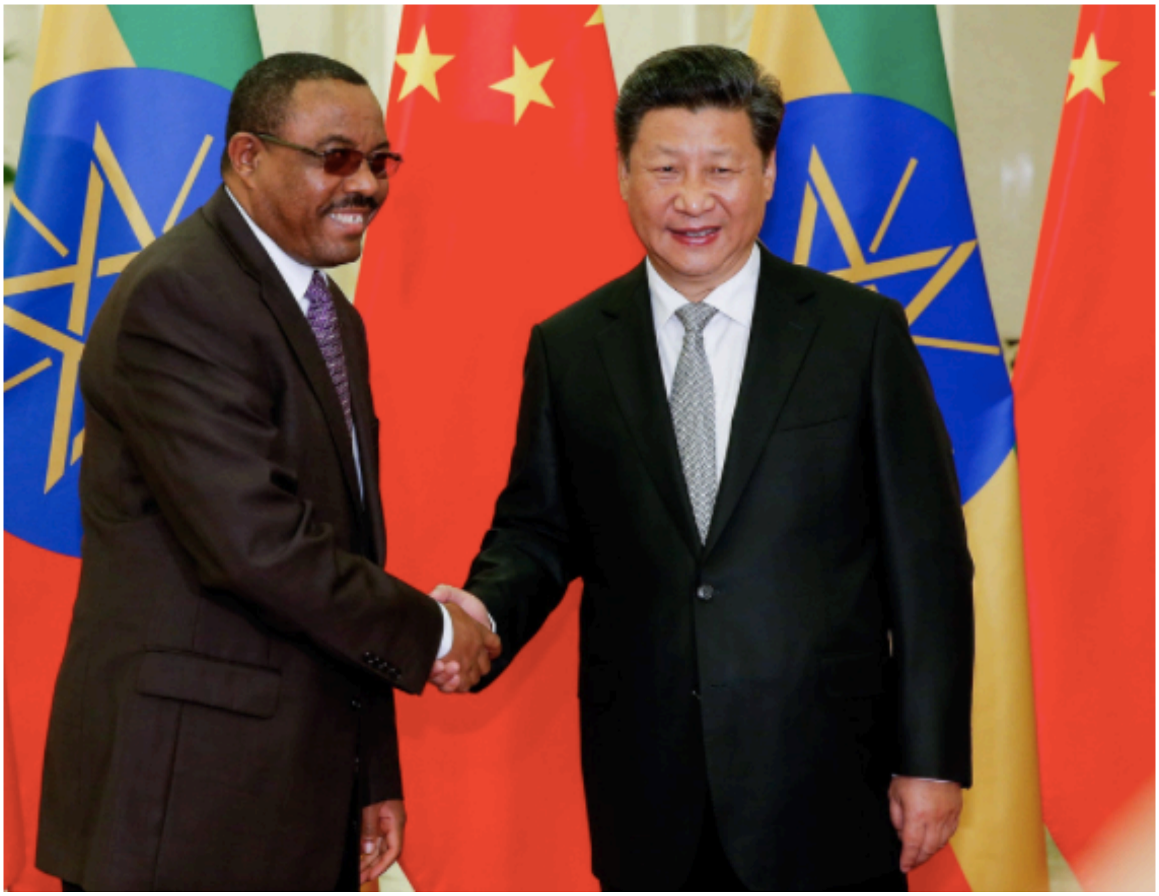
One Belt One Road Initiative: An African Perspective



By Tatenda Kunaka

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"We have been clear on how we'd like to see our relationships in Africa evolve. What would be tremendously helpful for us is if we could get that same level of clarity from our African counterparts", Chinese diplomat

Abstract

[*A single tree does not make a forest; a single string cannot make music - Chinese proverb*]

China has been accused of a number of things in Africa. From providing "rogue aid" (used to describe China's financial assistance in the developing world as non-transparent, non-democratic, and all self-interested) to the monolithic tale of a giant economy taking undue advantage of a frail post-colonial partner[1]. Is there any truth in this? Is this based on any empirical evidence or these are words coming from a spurned suitor (read, the West)?

