

How China's foreign investment in Africa showcases neo-colonial tendencies

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Abstract

This paper tries to discuss whether the relationship between African countries and China has the qualifications to be denominated neo-colonial. This relationship at first glance can be denominated only as an economic one, guaranteeing that trade between China and countries in Africa grows by investing in infrastructure in those countries; however it is more complicated than that, as investments and economic partnership comes at the cost of political intervention and manipulation. This article will go over economic and political characteristics and the nature of the relationship among these countries. Moreover, it will discuss the benefits to some African countries and determine whether or not this relationship is beneficial to those or whether it is creating a dependency that is reminiscent of historical colonialism, and detrimental to them. The paper showcases that Chinese foreign policy has created dependence and that it benefits more from these agreements than the African country which is left in debt, with no access to its investments, and like with empires in the past, an economy whose products leave the country to be processed elsewhere with no opportunity to take advantage of its natural resources found

Keywords: neo-colonialism, China, Africa, political interference, economic dependence

Nowadays, the world is going through a shift in powers. Historically, we saw countries dominating others, exerting dominance economically and politically abroad through their colonies. This period of imperialism, running from the 15th century up to the 20th century in many countries, in which a small portion of the world subjugated or

exerted influence over the rest of it, has had repercussions until today. Economically speaking, the previously dominated countries have always lagged. However, the world is changing. A previously multipolar world became unipolar and is transforming once again. China, a country that in the last century was recovering from civil war and

became Communist, has been going through an economic turnaround. With this turnaround, China's foreign policy has changed. The country has been investing in different African countries, and many scholars are skeptical about whether this relationship is as symbiotic as it seems. This essay will delve into Sino-African relations, specifically Chinese foreign policy in Africa, to develop a conclusion on the following question: Can we characterize China's foreign investment in Africa as neo-colonialist?

For the purposes of this essay, it shall be discussed whether the Asian Power and the Continent have derived a neo-colonial relationship through an analysis that goes into the economic and political relationship. First, the analysis will go into the political side of neocolonialism. This will specifically go into political interference by China in some countries. Then, the paper will go into the lack of accountability of the actions of China in African affairs. Finally, the paper will go into the benefit mismatch, showcasing that China benefits more of the relationship than some African countries, demonstrating the neocolonial relationship. Finally, considering all that was discussed, the essay will conclude with a thorough analysis on whether the state of affairs reflects neo-colonialism.

The definition of neo-colonialism has been the subject of discussion, as it is a difficult word to determine. Kwame Nkrumah, in¹ his book *“Neo-Colonialism, the Last Stage of Imperialism”* (1965), gave a lot of attention to the topic. This book was paramount in the discussion of neo-imperialism, as it defined and characterized the concept. He has stated that neocolonialism is the relationship between colonial powers and their colonies after independence has been established because of an underlying economic dependence. For the purpose of this paper, the definition and discussion will be placed in the context of Chinese foreign relations with many African countries in order to determine whether there are neocolonialist tendencies because the aforesaid relationship is not necessary for the presence of colonialism. In fact, he goes on to say that it's not necessary for a previous colonial relationship to have existed; it is possible that other countries have this relationship of economic dependence that is intrinsic to neo-colonialism and he gives the US and South Vietnam an example. This relationship is characterized by economic intermingling, political interference, and manipulation of policies. This is also the case for China and African countries.

¹ Haag, Diana. “Mechanisms of Neo-Colonialism: Current French and British Influence in Cameroon and Ghana.” SSRN Electronic Journal, December 2012. <https://doi.org/10.2139/ssrn.2033138>.

Nkrumah states that “A State in the grip of neo-colonialism is not master of its own destiny,” which is one of the perspectives that this essay will use to understand what China is doing in African countries. He also states that “[neo-colonialism] is also the worst form of imperialism. For those who practice it, it means power without responsibility and for those who suffer from it, it means exploitation without redress.” Moreover, the author mentions that neo-colonialism benefits the country which holds the neo-colonial power more than it does the neo-colony. Therefore, these are the three main areas that are going to be discussed to see if China’s policies are, in fact, neo-colonial. These qualities will be discussed first as “Political interference” as not being master of their destiny, “Lack of accountability for the colonial power” as exploitation without redress, and finally “China-Africa benefit mismatch” instead of more benefits for the country that holds the colonial power.

