
Book Review

Why the West Fears China—in Africa

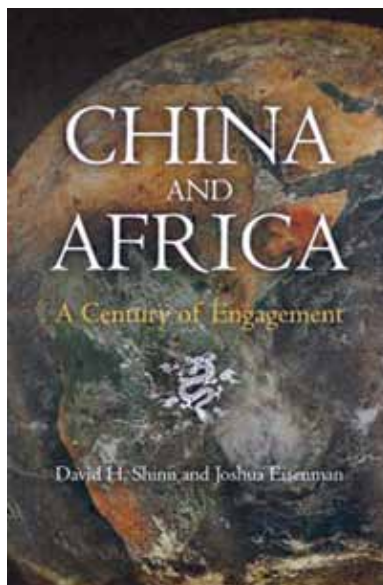
by Lawrence K. Freeman

China and Africa: A Century of Engagement

by David Shinn and Joshua Eisenman
Philadelphia: University of Pennsylvania Press,
2012 525 pages, hardcover, \$69.95

David Shinn and Joshua Eisenman claim that their new book on relations between China and Africa is the most comprehensive since the 1971 publication of Bruce Larkin's *China and Africa 1949-1970*. Not being an expert on that topic, I cannot verify that claim. However, without doubt, *China and Africa: A Century of Engagement* presents, in depth, all facets of intercourse between China and the African continent during the last century.¹ And the subject couldn't be more timely, given the current strategic and economic breakdown crisis, and thus I highly recommend this book.

For while the authors assiduously avoid polemics, the facts they muster shed light on why the trans-Atlantic nations have become increasingly strident against China's involvement in Africa, to the point of this becoming a potential strategic flashpoint. For what the Chinese are providing, even within the confines of the collapsing global



1. The book is divided into two sections. The first seven chapters cover China-Africa relations in the areas of trade, investment, media, military, education, Chinese communities in Africa, and cultural exchanges. The second section consists of "snapshot" historical reports on each of the individual 54 African nations' relations with China. It also has two valuable appendices. One shortcoming was the absence of a page listing all the acronyms referred to in the book.

system, is a clear alternative to colonial looting, based on respect for national sovereignty, and a commitment to building economic infrastructure.

Additionally, this book provides a wealth of historical material, covering the period from the founding of the People's Republic of China in 1949, through 2011, including the various phases of its economic growth, and the challenges facing China today. Given its exhaustive scope, the book could be subtitled "Everything You Wanted To Know about China and Africa," with much valuable reference material for Africanists, especially.

Having become familiar with the writings and lectures of former Amb. David Shinn, who represented the U.S. in Ethiopia and Burkino Faso, I think it is fair to say, that this book, with over 100 pages of footnotes, is "vintage Shinn."

Challenging the West's Zero Growth Policy

The overpowering conclusion one reaches in reading this book is that, especially in the last decade, China has made Africa a priority in its foreign, economic, and trade policy. Many Africans believe that the West, especially the U.S. and Europe, has abandoned them, except for seeking big financial returns from the oil and mining extractive industries, and of course, who could forget, mobile phones. It is not that China has ignored investment in these sectors—quite the contrary—but unlike the West, which has, by and large, since the 1970s, refused to make any significant investment in Africa beyond what infrastructure is minimally required for extractive industries, as a matter of policy, China has invested heavily in major infrastructure projects that Africa desperately needs, with plans for future expansion.

As the authors point out, despite complaints about China's use of cheap labor, its flooding of African markets with inexpensive consumer goods, and the poor quality of some of their work, almost everyone on the African continent appreciates that China is adding real value to their economy. China surpassed the U.S. as Africa's number one trading partner in 2009.

In short: While China does seek Africa's resources for the growth of its own economy, in return, it contributes real economic value to African nations, while the

West essentially loots Africa's resources, providing little, if anything, in return. The question of why there is such a divergence in policies is not addressed by the authors.

