials ordered the restaurant shut as it did not “have the necessary permits” including a valid liquor license. Evans Kidero, Nairobi’s governor, said, “We have established that the restaurant will remain closed until they comply with all set rules and regulations...”
The Chinese embassy in Nairobi expressed its outrage. Mao Yizong, a spokesperson for the embassy, expressed “deep and sincere regret” for the unacceptable treatment of locals at the restaurant. He added, “[The actions of the restaurant] has caused unnecessary, yet avoidable, misunderstandings and threatened to jeopardize the mutual trust and friendship between the Chinese and Kenyan people.” The Embassy warned other Chinese living in Kenya saying, “We do not expect such reckless conduct from Chinese businesspeople in Kenya…We shall deal with any repeat of such misconduct with the severity, firmness and alacrity it deserves.” It also encouraged people to report anything that could damage the warm relations between the two countries.

Although it is not clear how China can punish its citizens outside its borders, publicly denouncing racist acts is definitely a step in the right direction. China does not have a colonial history in Africa and there is rarely any deep-seated animosity between African and Chinese peoples that has been passed down from generations before. And as the above mentioned polls indicated, it is encouraging that most Africans have a positive view of China. But this does not mean that mutual respect will be shown in every instance. It is therefore, again, up to their respective governments and civil societies to teach their populations about the need for mutual respect to thrive together economically. If this is not addressed early, the consequences could be colossal later.
As the world’s largest market for ivory, China has come under fire for contributing to the dwindling number of African elephants. Between 2011 and 2014, about 100,000 African elephants were lost to poaching.\(^{171}\) In China, ivory is used for intricate sculptures, bought as an investment and even employed for medicinal purposes. Fueled by this demand, poachers and middlemen organize themselves in Africa’s wild and smuggle the precious tusks.

In order to curb the illegal poaching and still satisfy demands, China had imported one consignment of more than 60 tons of ivory 7 years ago.\(^{172}\) China has about 150 legal ivory shops around the country that are supposed to sell lawfully acquired ivory such as those from the consignment. The BBC found that carvings from the legal ivory can be sold as long as they possess photo identification. Unfortunately, the same BBC report found that some of the photo identifications do not resemble the carvings at all.\(^{173}\) This indicates the presence of widespread scams and the lack of enforcements of laws against illegal ivory.

However, steps are being taken to educate the Chinese public about the harmfulness of poaching and just how much destruction it takes to make ivory available on the market. There are reports that some Chinese citizens do not realize that an elephant has to be killed in order to extract its tusks and that tusks are not “teeth that grow back.”\(^{174}\) This makes raising awareness a crucial task. The World Wildlife Fund (WWF) has been staging a campaign depicting slaughtered elephants and calling for the end of ivory trade. WildAid, the African Wildlife Foundation and Save the Elephants have also been organizing awareness campaigns around China. These public announcements, which include Chinese celebrities like actor Jackie Chan and former NBA player Yao Ming, have continued to teach the public about the state of endangered animals such as the African elephant. Media companies in China have even donated about USD 90 million in pro bono broadcast in 2014 alone.\(^{175}\)

The Chinese government has also been active in the last couple of years to show its willingness to protect African elephants and combat against illegal ivory trade. In January 2014, it made a milestone symbolic gesture. In a ceremony attended by observers including wildlife advocacy groups, more than 6 metric tons of illegal elephant ivory was destroyed.\(^{176}\) Chinese leaders, including Premier Li Ke Qiang, have also been publicly vowing to fight against illegal ivory trade. During his visit to several African countries in 2014, the Premier promised to “spare no effort in combating poaching and ivory smuggling.”\(^{177}\) He also pledged USD 10 million to African countries for wildlife protection and conservation.\(^{178}\)

In a surprising turn of events, however, in November 2014, the Environmental Investigation Agency (EIA) accused Chinese President Xi Jinping’s delegation of going on an illegal ivory buying spree in Tanzania. The British NGO claimed that the delegation took so much ivory back to China that prices fell dramatically. These allegations were vehemently denied by both the Chinese and Tanzanian governments. The Tanzanian autorejected these claims as “stupid nonsense” while Chinese foreign ministry spokesman Hong Lei said, “The report is groundless and we express our strong dissatisfaction.”\(^ {179}\)
The claim made by the EIA did not rock too many boats and headlines shifted towards what China is doing to combat ivory trade and promote wildlife protection. In June 2015, the Associated Press reported that a senior Chinese official pledged to stop ivory trade in China completely. Zhao Shucong, Head of China’s State Forestry Administration made the heavy promise saying, “Under the legal framework of CITES [the Convention on International Trade in Endangered Species] and domestic laws and regulations, we will strictly control ivory processing and trade until commercial processing and sale of ivory and its products are eventually halted.”

Zhou Fei, head of the China office of TRAFFIC, a wildlife trade monitoring organization, believes that the ban could take place in 2017, when the abovementioned legal consignment of ivory is depleted. It should be noted that currently, China allows trade of ivory that was bought before the 1989 CITES ban on this precious commodity. It is also legal to buy and sell ivory acquired from the one-time consignment in 2008 (mentioned above), which was also approved by CITES.

Although it is not clear exactly when a total ban on ivory trade in China will take effect, the mere utterance of the possibility is giving hope to conservationists around the world. Cristian Samper, president of the Wildlife Conservation Society in New York said, “[the Chinese government’s remarks] should be broadcast around the world and should put all poachers on notice that their bloody market is no longer viable.”