Political interference

Diana Haag, published author of the International Catalan Institute for Peace, has stated that one of the main characteristics of neo-colonialism is political interference. Although her research is mainly about French and British influence in Africa, this essay uses her arguments in the context of Chinese presence in Africa. She has mentioned

that political interference can be one of two, the support of foreign influence in elections or intervention in internal policies. Kwame Nkrumah in his book *Neo-colonialism: the Last Stage of Imperialism* mentions that political interference can be done through monetary and financial aid that manipulates the laws in their favor, such as providing bribes to civil servants or advocating for political figures that are more beneficial to their companies and interests. Therefore, it can allow the foreign influence to disregard local laws that hurt the economic factors of that dominant nation.

Within the context of neocolonialism, author Omid Khodadadzadeh determined that there are different levels of political interference. He described two levels, low and extensive. Low political interference ranges from influencing decisions within a country by providing minor favors to the elites, holding minor political control over territories, and giving minor support to political figures and their parties. Extensive political interference stands for the same actions, but on a bigger scale; giving major favors, having major control over territories, and influencing major political influence over people with decision making power. Going back to Nkrumah’s “master of your own destiny”, both of these levels of interference are incompatible with said characteristic as a countries decisions will be manipulated by the influence of external factors,

minimizing sovereignty. To maintain the favors, and the economic benefits that the elites received from the foreign investors, elites will provide privileged decisions to them, and allow bribery to occur.

An example of low political interference can be the relationship that China has with Angolan elites. To create a proficient market for Chinese products it has struck deals with politicians and made contracts. Khodadadzadeh states that “Angola’s internal policies,[...][are described as]: If you do feasibility studies, you may not necessarily get the project, but if you develop relations with the political elites of the government of the country in question, you will get the project without needing to do the feasibility studies.”² Therefore what this demonstrates is that by striking deals with politicians, specifically in countries that do not have strong mechanisms of accountability in place, they are prone to be conducive to obtaining what is needed not by the locals but by the interfering power. Therefore, this constitutes both levels of interference because these deals, no matter how small or large, influence the benefits that China obtains in Angola. This is also shown through the “Chinese culture of personal connections (*guanxi*), which often involves bribery, to influence the

² Khodadadzadeh, Omid. “CHINA IN AFRICA: A MODERN STORY OF COLONIZATION? A Case Study of China’s Engagement in Angola.” Dissertation, Department of Government, 2017.

bureaucracies in the host countries in accepting deals.”³ In this case, China needed to have certain elements in place to have a market for Chinese companies, and these were achieved through communication with individual politicians, and not political institutions.

A specific example is when in 2012 the Angolan constitution changed, making Angola a one-party state. This represented a halt in Angola’s path to democracy. However, “the official press agency of the Chinese government, Xinhua News Agency, described the new constitution as being democratic, modern and positive.”⁴ Therefore this represents low political interference as it is giving minor political support to the elites, as evidenced by the support through new agencies.. Angola, being one of the countries in Africa with major resources as oil, a interest of China, showcases ulterior motives.

Extensive political interference, on the other hand, is through major political influence over decision makers. For example, Heiss and Adoo in their study showcased that in 2006 an anti-Chinese sentiment

³Nassanga, Goretti L., and Sabiti Makara. “Perceptions of Chinese Presence in Africa as Reflected in the African Media: Case Study of Uganda.” *Chinese Journal of Communication* 9, no. 1 (2015): 21–37. <https://doi.org/10.1080/17544750.2015.1078386>.

⁴ Khodadadzadeh, Omid. “CHINA IN AFRICA: A MODERN STORY OF COLONIZATION? A Case Study of China’s Engagement in Angola.” Dissertation, Department of Government, 2017.

was growing among voters in Zambia. In light of this change, the representative of China in Zambia, Li Baodong threatened “to pull China’s investments from the country should the PF [Patriotic Front] win the elections.”⁵ Baodong stated “Chinese investors in mining, construction and tourism have put on hold further investments in Zambia until the uncertainty surrounding our bilateral relations with Zambia is cleared.”⁶ The PF is the political party that was headed by Michael Sata, who had promised to change Zambia’s view on Taiwan, against the One China policy, and also expel some Chinese “bogus”investors from Zambia. However, once he was elected, Sata changed tactics to cooperate with China. Therefore demonstrating that in the face of investments and the threat of being left without them, the Zambian leaders were manipulated into changing their policies to benefit the interests of China.

