U.S. politicians get China in Africa all wrong

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Deborah Bräutigam, The Washington Post, April 12, 2018

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In Washington, Republicans *and* Democrats generally look at China as a new imperial power in Africa: bad news for Africans. But is this really the case?

Just before his <u>visit</u> to Africa last month, former secretary of state Rex Tillerson <u>accused</u> China of using "predatory loan practices," undermining growth and creating "<u>few if any</u> jobs" on the continent. In Ethiopia, Tillerson <u>charged</u> the Chinese with providing "opaque" project loans that boost debt without providing significant training. As secretary of state, Hillary Clinton sang the same tune, <u>warning</u> Africans to beware of this "new colonialism." China, we are often told, is bringing in all its own workers or "grabbing" African land to grow food to send back to feed China.

But researchers who have explored China's role in Africa suggest that many of the things our politicians believe about Chinese engagement are not actually true.

1. Jobs and training

Take jobs and training. Lina Benabdallah, a political science professor at Wake Forest University, studies Chinese investments in African human resource development programs. "Africans are being invited to Chinese universities. China is offering scholarships," she <u>said</u>. "When Africans are thinking about technology [and] skills, they are thinking of China as a valid option."

<u>Surveys</u> of employment on Chinese projects in Africa repeatedly find that three-quarters or more of the workers are, in fact, local. This makes business sense. In China, textile workers now <u>earn</u> about \$500 a month — far more than workers in most African countries. Chinese investors flocking to set up factories in low-cost countries like Ethiopia are not thinking about importing Chinese workers. Like U.S. and European factory owners who moved their factories to China in past decades, Chinese firms are now outsourcing their own manufacturing to cheaper countries.

2. Predatory lending

Are the Chinese engaging in predatory lending? Here, researchers can also shine light on a murky subject. Scholars at <u>Boston University</u> and <u>Johns Hopkins University</u> have been painstakingly assembling databases of Chinese loans provided since 2000. In Africa, we found that China had lent at least \$95.5 billion between 2000 and 2015. That's a lot of debt. Yet by and large, the Chinese loans in our database were performing a useful service: financing Africa's serious infrastructure gap. On a continent where over 600 million Africans have no access to electricity, 40 percent of the Chinese loans paid for power generation and transmission. Another 30 percent went to modernizing Africa's crumbling transport infrastructure.

Some of these were no doubt pork barrel projects and white elephants: <u>airports</u> with few passengers, or <u>bridges to nowhere</u>. African presidents, like others, love to cut ribbons and leave legacies of big buildings. Chinese companies will receive nearly all of the contracts to build this Chinese-financed infrastructure. Questions have been <u>raised</u> about its quality. Yet on the whole, power and transport are investments that boost economic growth. And we found that Chinese loans generally have comparatively low interest rates and long repayment periods.

3. Land grabs

"Land grabs" — a term used for any purchase, rental or theft of relatively large amounts of land — are controversial around the world, but especially in Africa, where colonial powers like Britain and France grabbed nearly the entire continent. The stories that China was now a "land grabber" in Africa *seemed* to make sense. After all, China has 9 percent of the world's arable land, 6 percent of its water and over 20 percent of its people. Africa has plentiful land and the planet's largest expanses of underutilized land and water. And Chinese companies were clearly interested in investing in Africa; some came to inquire about land.

And so the land grab rumors began to spread. On the <u>CBS News</u> website, we read: "China recently purchased half the farmland under cultivation in the Congo." German Chancellor Angela Merkel's top African adviser <u>told</u> reporters that a devastating famine in the Horn of Africa several years ago was partly due to China's "large-scale land purchases." Even Swedish crime writer Henning Mankell <u>recirculated</u> a "land grab" story: "I read just the other day that China has rented land in Kenya to move some one million peasants to Africa."

Intrigued by these stories, I did what academics do. Instead of tweeting what might have been fake news, I set up a research project.

Our team at the International Food Policy Research Institute and at Johns Hopkins University <u>collected</u> a database of 57 cases where Chinese firms (or the government) were alleged to have acquired or negotiated large (over 500 hectare) amounts of African farmland. If all of these media reports had been real news, this would have amounted to a very alarming <u>6 million hectares</u> — 1 percent of <u>all the farmland in Africa</u>. We spent three years tracking down every single case. We travelled from Madagascar to Mozambique, Zimbabwe to Zambia. We confirmed that nearly a third of these stories, including the three above, were literally false. In the remaining cases, we found real Chinese investments. But the total amount of land actually acquired by Chinese firms was only about 240,000 hectares: 4 percent of the reported amount.

The stories of large-scale land grabbing and Chinese peasants being shipped to Africa to grow food for China turned out to be mostly <u>myths</u>. As researchers at the Center for International Forestry Research <u>concluded</u> after their own rigorous research: "China is not a dominant investor in plantation agriculture in Africa, in contrast to how it is often portrayed."

We found a story of globalization, not colonization; a story of African agency, rather than Chinese rapacity. In Mozambique, I met African investors like Zaidi Aly, who had traveled to Brazil to learn how to grow soybeans for <u>local chicken feed</u>. There, he met a Chinese firm buying soybeans. Aly invited them to invest in soybeans with him. Hit by a prolonged drought, their joint venture failed. The Chinese returned home. But Aly told me it was a net gain: "I learned so much from them."

To be sure, increased Chinese engagement comes with significant and very real challenges for many Africans. Traders complain about competition from Chinese migrants. In our <u>research</u> on Chinese factories in Africa, we've interviewed African workers who now have jobs but complain about Chinese bosses who expect long hours at low pay.

Chinese demand for African ivory, abalone, rhinoceros tusk and materials from other endangered species has taken a significant toll on conservation efforts. And Chinese President Xi Jinping's recent lifting of his own term limits is bound to embolden African leaders who are reluctant to leave their comfortable presidential posts.

China is often lambasted as a nefarious actor in its African dealings, but the evidence tells a more complicated story. Chinese loans are powering Africa, and Chinese firms are creating jobs. China's agricultural investment is far more modest than reported and welcomed by some Africans. China may boost Africa's economic transformation, or they may get it wrong — just as American development efforts often go awry.

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