Chinese aid has also been blamed for propping up authoritarian regimes[2], building shoddy roads and infrastructure by imported Chinese workers, and focusing mainly on countries endowed with natural resources that China needs. The purpose of this paper is to examine the ever-increasing economic interaction between China and Africa with a particular focus on the

[1] NaÍm, M. (2007, February 14). Help Not Wanted. Retrieved from http://www.nytimes.com/2007/02/15/opinion/15naim.html
[2] Kuo, L. (2017, October 19). China's "rogue aid" to Africa isn't as much or as controversial as we thought. Retrieved from https://qz.com/1104209/chinas-rogue-aid-to-africa-isnt-as-much-or-as-controversial-as-we-thought/

Mombasa-Nairobi Standard Gauge Railway (SGR) Project[3] which seeks to connect Kenya, Uganda, Rwanda and South Sudan as part of the One Belt One Road Initiative.Is the relationship mutually beneficial or one partner continues to take advantage of the weaker party?

The mega infrastructure project is particularly important because it was Kenya's own idea, unlike the Kenya-Uganda Railway[4] built by the British during 19th century colonial rule, which is still in use today and much like other Chinese infrastructure projects in Africa, the SGR, which aims to open East and Central Africa up to international trade and investment has sparked controversy around its economic viability, corruption, opaque contracting practices, financing arrangements, and community and labor issues[5].

This paper critically analyzes China's investment in Africa, through an African's lens, as it exemplifies the rearrangement of power and the restructuring of development. It observes the role of context in investments, China's impact to Africa's economic development and possible effects on governance, specifically with corruption and capacity. It aims to dispel the myths and provide a fact-based picture of the Africa-China economic relationship, from an African perspective.

China in Africa: A Brief Background

[*Three humble shoemakers brainstorming make a great statesman like Zhuge Liang*]

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[3] Mombasa-Nairobi Standard Gauge Railway Project. (n.d.). Retrieved from http://www.railway-technology.com/projects/mombasa-nairobi-standard-gauge-railway-project/
[4] C., & Chao Time traveler, Writer, History lover. (2016, February 11). The Lunatic Express- A History of the Uganda Railway. Retrieved from https://www.theeagora.com/the-lunatic-express-a-photo-essay-on-the-uganda-railway/
[5] Mungai, R. (2016, October 07). Is China railroading Kenya into debt? Retrieved from http://www.scmp.com/week-asia/geopolitics/article/2026152/china-railroading-kenya-debt

Although the Chinese naval explorer Zheng sailed to the east coast of Africa in the 15th century[6], China’s modern ties with Africa date back to the earliest years of African independence in the 1950s and 1960s, when leaders such as President Julius Nyerere of Tanzania turned to China to build “Third World solidarity.” One concrete expression of that early cooperation was China’s 1968–76 construction of the TanZam Railway, which linked landlocked Zambia with the Port of Dar es Salaam in Tanzania. Britain, Japan, West Germany, and the United States, as well as the United Nations (UN) and the World Bank, had all declined to fund the project, deeming it financially unviable. Only China - at the time poorer than both Tanzania and Zambia - agreed to fund it, to the tune of $3 billion in today’s money. Mao told Nyerere, “To help you build the railway, we are willing to forsake building railways for ourselves.” African and Chinese workers not only labored side by side but also engaged in what was known as "technical cooperation," as Chinese railway experts trained their African counterparts in the workplace and in technical training shops.[7]

Since the turn of the 21st century, China has catapulted from being a relatively small investor in the continent to becoming Africa’s largest economic partner. In a mere two decades, China has become Africa’s biggest economic partner. Across trade, investment, infrastructure financing, and aid, there is no other country with such depth and breadth of engagement in Africa. The Chinese “dragons” - firms of all sizes and sectors - are bringing capital investment, management

[6] (n.d.). Retrieved from http://afe.easia.columbia.edu/special/china_1000ce_mingvoyages.htm
[7] Courtright, T. (n.d.). China in Africa - Third World Solidarity in the 21st Century. Retrieved from http://www.academia.edu/8080014/China_in_Africa_-_Third_World_Solidarity_in_the_21st_Century

know-how, and entrepreneurial energy to every corner of the continent and in so doing, they are helping to accelerate the progress of Africa's "lions," as its economies are often referred to. Africa-China trade has been growing at approximately 20 percent per year since 2000. Foreign direct investment (FDI) has grown even faster over the past decade, with a breakneck annual growth rate of 40 percent.[8]

Even more, China's financial flows to Africa are around 15 percent larger than official figures suggest when non-traditional flows are included[9]. China is also a large and fast growing source of aid and the largest source of construction financing; these contributions have supported many of Africa's most ambitious infrastructure developments in recent years.