This political interference can also be observed in the way that they push for policies that are more favorable to them in terms of their interests that are not economic. One of China’s main foreign policies is the One China Policy. This is also seen as political interference as in the same way that China

manipulates the decision makers in having the best environment for its goals, they also threaten to pull out if they do not provide them with benefits, like threatening to pull out investments if they do not respect the One China policy. An example is also within the Zambian situation: Sata had promised as well as pushing out the “bogus”investors, to end the support of the One China policy. Shortly after Boadong came out with the aforementioned statement. It cannot be stated that Boadong’s interference is merely economic, but also because of the One China policy statement. After Sata’s win of the elections in 2011, he had a “change of heart⁷” and started cooperating with the Chinese.

In Africa most countries only hold diplomatic relations with Beijing. The reason for this is the rise in relations and investments from China in African countries. As stated by Tat’yana L. Deych, “Until recently, China had diplomatic relations with 50 of the 54 African states. [...] Finally, in 2018, Burkina Faso announced that it is re-establishing diplomatic relations with the PRC. At the signing of a joint communiqué in Beijing on May 28, Chinese Foreign Minister Wang Yi expressed his “sincere

⁵ Aidoo, Richard, and Steve Hess. “Beyond the Rhetoric: Noninterference in China’s African Policy.” *African and Asian Studies* 9, no. 3 (2010): 356–83.

<https://doi.org/10.1163/156921010x516003>.

⁶ Shinn, David H., and Joshua Eisenman. *China and Africa: A Century of Engagement*. Philadelphia, Pennsylvania : University of Pennsylvania Press, 2012.

⁷ Deych, T. L. “China in Africa: Neo-Colonial Power or ‘Win-Win’ Strategy?” *Outlines of global transformations: politics, economics, law* 11, no. 5 (2018): 119–41.

<https://doi.org/10.23932/2542-0240-2018-11-5-119-14>
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hope”⁸ that Eswatini, the last remaining country in Africa to diplomatically recognize Taiwan, will soon join Beijing’s “family” of allies on the continent.”⁹ As we can see, the Chinese foreign policy of One United China has been going after countries so that these countries change their political alliances. In 2018, Burkina Faso rejected relations with Taiwan and joined the One China policy in their foreign policy. When China and Burkina Faso signed a statement establishing this, China announced their hopes that the last country to join in, Eswatini, would change their policy soon.¹⁰ In almost all African countries that “enjoy” investments by China, there have been political manipulations to accept this position.

China’s intervention in Africa is different in theory than in practice. In theory, they preach the five principles of peaceful coexistence, of which non-interference in each other’s internal affairs is one. As seen with the Zambian manipulation of leader Sata, non-interference of internal affairs is a principle that they do not practice. By using investments and economic favors, China changes the policies, and influences the decision making process, therefore the aid and investment come at a cost.

⁸ Ibid

⁹ Ibid

¹⁰ Ibid

Lack of accountability for the colonial power

Nkrumah stated that “For those who practise it [neo-colonialism], it means power without responsibility and for those who suffer from it, it means exploitation without redress.”¹¹ His concern is that countries that exert this type of power over another usually do so disregarding the needs of that country, not even providing a justification for their actions abroad. Specific to the case study, China’s policies, which are, in practice, to extend its markets and its economic interests in other countries, increase connectivity between them, and more broadly extend the power that Chinese companies have over other countries, creates a very Chinese-centric narrative that casts doubt on its “South helping the South” narrative, as is evident in how it treats its host countries.