We are witnessing today the cultural, economic, and political demise of the trans-Atlantic nations. With the overturning of President Franklin Roosevelt's 1933 Glass-Steagall law (separating commercial banks from gambling-casino-type investment houses) in 1999, during the fading years of President Bill Clinton's second administration, the U.S. has been heading downhill at an accelerated rate over the last 13 years. China, during that same period, despite its own shortcomings, has chosen a different course, one still committed to economic progress. This is obvious in the substance of China's fundamentally different approach to Africa, which is politically determined by the highest levels of the government and Communist Party.

Since Henry Kissinger's 1974 "National Security Study Memorandum 200: Implications of Worldwide Population Growth for US Security Overseas Interests," U.S. policy has been to treat the industrial and population growth of African nations as a *strategic threat* to the uninterrupted flow of minerals and natural resources that the West demands. Since that time, the U.S., as the leading economic power in the world, along with the leading trans-Atlantic financial institutions, have consistently refused to undertake investment in vital large-scale infrastructure projects that Africa needs. Instead, these institutions have concentrated on one overriding strategic thrust: population reduction/zero growth, the primary tenet of the environmentalist movement. The fanatics in the World Wildlife Fund (the mother of environmentalism) and the British royal family have proclaimed that our planet can sustain only 1 to 2 billion people, based on their anti-scientific claim of limited resources. (Africa alone has just surpassed 1 billion.)

China and other Asian nations have rejected this view, instead investing billions of dollars in roads, ports, schools, railways, housing, and hospitals, without political or economic conditionalities, which is what the West has shunned for over 40 years.

An Historical View

It was fascinating to learn from *China and Africa* that China's modern history with Africa begins with the famed voyages of the Muslim explorer Zheng He, from the court of the 15th-Century Ming Dynasty Emperor Yongle. Zheng became the first Chinese navigator to reach the coastline of Somalia and Tanzania in 1417-22. Zheng, the authors point out, was traveling to Asia

and East Africa from 1405 to 1433, "predating Christopher Columbus, Vasco da Gama, and Ferdinand Magellan." He has been celebrated by the Chinese government in the 21st Century for his "spirit of scientific exploration" and "peaceful voyages."

The authors discuss different phases of China's foreign and economic policy towards Africa. In the early years of the Mao era, there was support for various liberation movements throughout the continent. After the Cultural Revolution in the 1960s, from the mid-1970s onward, China evolved to a more pragmatic approach, which complemented its own economic expansion in the last two decades of the 20th Century, with an exponential increase in trade and economic activity in the first decade of this century.

The "Five Principles of Peaceful Coexistence" agreed upon by China's first Premier, Zhou Enlai, and Indian Prime Minister Jawaharlal Nehru, in 1954, which became the founding principles of 1955 Asian African Conference in Bandung, Indonesia (the precursor to the Non-Aligned Movement), still provide essential features of China's policy for Africa today. They are: mutual respect for sovereignty and territorial integrity; mutual non-aggression; non-interference in each other's internal affairs; equality and mutual benefit; and peaceful coexistence. At this 1955 conference, China's Premier met face to face for the first time with representatives of six African nations: Egypt, Ethiopia, Liberia, Sudan, Libya, and Ghana.

Less than a decade later, Zhou made an historic tour (1963-64), visiting ten African nations. Speaking in Ghana in January 1964, he expanded the Five Principles to Eight Principles, outlining China's policy of foreign economic relations, which define China's attitude toward Africa today, including: China always bases itself on the principle of equality and mutual benefit; China never attaches any conditions or asks for any privileges; China helps lighten the burden of recipient countries as much as possible; China aims at helping recipient countries to gradually achieve self-reliance and independent development.²

As China worked to form closer relations with African nations, the Five Principles expanded and evolved. Addressing the Organization of African Unity (the predecessor to the African Union) in 1996 in Addis Ababa, Ethiopia, President Jiang Zemin spoke of China's desire to foster a sincere friendship so that China might

2. *China Daily*. All quotes and citations are from *China and Africa* or conversations with Shinn, unless otherwise specified.

become Africa's "all-weather friend"; to increase consultation and cooperation in international affairs; and to look into the future and create a more splendid world.