An Introduction - One Belt, One Road

[*Even at the highest level of enlightenment, one can still make further progress*]

First announced in 2013, the "One Belt, One Road[10]" strategy is an ambitious initiative to strengthen the world's second-largest economy's investment, influence and trade links to the rest of the globe. The plan aims to connect Asia, Europe, the Middle East and Africa with a vast logistics and transport network, and involves 65 countries. Together, they account for one-third of global GDP and 60 percent of the world's population, according to Oxford Economics. Total

[8] Kartik Jayaram, Omid Kassiri, and Irene Yuan Sun. (2017, June). The closest look yet at Chinese economic engagement in Africa. Retrieved from https://www.mckinsey.com/global-themes/middle-east-and-africa/the-closest-look-yet-at-chinese-economic-engagement-in-africa

[9] Ibid 1

[10] Jinchen, T. (2016, July). 'One Belt and One Road': Connecting China and the world. Retrieved from https://www.mckinsey.com/industries/capital-projects-and-infrastructure/our-insights/one-belt-and-one-road-connecting-china-and-the-world

trade between China and other "One Belt, One Road" countries has already hit more than $3 trillion from 2014 to 2016, and China's investment in those countries has surpassed $50 billion. Under the strategy, China has also set up 56 economic cooperation zones in 20 countries, which it claims have yielded $1.1 billion in tax revenues and have created 180,000 jobs in those nations.[11]

Through the initiative China seeks to create a "Belt" of road, rail, port, and pipeline projects that create an infrastructure corridor from China to Central Asia and Europe and a "Maritime Silk Road" that links China to South and Southeast Asia, the Middle East, and Africa through a series of deep-water ports along the littoral areas of the Indian Ocean.[12] The initiative with "little precedent in modern history, promising more than $1 trillion in infrastructure and spanning more than 60 countries" (Perlez and Huang 2017) is set to challenge the current trading patterns and mechanisms[13].

The Need - Africa's Infrastructure deficit

[*If you don't know where you're going, any road will take you there - Luganda proverb (Uganda)*]

[11] China has also set up 56 economic cooperation zones in 20 countries, which it claims have yielded $1.1 billion in tax revenues and have created 180,000 jobs in those

[12] Europe and a "Maritime Silk Road" that links China to South and Southeast Asia, the Middle East, and Africa

[13] Perlez, J., & Huang, Y. (2017, May 13). Behind China's $1 Trillion Plan to Shake Up the Economic Order. Retrieved from https://www.nytimes.com/2017/05/13/business/china-railway-one-belt-one-road-1-trillion-plan.html

Africa's rapid economic growth has occurred despite the continent's significant infrastructure deficit.[14] Greater demand, expanding economies, urbanization and surging trade levels have intensified the need for new infrastructure. Africa's largest infrastructure deficits are found in:

Power - According to research from The World Bank Group (WBG), the 48 countries of sub-Saharan Africa (with a combined population of 800 million) generate roughly the same amount of power as Spain (with a population of 45 million).

Roads - Only one-third of Africans living in rural areas are within two kilometers of an all-season road, compared with two-thirds of the population in other developing regions.[15]

Addressing the continent's infrastructure gap will be crucial, but to do so, proposed projects need detailed planning and a strong business case as the infrastructure deficit needs not only diverse sources of funding, but also detailed preparation and a strong business case for each proposed project. According to Ernest and Young's Bill Banks, "Infrastructure financing must look beyond aid and governments have to look at alternative financing solutions that are economically feasible."[16]

Effectively addressing Africa's infrastructure gap will help:

Strengthen the transport, power, health, education, water and sewage sectors

Improve quality of access for all

Significantly increase economic capacity

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[14] Addressing Africa's infrastructure deficit. (2013, December). Retrieved from http://www.ey.com/gl/en/industries/government---public-sector/dynamics---collaborating-for-growth_addressing-africas-infrastructure-deficit
[15] Ibid 1
[16] Fact Sheet: Infrastructure in Sub-Saharan Africa. (n.d.). Retrieved from http://go.worldbank.org/SWDECPM5S0

Give countries wider access to their large natural resource deposits, enabling more efficient exports

According to African government officials, China's contribution to infrastructure in Africa comes with several benefits: cost effectiveness, administrative efficiency, and speedy delivery without compromising quality. Chinese projects can be agreed to in a matter of months, whereas multilateral donor-funded projects take years. In addition, Chinese firms are significantly more affordable than other options. As one government, official responsible for road tendering said, "In a typical bid, there will be several Chinese firms with the best price, then the next lowest bid from a non-Chinese contractor is routinely one-third higher or more." These advantages do not seem to compromise the quality of infrastructure. For example, scholars have found that for World Bank infrastructure projects, there is no difference between the quality of work performed by Chinese and non-Chinese contractors.[17]

Standard Gauge Railway Project in Kenya and East Africa: the stakes

[*"There is a wise saying in Yoruba: should I wash my left hand or my right hand? The answer is that the right hand should wash the left, and the left hand should wash the right. That is the way to do things. Africa is one hand; China is the other. Working together is the way to do things", Nigerian-Chinese entrepreneur*]

[17] Kartik Jayaram, Omid Kassiri, and Irene Yuan Sun. (2017, June). The closest look yet at Chinese economic engagement in Africa. Retrieved from https://www.mckinsey.com/global-themes/middle-east-and-africa/the-closest-look-yet-at-chinese-economic-engagement-in-africa

In May 2014, during his visit to Kenya, Chinese Premier Li Keqiang and Kenyan President Uhuru Kenyatta signed a US$3.8 billion contract to build the 475 kilometer SGR with the China Roads and Bridges Corporation (CRBC), a company that has previously carried out other projects in Kenya.[18] The new SGR, one of many Chinese-built infrastructure projects in Kenya, is by far the most strategic and politically salient investment.

Built mostly alongside the existing track, but without the winding bends, the SGR is meant to substantially increase cargo throughput by rail and to lower transport costs and time by as much as 60%. It is divided into nine sections, each varying in length from 5 kilometers to 135 kilometers. The new SGR, which connects the capital city of Nairobi to the Indian Ocean at the port in Mombasa (since existing roads cannot cope with the increasing volume of freight hauled through the Mombasa port to places as far as the DRC and Rwanda) was inaugurated on May 31, 2017 closing a 110–year chapter of reliance on colonial infrastructure[19].

According to the China Road and Bridge Corporation (2016), the SGR project had a total of 21,858 documented employees, including 2,000 Chinese management and technical personnel and 19,858 local employees. Among local employees, 4,690 were technical workers, 907 were management personnel and 14,261 were ordinary laborers. Kenyan workers worked as machine

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[18] Wissenbach, Uwe, and Yuan Wang. "African politics meets Chinese engineers: The Chinese-built Standard Gauge Railway Project in Kenya and East Africa." Johns Hopkins University. 2017-07-31. Accessed: 2017-07-20 15:28:37 -0400.https://static1.squarespace.com/static/5652847de4b033f56d2bdc29/t/594d739f3e00bed37482d4fe/1498248096443/SGR+v4.pdf.

[19] Wissenbach, Uwe, and Yuan Wang. "African politics meets Chinese engineers: The Chinese-built Standard Gauge Railway Project in Kenya and East Africa." Johns Hopkins University. 2017-07-31. Accessed: 2017-07-20 15:28:37 -0400.https://static1.squarespace.com/static/5652847de4b033f56d2bdc29/t/594d739f3e00bed37482d4fe/1498248096443/SGR+v4.pdf.

operators, truck drivers, surveyors, as other specialists, and as casual workers. In total, over time, the SGR project created over 38,000 employment positions.[20]

China in Africa - One-size-fits-all?