First, the environmental degradation to these countries is substantial. As mentioned before, one of the main policy goals of Chinese foreign policy is the BRI. This initiative has specific goals of settling a sphere of influence in the countries that are rich in natural resources and other factors of production. There has been a repeated process of Chinese companies ignoring the environmental

¹¹ Tiger, Lionel, and Kwame Nkrumah. “Neo-Colonialism. the Last Stage of Imperialism.” *International Journal* 22, no. 1 (1966): 161. <https://doi.org/10.2307/40199801>.

degradation, and taking advantage of the loose environmental policies that certain countries have in place. In Sudan, The ministry of energy and mining is responsible for all the laws and the regulations in the oil sector and they must make sure compliance is done. However, the acts were not complied with, not in relations with Chinese companies, which makes it clear that the government was not attentive to environmental interests.¹² China took advantage of the fact that the government was not environmentally “friendly”, establishing their companies to work, and lift the oil from the ground, without regards to the environmental degradation, such as destruction of local habitats, nature, and local wildlife and communities, effectively not redressing the problem. There is a wider history of colonial powers exercising loose environmental practices, with comparisons of the way that the US has handled the environment and the way that China came to do and in present times does. However, there is a difference between US and Chinese deep-rooted disregard for local flora, fauna and human wellbeing is better understood in the following quote:

“A study in 2009 and 2010 that compared the Exxon-led investment in Chad to the

Ronier project concluded that both companies experienced relatively similar non-compliances during the construction phase related to dust, noise, quarries, waste material, road accidents, compensation, and other concerns..”¹³

Chad began diplomatic relations with China in 2006, giving oil access to the China National Petroleum Corporation (CNPC). At this time, it was shown that environmental assessments were unfinished before projects were started. Moreover, the environmental assessments were not published which is contrary to Chadian law. Independent of the transparency issues, it is clear that the characteristic explained by Nkrumah, in which the neo-colonial country exerts its power in such a way that the problems that they create are not rectified. In 2013, “the Chadian oil minister Djerasseme le Bemadjiel suspended all CNPC operations for flagrant environmental regulation violations while exploring for crude oil. The minister alleged that CNPC did not have the equipment for cleaning up oil spills and intentionally allowed oil to spill.”¹⁴

This same practice is seen in almost all African countries. Another example is the DRC, in which Chinese companies China Railway Engineering

¹² Shinn, David H. “The Environmental Impact of China’s Investment in Africa.” *Cornell International Law Journal* 49, no. 25 (2016): 25–65.

¹³ *Ibid*

¹⁴ Shinn, David H. “The Environmental Impact of China’s Investment in Africa.” *Cornell International Law Journal* 49, no. 25 (2016): 25–65.

Corporation, Sinohydro, Zhejiang Huayou Cobalt, and China Machinery Engineering Corporation signed an agreement with the government in order to use the mines and build infrastructure, congruent to their foreign policy position. This mining agreement allowed them to open quarries and exploit the resources; however the law obligated the companies to do environmental assessments, something which many officials and locals doubt. The companies have destroyed “agricultural fields and disturbed local schools,” and also “approximately 200 local residents were displaced without compensation, and there is a possibility that thousands of residents could be evicted.”¹⁵ As we can see, the convenient part of the agreement for China is the fact that it can accomplish the goals without much regard for the locals. The locals, in turn, are negatively affected.

Second, Chinese investments have been known to cause damage to African countries because of the way that these investments are established. The investments are big projects that are expensive. They make financial loans to these countries, building a debt that cripples the country and almost forces them to effectively hand over the infrastructure. An example is Kenya’s debt to China of US\$6.5 billion. The Institute for Security Studies showcased that, “Kenyan media have

reported that the 2014 loan agreement specifically waived Kenya’s sovereign immunity on the Mombasa port’s assets and that any dispute arising from the loan would be arbitrated in China.”

A third way that China’s policies have been neo-colonial is debt-trapt diplomacy, a way in which China corrales the neo-colonized country into a debt burden that is impossible for it to pay. Afterwards, the debt becomes concessions in the investment projects that China previously built, therefore “owning” it for an extended amount of time. This benefits China, as it now controls and operates the ports through which natural resources are sent, and also leaving countries that are crippled with debt close to default risk. This leaves countries that are crippled by debt closer to default risk. Therefore these countries become easier to control, there’s a closer relationship between creditor and debtor, and allows more political interference, more concessions, and allows them to be closer to the markets that are being built. As stated by Pdraig Carmody et al:

“Debt sustainability concerns in Africa have also mounted [...] which leaves several African states, such as Zambia, Kenya and Djibouti, on the brink of default. Two key issues on the financing of BRI projects in Africa have arisen. The first centers around the question of

¹⁵ *ibid*

whether the capital lent will leave recipient countries with an amount of debt that may hinder other investment in sectors that need financing. The second is, will the large amounts going towards countries as part of the BRI spawn an unhealthy dependency on China?”