The Forum on China-Africa Cooperation

To coordinate multiple features of its growing relationship with Africa, China has established the Forum on China-Africa Cooperation (FOCAC). The first FOCAC conference, held in Beijing in 2000, was attended by high-level officials from over 40 African nations. Followup meetings were held in 2003 (Addis Ababa), 2006 (Beijing), 2009 (Sharm el-Sheikh, Egypt) and 2012 (Beijing). All were well attended, despite some problems regarding the recognition of the Republic of China (Taiwan).³

The consistency of the FOCAC conferences is beyond anything ever attempted by any Western nation, and they go beyond economics, establishing country-to-country exchanges in culture, journalism, and education.

In January 2006, China issued a white paper, "China's African Policy," in which it outlined its future orientation. After repeating the central themes of China's policy (as above), the economic section of the white paper highlighted China's determination to: step up cooperation in water, electrical power, transportation, and communication infrastructure projects development; "mutual benefit and common development, to develop and exploit rationally their resources"; and to "do its best to provide and gradually increase assistance to African nations with no political strings attached."

According to the authors, China neither offers itself as a model for African nations, nor, importantly, does it make so-called "good governance" and "democracy"—

3. Fifty of the 54 African nations recognize Beijing, although, as detailed in the chapters on individual African countries and in the first appendix, diplomatic relations with Beijing did not follow a uniform straight and narrow path.

FIGURE 1

China-Africa Trade as Percent of Overall Trade 2000-2010

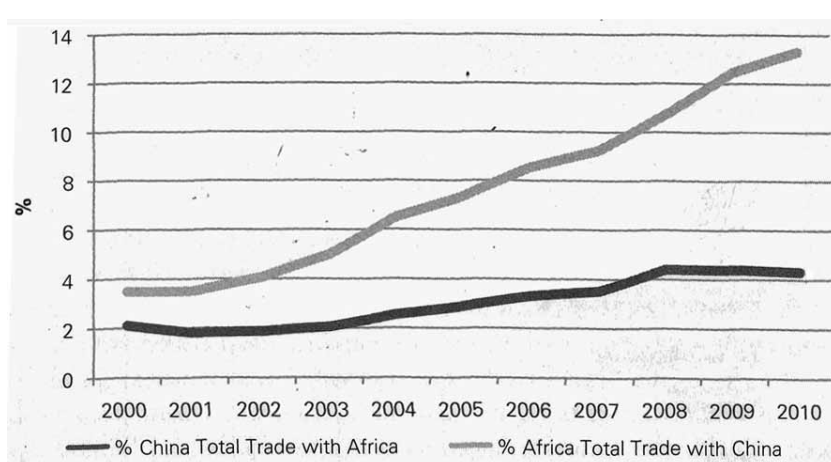
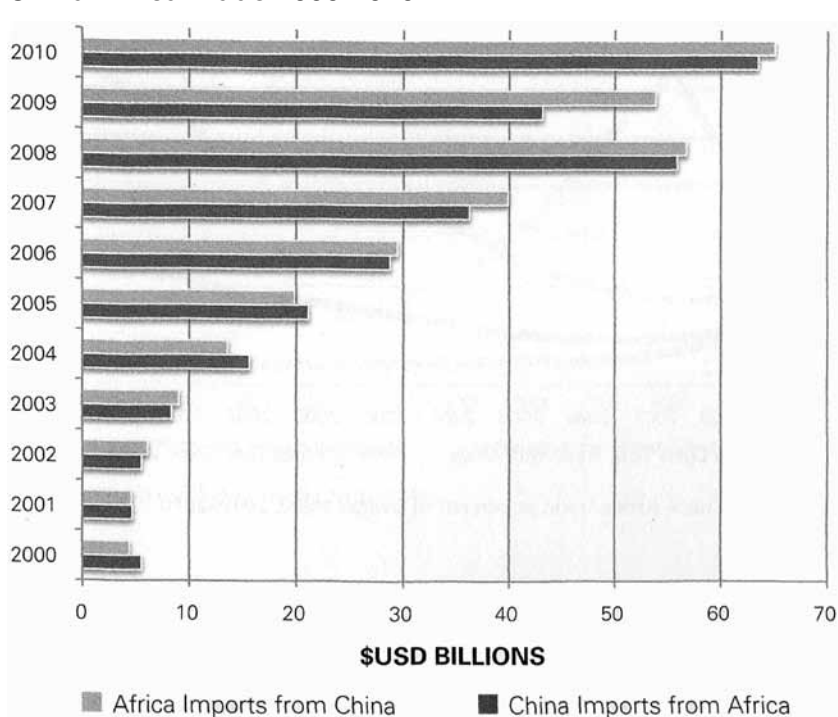