[*"African countries have come to realize that they need options, not conditions, when it comes to aid. China's aid and development financing provides such options and is thus welcomed with open arms by many African countries," researcher, Xiaojun Li*]

Far from a single monolithic model, significant country-level variation exists in Africa-China relationships. For example, nearly 40 percent of the Chinese firms in Côte d'Ivoire are traders, compared with 2 percent in Ethiopia. Chinese firms invested in the largest steel plant in West Africa, the largest ceramic tile factory in East Africa, and the largest bank in all of Africa.[21] The Chinese telecommunications giants Huawei and ZTE built most of Africa's telecoms infrastructure. Chinese contractors built the $1.2 billion Tanzania Gas Field Development Project in 2015[22] and the $3.4 billion, 750-kilometer Ethiopia-Djibouti Railway[23] in 2016. Local impact varies as well: local employment ranges from 60 percent in Angola to 96 percent in Nigeria[24].

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[20] Kuo, L. (2016, August 03). Kenyan rail workers are protesting against their Chinese employer for a raise-to $5 a day. Retrieved from https://qz.com/749177/kenyan-rail-workers-are-protesting-against-their-chinese-employer-for-a-raise-to-5-a-day/
[21] Kartik Jayaram, Omid Kassiri, and Irene Yuan Sun. (2017, June). The closest look yet at Chinese economic engagement in Africa. Retrieved from https://www.mckinsey.com/global-themes/middle-east-and-africa/the-closest-look-yet-at-chinese-economic-engagement-in-africa
[22] Chinese-built gas project launched in Tanzania. (2015, October 11). Retrieved from http://news.xinhuanet.com/english/2015-10/12/c_134703333.htm
[23] TODD, T. (2016, October 06). Chinese-built railway opens linking Ethiopia to Djibouti. Retrieved from http://www.france24.com/en/20161005-chinese-built-railway-opens-linking-ethiopia-djibouti
[24] Kartik Jayaram, Omid Kassiri, and Irene Yuan Sun. (2017, June). The closest look yet at Chinese economic engagement in Africa. Retrieved from https://www.mckinsey.com/global-themes/middle-east-and-africa/the-closest-look-yet-at-chinese-economic-engagement-in-africa

Much of this variation is due to the fact that several types of relationships have evolved between African nations and China.

Indeed, China's companies, government agencies, and financial institutions are a complex set that often reflects multiple interests and uncoordinated agendas. In most sectors the rapid rise of China's business presence in Africa has been driven by a remarkably diverse group of mostly privately owned firms, each agile and aggressive in finding profitable market niches in Africa. The sheer multitude of private Chinese firms working toward their own profit motives make Chinese investment in Africa a more market-driven phenomenon than is commonly understood.

While major infrastructure projects by Chinese State Owned Enterprises (SOEs) might grab the headlines, the reality is that around 90 percent of the 10,000 or so Chinese businesses in Africa are privately owned making a mockery of a "China, Inc." stereotype - a supposedly coordinated effort by Chinese companies, primarily SOEs supported or coordinated by the government to buy up resources around the globe. Chinese firms in Africa - making long-term capital investments across the continent - are far more numerous and diverse than official numbers suggest.[25] Chinese investment is generating considerable benefits for African economies. While downsides exist, on balance, the dance of the dragons and lions is finding a productive rhythm.

Chinese financing vs. Official Development Assistance (ODA)

[25] Kartik Jayaram, Omid Kassiri, and Irene Yuan Sun. (2017, June). The closest look yet at Chinese economic engagement in Africa. Retrieved from https://www.mckinsey.com/global-themes/middle-east-and-africa/the-closest-look-yet-at-chinese-economic-engagement-in-africa

China provides relatively little aid in the strictest sense of the term (development projects with a grant element of 25 percent or higher). A large proportion of the financial support that China provides to other countries comes in the form of export credits and market or close-to-market rate loans. Western donors and lenders, on the other hand, generally provide development finance on highly concessional terms and have less aggressive export credit programs.

According to the OECD, official development assistance (ODA) is finance for local economic development that doesn't profit the donor country. At least 25% of the amount provided must be in the form of a grant.[26] Seven of the top 10 recipients of Chinese ODA between 2000 and 2014 were in Africa[27].

