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THE GIVE-AND-TAKE OF BRI IN AFRICA

BY PEARL RISBERG

Distracted by worst-case scenarios, the United States is missing an opportunity to support the development of African states and to find an area of common ground with China. China's Belt and Road Initiative (BRI), a multi-billion-dollar infrastructure investment platform, has positive economic implications for developing countries and the United States, but is consistently overshadowed by political and national security concerns.[1] Some analysts discount the threat of the BRI as inflated, while others advocate for a U.S. response to counter a rising hegemonic power.[2, 3] However, the slow burning economic implications of the BRI are not necessarily a threat to U.S. prosperity, nor to global development. Examining BRI projects in Africa reveals a nuanced reality of how the initiative functions in the developing world, where infrastructure financing is desperately needed, and political externalities are of secondary concern to the receiving states.

EXAMINING BRI PROJECTS IN AFRICA REVEALS A NUANCED REALITY OF HOW THE INITIATIVE FUNCTIONS IN THE DEVELOPING WORLD, WHERE INFRASTRUCTURE FINANCING IS DESPERATELY NEEDED, AND POLITICAL EXTERNALITIES ARE OF SECONDARY CONCERN TO THE RECEIVING STATES.

The BRI is often critiqued as so-called "debt trap diplomacy."[4] According to this narrative, China provides infrastructure funding to developing economies under opaque loan terms, only to strategically leverage the recipient country's indebtedness to China for economic, military, or political favor. The debt-for-equity swap of Sri Lanka's Hambantota port is an oft-used example, where China excused Sri Lanka's $8 billion debt in exchange for a 99-year lease of the Sri Lankan port in 2017.[5] Interestingly, critiquing China's BRI is one of the few major policy issues that saw bipartisan support in 2018's hyperpolarized political landscape.[6] While the unifying aspect of a shared enemy may be beneficial to domestic U.S. politics, this snowballing criticism tends to minimize or ignore positive aspects, missing opportunities to work constructively with China to accomplish shared goals in the developing world.

There are real reasons to criticize China's actions along the Belt and Road, ranging from an expanding military agenda, psychological and political influence campaigns toting the benefits of authoritarianism, and the use of telecommunications technology to surveil other governments.[7] The opacity of Chinese infrastructure loans and investment is detrimental to U.S. companies' ability to compete and increases states' vulnerability to debt leveraging.[8] This risk is exacerbated by China's courtship of African political and military leaders through visits from top leadership.[9] U.S. national security concerns are particularly potent, as the Chinese military base in Djibouti has become the epitomizing symbol of China's aggression along the Belt and Road.[10] While these concerns are valid and broadly defended by U.S.-China policy experts, they overshadow the positive outcomes of the BRI and thwart any opportunity the United States may have to work alongside China to uplift African states.

China lists 39 African countries on the Belt and Road official website, ranging geographically from Tunisia to South Africa. Of these countries, China's government financing is the principal creditor of only three countries: Congo-Brazzaville, Djibouti, and Zambia.[11, 12] Overall, 67 percent of African governments' external debt is owed to either the private sector (which may include Chinese companies) or multilateral institutions, while 20 percent is considered Chinese government lending.[13] There is no official figure for total Chinese investment into Africa, but a recent estimate from the China Africa Research Initiative (CARI) at Johns Hopkins University places concessional loan totals at around $5 billion per year.[14] This study also found that Chinese loans are not a major contributor to debt distress in Africa, identifying only six countries where China, among several other financiers, is contributing to heavy borrowing.[15] When another study by AidData at the College of William and Mary analyzed the effects of Chinese financed infrastructure on economic activity, findings revealed that the positive economic spillovers of Chinese investment produced a more equal distribution of economic activity.[16] While there are substantial concerns for both African states and global stability that should not be overlooked, China's impact on Africa is, at least in part, positive. This is notable considering the United States has pumped over $1 trillion into Africa in the past decades with uncertain impacts on per capita income.[17]

When evaluating China's BRI, there must be a delicate balance between protecting U.S. interests and supporting efforts to develop global markets.

Disentangling the positive economic outcomes of China's presence in developing countries from the negative is difficult due to the complicated and contentious nature of the BRI, including all economic, political, militaristic, and ideological inputs. "China's strategic aspirations are causally related to its economic engagement in Africa and are mutually reinforcing each other," opined Yun Sun, a director at the Stimson Center, during a congressional hearing on China's presence and investment in Africa.[18] While positive and negative economic outcomes are inherently connected, a sound economic analysis of the BRI depends on a comprehensive understanding of China's multifaceted impact.

It would be dangerous to claim that all of China's engagement along the BRI is detrimental. For the interests of both the receiving country and the United States, there are economic benefits to greater global connectivity, even if China leads and enables this effort.

As Judd Devermont, the director of the Africa Program at the Center for Strategic and International Studies, stated in the same congressional hearing, "it is essential to draw a clear distinction between Chinese activities that threaten U.S. interest and those that are neutral or complimentary." China struggles with project quality, adherence to environmental standards, and transparent procurement processes, necessary practices for sustainable infrastructure development everywhere. However, China's contributions to many African countries' development have become a central aspect of those countries' development strategies. Many of China's infrastructure projects in Africa address a desperate need for roads, railways, ports, and energy.[19] This includes a 2,600 MW hydropower scheme in Nigeria, $3 billion in telecom equipment to Ethiopia, Sudan, and Ghana, and major railroad projects in Nigeria, Gabon, and Mauritania.[20]

U.S. Vice-Admiral Michael Franken echoed this notion of dependency, emphasizing the irrelevance of China's motives in many cases. "The Chinese may stay or they may go, but the railroad they are building will stay," and the railroad is what many African countries are counting on.[21] Where few other lending countries or international financial institutions are funding infrastructure, China is showing up. As Devermont also pointed out, at the September 2017 UN General Council, nine African leaders stated a preference for doing business with the United States, but the United States is not there the way China is.

Studies suggest that the growing dependence on externally funded infrastructure in African countries arises from enormous need and low private investment.[22] Limited by insufficient transportation infrastructure, regional trade in sub-Saharan Africa remains low, constituting only 20 percent of total trade in 2016.[23] In May 2018, the African Development Bank launched an investment platform to address the estimated $87-112 billion annual infrastructure funding gap.[24] This need represents an opportunity for the United States to engage with African partner countries while countering the most concerning Chinese practices. By increasing U.S. infrastructure engagement in Africa, deliberately aligning U.S.-China efforts where they do overlap and bringing U.S. procurement and transparency standards to the region, both African states and the United States could benefit from China's involvement in Africa. Further, these African states could represent an opportunity for the United States to engage and partner with China and pursue a constructive shared vision.

China's hostile economic practices, military expansion, and coercive political and ideological tactics in Africa should not be ignored. However, establishing a clear distinction between *detrimental* and *essential* BRI engagement is crucial to fostering development, building common ground with China, and expanding the global market.

Pearl Risberg *is a program coordinator and research assistant with the Simon Chair in Political Economy at CSIS.*

ENDNOTES

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