FIGURE 2

China-Africa Trade 2000-2010



hypocritical obsessions of the West—preconditions for aid and investment. Beijing has stuck to the Five Principles of Zhou Enlai for over 50 years.

Trade relations between China and Africa are given close examination in Chapter 4, with figures that go back as far as 1948, and end in 2010 (**Figures 1 and 2**). The growth of trade between them was exponential in the decade from 2000 to 2010. The authors point out that in the early years of the People's Republic, trade

was not motivated by profit, but viewed as a vehicle to advance its political agenda internationally.

With Egypt as its primary trading partner, China, in 1955, exported \$23 million worth of goods to Africa, with imports of \$27 million, for a total of \$50 million in trade. Ten years later, the total jumped to just under \$247 million.

After the end of the Cultural Revolution and the start of the economic reforms and “opening-up” policy, China’s trade in the world increased over 2,000% over the next two decades, as it did with Africa, albeit unevenly. By the year 2000, it had reached \$10 billion. During the “FOCAC Decade” trade increased almost 1,300%, reaching \$128.5 billion in 2010.

The authors attribute this to the thriving Chinese economy’s “demand for raw materials and export markets for its product.”

An Anti-Imperial Vision for Africa

Africa is a continent with tremendous natural wealth—but little economic infrastructure—and thus, is still basically a British economic colony, being starved to death. If the United States had followed President Franklin Roosevelt’s anti-imperial vision to transform the great North African desert into a garden of development, ridding the world of “British 18th-Century methods,” the U.S. would have led the world in developing Africa by issuing long-term, low-interest credits for vital large-scale infrastructure projects.

Roosevelt understood that infrastructure increases the productive powers of labor for the entire society, resulting in a net increase of real physical wealth, as opposed to simply extracting raw materials. Roosevelt lectured British Prime Minister Winston Churchill that the colonial policy “which takes wealth in raw materials out of a colonial country, but which returns nothing to the people of that country in consideration” is wrong. Roosevelt continued: “20th Century methods involve bringing industry, . . . increasing the wealth of a people by increasing their standard of living, . . . by making sure that they get a return for their raw wealth of their community.”⁴

Today, the U.S. itself is practicing British colonial methods. It flies government officials around the continent accompanied by representatives of the private sector, pushing President Obama’s failed “market-

driven and free-trade” policy and his misnamed program “Feed the Future,” which is obviously not feeding Africa, as tens of millions of starving Africans attest. USAID programs do build a road here and there, and fund a small sanitation or water project, but all of this is totally inadequate. In addition, as many Americans and Africans have noted, in this latest “scramble for Africa,” Obama’s response is to seek more African collaborators for his killer drone policy, which includes bases in several African countries, while Chinese officials have emphatically insisted to this writer, that they have no military bases in Africa and seek to have none, which Shinn and Eisenman confirm.

The authors draw their conclusion: “Most African governments welcome Chinese investments, especially following the decline in Western investment after the end of the Cold War. Chinese companies also invest in infrastructure, manufacturing, and agriculture, areas that have been avoided in recent years by private Western companies.”

Chinese construction of infrastructure in Africa is led by state-owned enterprises (SOEs). Chinese companies, with favorable loans from state-owned banks and government funding agencies, and often using Chinese workers, are profitable, but they are not seeking superprofits. Contrary to all the noise in the media, only a shrinking minority of the loans from China involves the bartering of resources. What makes these deals even sweeter is that African countries sometimes pay the SOEs with concessional loans from China, which can offer a 2-3% interest rate, with 15-20 years to pay them off, and a 5-7 year grace period. In 2007, the Chinese Export-Import Bank provided \$24 billion in loans, with approximately \$8-9 billion in concessional loans. Some of China’s loans have been written off entirely, and, despite the fact that China’s loans to Africa have now risen to multi-billions in dollar value, they are still minor compared to the almost \$300 billion Africa owes to Western countries and financial institutions, with no lasting physical return.