China is now the largest bilateral-infrastructure financier in Africa, seven times the next-largest bilateral financier. In international EPC contracting, Chinese construction firms have nearly 50 percent market share and also win 42 percent of World Bank tenders in sub-Saharan Africa by value.[28] China has become a major source of global development finance across the developing world, but the nature and consequences of its aid activities are poorly understood.

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[26] Official development assistance – definition and coverage. (n.d.). Retrieved from http://www.oecd.org/dac/stats/officialdevelopmentassistancedefinitionandcoverage.htm

[27] Kuo, L. (2017, October 19). China's "rogue aid" to Africa isn't as much or as controversial as we thought. Retrieved from https://qz.com/1104209/chinas-rogue-aid-to-africa-isnt-as-much-or-as-controversial-as-we-thought/

[28] Gutman, J., & Zhang, C. (2016, July 29). Who wins World Bank-financed government contracts? Four things we learned from the data (1 lingering question). Retrieved from https://www.brookings.edu/blog/africa-in-focus/2015/06/24/who-wins-world-bank-financed-government-contracts-four-things-we-learned-from-the-data-1-lingering-question/

China's emphasis on economic and social infrastructure stands in contrast to Western suppliers of development finance, which have scaled back their involvement in the infrastructure sector (Dollar 2008; Hicks et al. 2008; Tierney et al. 2011). Infrastructural investments can ease key constraints to economic growth and spur growth accelerations (Deininger and Okidi 2003; Calderón and Servén 2010a, 2010b; Khandker et al. 2013, 2014). Therefore, it is plausible that Chinese aid might have stronger economic growth impacts than aid from other bilateral and multilateral donors. The scale and scope of its overseas infrastructure activities now rival or exceed that of other major donors and lenders.

Between 2000 and 2014, the Chinese government committed more than U.S.$350 billion in official finance to 140 countries and territories in Africa, Asia and the Pacific, Latin America and the Caribbean, the Middle East, and Central and Eastern Europe.[29] China's annual provision of official finance now rivals that of the United States, and in some countries, China has become the single largest source of official finance (Campbell et al. 2012; Greenhill 2013).

Only about a fifth of China's overall financial contributions around the world can be defined as ODA, compared to the US where most of its overseas financing can be defined as aid. Most of China donated or lent during the time period analyzed, about $350 billion, was in the form of export credits and market, or close-to-market rate loans.[30]

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[29] Ping, C. K. (2017, October 11). China set to replace US as top foreign aid provider. Retrieved from http://www.straitstimes.com/asia/east-asia/china-set-to-replace-us-as-top-foreign-aid-provider

[30] Kuo, L. (2017, October 19). China's "rogue aid" to Africa isn't as much or as controversial as we thought. Retrieved from https://qz.com/1104209/chinas-rogue-aid-to-africa-isnt-as-much-or-as-controversial-as-we-thought/

Analysis: The Impact of Chinese Investment in Africa

Attention on China's business activity in Africa tends to focus disproportionately on state-owned enterprises (SOEs) and on deals with public announcements. Although these investments tend to be some of the bigger ones by size, each is only a subset of the vast range of business activities occurring between China and Africa.

As with any long and complex relationship, the Africa-China engagement includes both benefits and challenges. Overall, China's growing involvement has been highly positive for economies, governments, and workers in Africa. China's fast-growing investments in Africa have built factories and railroads and introduced new technologies, from low-cost smartphones to state-of-the-art data-storage facilities. The more than 10,000 Chinese firms employ millions of African citizens. And increased trade with China has opened new markets for Africa's minerals and commodities as well as factory-made goods. As a result, China has helped to modernize Africa's markets and improve its productivity.

A significant number of Chinese firms have introduced a new product or service to the local market, and one-third have introduced a new technology. In some cases, Chinese firms have lowered prices for existing products and services by as much as 40 percent through improved technology and efficiencies of scale. And others have introduced technologies that significantly improve service levels, such as Huawei's 4G telecommunications technology[31].