This unhealthy dependency is that which is being addressed in this paper. To pay back the debt in which a country is, it needs to be able to produce. Because the loans are concessional, it means that the debt will be paid with the fruits generated by the investments. If Chinese investors leave and the infrastructure is left unused or unfinished, then these debts remain. Therefore, when the Chinese threaten to leave a country and stop investing, it carries serious consequences that pushes for leaders to follow China’s interests in order for them to remain, to pay back the loans.¹⁶

On the other hand, once the infrastructure falls to Chinese hands, extraction and shipment out of the country becomes easier, as they build chains of infrastructure that vertically integrate the industry. If Chinese companies own mines, railways, and

ports then the mineral industry is essentially a Chinese affair, leaving the country with no control over resources and no use for them once extracted. An example of this is the mining and production of copper and Cobalt in Central South Africa, specifically in Zambia. This way, “CNMC [China Nonferrous Metal Mining] has established a presence at every step of the copper and cobalt value chain, from processing rock to producing copper and cobalt concentrate, to drying and smelting, to manufacturing copper cathodes, to exporting those and turning them into copper-based electrical products”¹⁷ Chinese companies also invest in transportation through the continent making it easier to take the material out of the continent.

Furthermore, the Chinese companies have been known to go against laws that make investments harder, like environmental laws. An example of this is an agreement undertaken in the DRC in 2009 between Chinese companies China Railway Engineering Corporation, Sinohydro, Zhejiang Huayou Cobalt, and China Machinery Engineering Corporation for six billion dollars in infrastructure

¹⁶ Carmody, Pádraig, Ian Taylor, and Tim Zajontz. “China’s Spatial Fix and ‘Debt Diplomacy’ in Africa: Constraining Belt or Road to Economic Transformation?” *Canadian Journal of African Studies / Revue canadienne des études africaines* 56, no. 1 (2021): 57–77. <https://doi.org/10.1080/00083968.2020.1868014>.

¹⁷ de La Bruyère, Emily, and Nathan Picarsic. “Homepage | U.S.- China | Economic and Security Review Commission.” *Two Markets, Two Resources: Documenting China’s Engagement in Africa*. U.S.-China Economic and Security Review Commission- Horizon Advisory, November 2020. https://www.uscc.gov/sites/default/files/2020-11/Two_Markets_Two_Resources_Documenting_Chinas_Engagement_in_Africa.pdf.

and mining. The DRC law required an environmental assessment which was not done prior, during, nor after the agreement was signed.¹⁸

A characteristic of classic colonialism was the building of infrastructure to facilitate the exporting of resources. Likewise, this trait is repeated in neocolonialism and author Van der Merwe explains this:

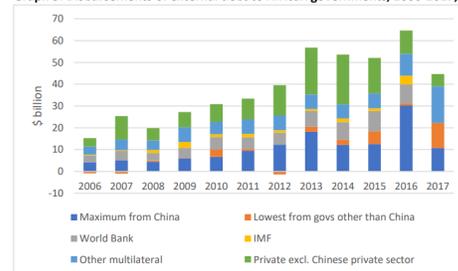
“[T]he infrastructure plans expose the initiative [BRI] as unashamedly colonial, as it reinforces the legacy of transporting resources towards ports – and not between neighboring states. Even in the case where transport infrastructure is created between states, the assumption is still that this would facilitate the movement of Chinese remotely manufactured goods onto markets.”¹⁹

This shows that the infrastructure is being built in such a way that does not foment the growth and the “win-win” situation that China has been stating to the world, but rather a situation of dependency

that allows for the movement of Chinese companies seamlessly in other countries without truly providing the benefits that FDI and economic openness should ensue. Therefore, there is a lack of accountability as China masquerades these projects as mutually beneficial, when in reality is harming the exporting industries and the local companies, as there is little hope to take advantage of the resources present in the country.