China’s public promise to end ivory trade is not the only thing that conservationists find encouraging. Public opinion about the exploitation of endangered animals is also changing for the better. The Washington Post reports that rhino horns had been utilized in Chinese traditional medicine, but since it was outlawed in 1993, it has become very difficult to find. Demand for shark fin soup is also shrinking. And as for ivory, WildAid discovered that 95% of people surveyed in China’s largest three largest cities support a ban on its trade.

What is going to be difficult is translating the ban on ivory trade, public awareness and other anti-poaching efforts into real change on the ground. Enforcing laws and regulations takes time, attention and coordination. If China carries out its responsibility in this regard, perhaps this would be the generation that ends the slaughter of African elephants.
August 24, 2015 marks a day when China’s economic slowdown violently reverberated across the globe, prompting the loss of billions of dollars in stock markets and inspiring fear in countries with close economic ties with the Asian country. On this day, dubbed “Black Monday” by Chinese media, the Shanghai Composite closed 8.5% down, the worst plummet in a day since 2007.186 Investors around the world were worried about how this shake up in Asia would affect other markets and soon, their fears manifested in exchange floors in the West. London’s FTSE had lost about 100 billion pounds from its value at the worst point of the day.187 The Dow Jones, on the other hand, went down by 6% but recovered a bit before closing at 3.6% lower.188

Several events have contributed to the meltdown. Firstly, on August 11, 2015, China devalued its currency by about 2%, the steepest drop in one day since 1994.189 The yuan continued to be devalued until it eventually stabilized a couple of days later. The government allowed the drop in value of the yuan to mitigate the effects of China’s economic slowdown. For example, currency depreciation would make Chinese goods cheaper, prompting other countries to import them.190 Unfortunately, as a result of the devaluation, countries that compete with Chinese goods would be hit economically. In addition, the Chinese government drastically devaluing its currency prompted investors around the world to sense that something is seriously wrong in China’s economy. This lack of confidence eventually contributed to “Black Monday.”

What is worrying for Africa and other areas where China has very strong economic ties is not the one-day stock market crash but China’s overall slowdown that caused it in the first place. The devaluation of the yuan could have immensely negative consequences in Africa. For instance, it could result in a decline of exports to the Asian country because goods would be higher in cost for Chinese purchasers. Another effect could be strong competition from Chinese goods that would be even cheaper than domestically produced African merchandise.

In addition, Africans worry about China’s decrease in demand for African exports. China’s GDP growth has gone down to 7.4% since the roaring double digit growth of 10.6 in 2010.191 The slowdown of China means that it will not need as much natural resources to fuel its economy. Forty-five of Africa’s 54 countries are commodity dependent and this means that they are vulnerable to China’s decreasing demands.192 Commodities reached a 16-year low on Black Monday and Brent crude (a trading classification of crude oil) fell below USD 45 per barrel for the first time since March 2009.193 Bloomberg Business reports that more than 25% of sub-Saharan Africa’s exports go to China and the declining commodity prices, coupled with decreasing Chinese demand, spell disaster.194

Recent reports have already begun to discern which African countries are most vulnerable to the deceleration of China’s economy. Bloomberg Business has published an article asserting that the Republic of Congo, Angola and Mauritania are the most exposed nations, as they rely on China’s demand for almost half their exports.195 The International Monetary Fund (IMF) has determined that all three countries sent more than 45% percent of their exports in 2014 to China.196 Angola has devalued its currency twice since June and the government’s budget has been decreased by 25% as a result of the drop in exports.197 The Republic of Congo, on the other hand, has decreased its budget by USD 500 million and it is now at USD 4.5 billion.198
Other African countries are certainly not immune. South Africa, which has a more diversified economy than the nations mentioned above, has also received a major blow. Although South Africa is the continent’s biggest exporter to China (37% of its exports go to the Asian country), it has other close trade partners such as the European Union (which takes up 20% of the country’s exports). One symptom of South Africa’s dependency on China’s economy was seen in its currency. South Africa’s rand is the only African currency that is traded on “carry-trade”—a money market where currency and foreign exchange brokers determine the valuations of a nation’s currency. The BBC’s Lerato Mbele explains that these brokers analyze a country’s economy as well as its prospects, to decide on the value of its currency. Because of the above mentioned reasons and other domestic influences, traders have determined that South Africa’s economy and by extension, its currency are risky to buy and invest in. As a result, the rand lost 8% of its value the week of “Black Monday,” and continues on an unstable path.

China’s importance to Africa is much deeper than trade of commodities. The Asian country is also a major source of investment for Africa. With China’s slowdown and decreasing investment funds, Africa may not get as much infrastructure deals as it used to. This could result in the premature halt of the African infrastructure boom that has been creating jobs and boosting trade in the last few years.

It is of course unclear how deeply China’s slowdown can affect Africa or how long the repercussions would last. Mail & Guardian quoted economist Christie Viljoen saying, “[Africa’s economic attachment with China] is a case of when things are good, it’s really good, but when things are bad, it’s really bad.” When the financial crisis of 2008 unfolded and crippled economies in the West, China was able to mask the effects and help Africa continue in the path of growth. But now that China’s demand is showing signs of weakness, African countries should continue diversifying their partnerships and not put all their eggs in one basket.
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