[31] Maasho, A. (2013, November 28). China's Huawei to roll out 4G service in Ethiopian capital. Retrieved from https://www.reuters.com/article/us-ethiopia-telecoms/chinas-huawei-to-roll-out-4g-service-in-ethiopian-capital-idUSBRE9AR0JO20131128

Despite these very real gains, there are areas where the relationship could and should be improved. Chinese firms currently source less than half of their supply from local suppliers and local businesses have not yet won a large share of Chinese firms' purchase orders. African firms need to invest in growing their scale and capabilities. While Chinese companies would prefer to use local suppliers, they have oftentimes encountered problems in finding ones that meet their price and quality specifications. As one African government official put it, "If Chinese firms could source locally at the right price and quality, they would. This issue is not with them but with our local suppliers."[32]

As Chinese companies usher in new technology and more efficient management, they are putting some longstanding African enterprises - and the jobs they provide - at risk but that is the nature of business, everywhere. These cases present a challenge to African governments, which must balance the broader benefits of Chinese engagement with preserving locally owned companies. Instances of unfair or unsafe business practices, particularly in areas related to resources and extraction that threaten worker safety as well as the environment remain unresolved by a majority of the host governments.

According to Human Rights Watch[33], there have been substantial employee safety violations in Chinese SOE-run copper mines in Zambia. Inhumane working conditions included poor

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[32] Kartik Jayaram, Omid Kassiri, and Irene Yuan Sun. (2017, June). The closest look yet at Chinese economic engagement in Africa. Retrieved from https://www.mckinsey.com/global-themes/middle-east-and-africa/the-closest-look-yet-at-chinese-economic-engagement-in-africa

[33] Zambia: Workers Detail Abuse in Chinese-Owned Mines. (2015, April 17). Retrieved from https://www.hrw.org/news/2011/11/03/zambia-workers-detail-abuse-chinese-owned-mines

ventilation that could lead to serious lung disease, exceeding the legal limits on work hours, failure to replace protective equipment, and threatening to fire workers who refuse to work in unsafe conditions. While such violations are committed by firms of all nationalities, some studies suggest that breaches of labor regulations, in particular, are currently more common among Chinese firms than among other foreign owned firms in Africa.

Understanding the political background of the host country is crucial for Chinese companies' operations, especially to manage local expectations and grievances. Hiring local liaison officers with roots in the local community could be an effective way of improving communication between Chinese companies and local communities. Liaison officers serve as the bridge between the company and the community, building buy-in from the local residents for the company's projects, and conveying residents' needs to the company.

African policy-makers need to improve their communication with local communities to better convey the rationale behind a major project, especially in the early phases of the project. Local consultation and participation in discussions of land issues and labor recruitment would also ensure fewer construction disruptions and relieve undue pressure on Chinese managers that are focused on completing construction phases under deadlines.[34] The current top-down approach produces conflicts and leads to non-negotiable standard packages since it prioritizes speed and political expediency over quality and local issues.

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[34] Wissenbach, Uwe, and Yuan Wang. "African politics meets Chinese engineers: The Chinese-built Standard Gauge Railway Project in Kenya and East Africa." Johns Hopkins University. 2017-07-31. Accessed: 2017-07-20 15:28:37 -0400.https://static1.squarespace.com/static/5652847de4b033f56d2bdc29/t/594d739f3e00bed37482d4fe/1498248096443/SGR+v4.pdf.

African countries should take initiative by strategically and purposefully shaping their relationships with China. They have an opportunity to improve their engagement model with China to drive better alignment with their national goals and derive better outcomes for their citizens. while taking their unique circumstances into account. After the announcement of China's Belt and Road initiative, both Ethiopia and Kenya expressed strong interest, with the heads of state of both nations traveling to Beijing for the May 2017 Belt and Road Summit. The following week, China's Ministry of Foreign Affairs upgraded its strategic rating of both countries - implying that targeted engagement by African countries can produce results quickly.[35]

China has expressed interest in cultivating more balanced partnerships with African countries, with the view that more strategic direction from African countries, backed by stronger African governance, is in the interests of the long-term sustainability of the Africa-China relationship. As one Chinese diplomat has said, "We have been clear on how we'd like to see our relationships in Africa evolve. What would be tremendously helpful for us is if we could get that same level of clarity from our African counterparts."[36] African governments can build a China-capable bureaucracy not only during the lead-up to major state visits and in negotiating infrastructure deals but also by defining clear and holistic engagement strategies that guide and direct Chinese activity toward areas that most support national economic development goals.