In the context that is ensuing, in which loans are growing, “there are signs that several African nations involved in the initiative [Belt and Road Initiative] are now in danger of debt distress, with financial arrangements for infrastructure projects being the main problem.”²⁰ A study by Jubilee Debt showed in a graph that demonstrated the composition of external debt in Africa from the years of 2006 to 2017.

Graph 5. Disbursements of external debt to African governments, 2006-2017, \$ billion¹¹



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²⁰ *ibid*

²¹ “Africa’s Growing Debt Crisis: Who Is the Debt Owed to?” Jubilee Debt Campaign, October 2018. https://jubileedebt.org.uk/wp/wp-content/uploads/2018/10/Who-is-Africa-debt-owed-to_10.18.pdf.

¹⁸ Shinn, David H. “The Environmental Impact of China’s Investment in Africa.” *Cornell International Law Journal* 49, no. 25 (2016): 25–65.

¹⁹ Carmody, Pádraig, Ian Taylor, and Tim Zajontz. “China’s Spatial Fix and ‘Debt Diplomacy’ in Africa: Constraining Belt or Road to Economic Transformation?” *Canadian Journal of African Studies / Revue canadienne des études africaines* 56, no. 1 (2021): 57–77. <https://doi.org/10.1080/00083968.2020.1868014>.

The graph shows that debt to China keeps growing, and although it's not the only lender to the continent, it is relevant as it is a big part of the external debt. In the study, it is stated that the Chinese loans between these years is responsible for twenty one percent to forty seven percent of the external debt owed.²²

So, in conclusion, through huge debts, the countries are obligated to provide the Chinese companies with the rights to exploit the infrastructure. Therefore, they do not command the infrastructure, are indebted, and are obligated to make the contracts that the Chinese companies suggest. Therefore this “debt-trap diplomacy” is a combination of both the inability to redress problems that are created, and the reach of the political interference of CHina in its African counterparts, as decision making processes will be forced by the sheer amount of debt to be paid.²³

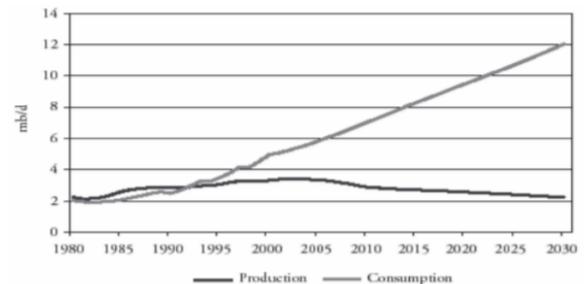
China-Africa benefit mismatch.

One of the main things that has to be understood is that China depends heavily on imported oil in order to keep its growth rates steady. China's need for resources surpasses any respect that it has for the host countries. The country's foreign policy and

²² Ibid

²³Khodadadzadeh, Omid. “CHINA IN AFRICA: A MODERN STORY OF COLONIZATION? A Case Study of China's Engagement in Angola.” Dissertation, Department of Government, 2017.

the Beijing Consensus might establish that South-South relations are beneficial for both parties, but the reality is that some of these policies are negatively affecting the host countries while China is benefitting the most, notwithstanding the harm that it is causing. In the following graph, China's dependency on imported oil is showcased.



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Most of the crude petroleum exported from Africa comes from South Sudan and Angola. Ninety five percent of the exports of South Sudan were to China in 2017, according to the Observatory of Economic Complexity. Moreover, South Sudan is a recipient of the loans of China, over five billion USD. In 2013 when a civil war broke out in South Sudan, China was heavily involved in giving support to the ruling party. Daniel Large states that, “The mere appearance of the Chinese government seeking to promote peace and participate in UN peacekeeping in a conflict characterized by immense civilian suffering while a Chinese company was simultaneously supplying weapons of war to Juba dramatically illustrated the mixed,

²⁴ ibid

contradictory role of a Chinese engagement made up of multiple actors.”²⁵ Considering the need that China has on petroleum, the dependence that South Sudan has on China in terms of their exports, and the amount of political mingling that the Chinese government has had in that country, it is necessary to question if South Sudan was benefitting from this relationship. Instead, China was interfering by any way possible, giving arms, but also a contradictory message of peace. Doing anything in order to guarantee that their economic interests are protected, whilst the country engaged in civil war with their arms, and underwent peace negotiations under Chinese tutelage.