Building Infrastructure

One noticeable shortcoming of China’s engagement in Africa has been its failure to undertake regional and continental transformative infrastructure projects in water, energy, and rail transportation, which would result in a quantum leap in advancing the economic productivity of every nation, enabling African countries to eliminate abject poverty and adequately provide

4. *As He Saw It*, by Elliott Roosevelt, which reports on wartime conversations between his father and Churchill.

for the general welfare of their citizens. That would arguably require the necessary shift in the world financial architecture, involving the major industrial nations as well.

But China's contribution has been impressive. According to my back-of-the-envelope estimate from figures provided by the World Bank, itemized in this book, between 2001 and 2007, China's estimated financial commitments to infrastructure projects in Africa totaled about \$16 billion. In these years, 33% of the projects were for the production of power—particularly hydroelectric—with China committed to building 17 dams in 19 countries; another 33% were for roads and railroads; and 17% went to the information and telecommunication sector.

The authors argue that the charges that China is grabbing African land to feed its own 1.3 billion-plus population are inaccurate. While there is considerable cooperation and investment by China in agricultural projects in various African countries, the vast majority of the food produced is for local consumption. The Chinese government has "explicitly stated foreign land acquisition would not be part of its strategy" to feed its people, even though China "feeds 20% of the earth's population on only 8% of the world's land."

China is building real physical wealth. One key example is the Tanzania-Zambia railway, the first major infrastructure project that China completed on the continent, in 1975. China picked up the project, with a \$401 million long-term, interest-free loan in 1970, after the World Bank refused to fund the project, arguing that it would not be economically viable. This pattern has continued.

In 2007, China's ExIm Bank provided the Democratic Republic of Congo with a \$6.5 billion loan (reduced from the original \$9 billion, due to intimidation from the IMF and Western financial interests) to fund the construction 2,000 miles of rail, health centers, universities, and 5,000 housing units. Like other deals, this one involves Chinese companies and involves repayment in resources, the DRC's copper, cobalt, and gold.

In 2009, China and Ethiopia agreed to a \$1.9 billion deal for the construction of two hydro-electric dams. An additional multi-billion-dollar loan was issued in 2010, which will help fund a light rail line in Ethiopia's capital, Addis Ababa, and a new rail link from the capital to the Republic of Djibouti.

China's Export-Import Bank, in 2007, financed the construction of the Mpanda Nkua Dam in Mozambique

with a loan of \$2.3 billion, which also covered the funding of a transmission line to provide the capital, Maputo, with electrical power. In 2010, China announced that it intended to invest an additional \$13 billion over the next five years for industrial, mining, tourism, and energy projects.

In 2010, the ExIm Bank signed a 20-year \$10.4 billion concessionary loan for infrastructure projects in Ghana to include almost \$3 billion for roads and \$6 billion for railway construction. The China Development Bank offered another \$3 billion to help develop a new oil and gas sector.

Another American expert on China-Africa relations estimates that China has financial contracts for infrastructure projects in Africa totaling about \$40 billion annually.

We have today some dangerous fools who are trying to create an enemy image of China, portraying it as the number one adversary to the U.S. in Africa because of its economic policies. In fact, China is doing, in small part, what the U.S. should have done more than half a century earlier. We should join them in freeing the continent from British imperialism.

Lyndon LaRouche On Glass-Steagall and NAWAPA:

The North American Water and
Power Alliance



"The greatest project that mankind has ever undertaken on this planet, as an economic project, now stands before us, as the opportunity which can be set into motion by the United States now launching the NAWAPA project, with the preliminary step of reorganizing the banking system through Glass-Steagall, and then moving on from there."

"Put Glass-Steagall through now, and I know how to deliver a victory to you."

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