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[35] 28 heads of state confirm for China's belt and road summit. (2017, May 11). Retrieved from http://www.scmp.com/news/china/diplomacy-defence/article/2088478/28-heads-state-confirm-attendance-chinas-belt-and-road

[36] Kartik Jayaram, Omid Kassiri, and Irene Yuan Sun. (2017, June). The closest look yet at Chinese economic engagement in Africa. Retrieved from https://www.mckinsey.com/global-themes/middle-east-and-africa/the-closest-look-yet-at-chinese-economic-engagement-in-africa

In addition, African countries could learn from countries that have been doing business with China for a long time such as Ethiopia and South Africa that have harnessed their engagement with China to drive distinct industrial development strategies. They have managed to attract sustained attention and investment from China, with average annual FDI growth rates of more than 50 percent.[37] They offer lessons for other countries as to what measures enable effective engagement with China.

Language and cultural barriers remain the top two concerns for African business in working with Chinese firms. African leaders who routinely deal with Chinese in both business and government worry about details - or even major ideas - being lost in translation. Zambian officials have described how a recent wave of labor law violations by Chinese firms turned out to involve mostly small entrepreneurs who simply did not realize that regulations in Zambia were different than what they were used to in China.[38] In other countries, Chinese economic consular offices have proactively made Chinese translations of relevant immigration, customs, taxation, and labor laws available in order to head off similar issues. By contrast, Chinese firms rate language as third-to-last on their list of barriers, although "culture and trust" is fourth—another example of a mismatch in perspectives between African leaders and Chinese firms. Leaders also worry that Chinese firms have a tendency to be transactional in their approach to dealing with Africans instead of building strong relationships. African government officials also identify language

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[37] Ibid 1

[38] Zambia: Workers Detail Abuse in Chinese-Owned Mines. (2015, April 17). Retrieved from https://www.hrw.org/news/2011/11/03/zambia-workers-detail-abuse-chinese-owned-mines

barriers as the root cause in cases where there has been widespread ignorance of local regulations.

Conclusion

It is clear that different people have different views of and opinions toward the China-Africa engagement. On balance, China's growing presence in Africa is a strong net positive for Africa's economies, governments, and workers. Notable positive impacts include job creation, skills transfers, and greater income generation from Chinese partners. The imagery of a skewed relationship with China simply falls short of the reality of Africa's contemporary international relations. This argument often ignores the agency of the post-colonial African state in shaping its own political and economic destiny. It is a narrative that is currently being challenged in most of Africa, from Luanda to Addis Ababa, as Chinese infrastructure projects and small business have begun to reshape Africa's economic trajectory.

Most of these issues addressed in this paper, from the contracting to the construction processes, are a matter for the African actors. This contradicts a widespread assumption that China is responsible for causing, or at best ignoring, many of the problems in African countries. Rooted in neo-colonialist and paternalistic development aid perspectives such narratives find it difficult to reconcile with what are in fact Chinese-financed African investment projects, for better or worse.

As the Kenyan SGR example shows, Chinese investors in Africa are not neo-colonial predators; they can help transform African visions into concrete reality, but African agency is still critical to make infrastructure projects work for inclusive development and profitable economic growth. There are areas that need significant improvement: By value, only 47 percent of the Chinese firms' sourcing was from local African firms, representing a lost opportunity for local firms to benefit from Chinese investment. There have been instances of major labor and environmental violations by Chinese owned businesses. These range from in inhumane working conditions to illegal extraction of natural resources including timber and fish. To tackle these challenges businesses and governments will need to take decisive action to strengthen ties, explore new models for business growth and collaboration, and translate Africa's demographic and resource advantages into sustained, accelerated development. The Africa-China partnership, which has accomplished so much over the past two decades, is poised to accomplish much more.

"Africa is beginning to do well economically. One of the main reasons for [this] turnaround in the economic fate of Africa is the emergence of the emerging nations in general and China in particular."
- Melas Zenawi, former Prime Minister of Ethiopia, 2012

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