Therefore the relationship can be observed: the mixture of debt, resource extraction and keeping, and political interference. There's very little room for true economic advancement, and growth of capital in the countries when the system works to give control of investments to foreign companies that work to extract and ship away the resources in the country. Also, when China mingles in disruptive politics to continue this cycle, the benefits to any of the African countries in question are diminutive in relation to the gaining of territories, ports, markets, and political power that China gains. The governments and local companies

²⁵ Large, Daniel. “China and South Sudan’s Civil War, 2013-2015.” *African Studies Quarterly* 16, no. 3-4 (December 2016): 35–54.

do not get to enjoy the fruits of these investments because of the heavy probability of defaulting and thus ending in a forced concession agreement. As seen, “the trade deals between China and different African countries are often unbalanced where China normally gets to be the big winner in these deals.”²⁶

Moreover, this is not creating as many employment opportunities as it should have under other conditions. The investments are occurring in such a way that infrastructure is built in order to facilitate resource output and Chinese product input. In fact, study by Fei-Ling and Esi “Based on the results of research in eight sub-Saharan African countries (Botswana, Ghana, Kenya, Madagascar, Namibia, Tanzania, South Africa, and Zimbabwe), found diverse African perceptions of China[...] they noted that there were a growing number of African complaints against the opportunistic, even predatory, behavior of the Chinese in Africa, whose actions resembled the old Western resource extraction that damaged the local business environment, ruined the social fabric, and undermined labor rights and employment opportunities.”²⁷

²⁶ Khodadadzadeh, Omid. “CHINA IN AFRICA: A MODERN STORY OF COLONIZATION? A Case Study of China’s Engagement in Angola.” Dissertation, Department of Government, 2017.

²⁷ Nassanga, Goretti L., and Sabiti Makara. “Perceptions of Chinese Presence in Africa as Reflected in the African Media: Case Study of Uganda.” *Chinese Journal of*

For example, the predatory and intense business activity that the Chinese companies have is driving locals out of the market. This is harming producers and retailers, and because of this it is also, “creating a negative effect on the unemployment rate, but also the labor market²⁸,” This is felt by the local communities who are frustrated by the obstacles built around the new industries, which are inaccessible to some. The people feel that “the Chinese are “building walls” around their industries and businesses, making it much more challenging for the local African population to get work in those sectors, even for unqualified positions.²⁹

Furthermore, going back to a previous idea, debt-trap diplomacy is an important aspect that highlights the disparity. The fact that these investments cause paramount debt in African countries is relevant because “The capital lent will leave recipient countries with an amount of debt that may hinder other investment in sectors that

need financing.”³⁰ And it also begs the question of “[w]ill the large amounts going towards countries as part of the BRI spawn an unhealthy dependency on China?”³¹ The answer will most probably be yes. In the following graph it can be shown how much of a country’s export to China, which is large amounts of capital, specifically in the countries which have many resources that China needs. If China, as they have threatened in these countries like previously mentioned, leave the country because the political climate is not desirable, these countries would lose their main trading partner. And countries like South Sudan, Angola, Eritrea, among others depend mostly on their trade with China. Therefore, there is an economic dependence that has its ramifications in politics.

Communication 9, no. 1 (2015): 21–37.

<https://doi.org/10.1080/17544750.2015.1078386>.

²⁸ Draper, P. (2006). “Jekyll and Hyde: China and Southern Africa” in Business Report March 9, 2006. Available:

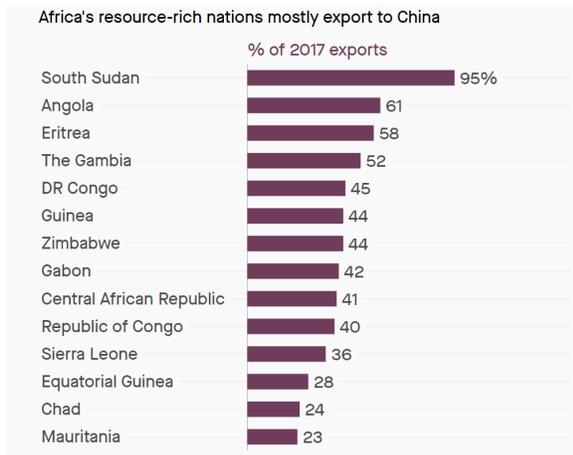
https://sarpn.org/documents/d0001929/Draper_China_SA.pdf

²⁹ Khodadadzadeh, Omid. “CHINA IN AFRICA: A MODERN STORY OF COLONIZATION? A Case Study of China’s Engagement in Angola.” Dissertation, Department of Government, 2017.

³⁰ Carmody, Pádraig, Ian Taylor, and Tim Zajontz. “China’s Spatial Fix and ‘Debt Diplomacy’ in Africa: Constraining Belt or Road to Economic Transformation?” *Canadian Journal of African Studies / Revue canadienne des études africaines* 56, no. 1 (2021): 57–77.

<https://doi.org/10.1080/00083968.2020.1868014>.

³¹ *ibid*



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Evidence has shown that much of the effects on Africa are showing neo-colonialistic traits of resource extraction, and small benefits to African countries. Even though these countries have increased their trade, crippling debt and overdependence on China as a buyer is creating is detrimental and neo imperialism. Moreover, the concessions given are providing little opportunity for the investments to be enjoyed by African firms, and finally, most of the market is opening up to Chinese companies with no regard to the effects that it has on African unemployment and domestic producers. Chinese companies and the foreign policies behind it are shocking the markets and creating an inhospitable environment for locals to develop.

³² Africa's Resource-Rich Nations Mostly Export to China. 2017. The Observatory of Economic Complexity. <https://theatl.com/charts/SJJB7mejN>.

More recently, in 2020 some african countries have begun to reevaluate their relationship with China due to this mismatch. The crippling debt is becoming a problem that inhibits them instead of allowing them for more opportunity. Therefore, this exemplifies the reason why these loans are not beneficial but rather detrimental to the most of these countries. Following Kenya in 2020 that had cancelled a contract with China for a railway which was considered "illegal", more and more countries have begun to reconsider these loans. From 2000 to 2019 there have been 1,141 loan agreements that amass USD 153 billion with African governments and state-owned enterprises. They are being cancelled simply because they are unable to comply with loans, therefore African countries are abandoning many loans, contracts, projects.³³

Conclusion

It has been argued that the relationship held between the African states and China, is one of a neo-colony and a neo-colonizer.

Chinese foreign policy is directed toward the expansion of its boundaries and making it possible for them to sustain economic growth to become the

³³ *Chinese investment in Africa rises as project values and bilateral trade decline*. International Institute for Sustainable Development. (2021, October 25). Retrieved October 5, 2022, from <https://www.iisd.org/articles/chinese-investment-africa-bilateral-trade-decline>

biggest economy in the world. To make this possible, outsourcing and looking for resource opportunities has been the most important objective along with facilitating the course of direction to get in and out of China. African countries have become its backyard to satisfy their energy needs and the building of infrastructure is making the latter easier for them. In turn, the African continent has seen some growth but nothing comparable to the benefits that China acquires due to these relations.

Some very important comparisons with the previous colonial powers create important precedents, such as the extraction of resources, the infrastructure to take the resources out, and the political implications and manipulations incurred by the ruling elites. . China's benefits are insurmountable, and the debt in Africa accumulates, and the dependence typical of neo-colonialism is standing out to whoever chooses to investigate the topic. Chinese foreign policy proceeds to create this dependency to obtain its objectives: having a bigger sphere of influence, and being able to sustain growth.

Through the three variables explored, being master of your destiny, lack of responsibility, and disparity in benefits, China is exerting an imbalance of power that results in dependency. If China were to leave the continent, African countries would be left with

over-exploited resource wells, infrastructure that benefits primarily the exporting industry, and because of debt-trap diplomacy, debt, and concessions.

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