

HEARING ON CHINA'S STRATEGIC AIMS IN AFRICA

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BEFORE THE
U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

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FRIDAY, MAY 8, 2020

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COMMISSION

WASHINGTON: 2020

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CHINA'S STRATEGIC AIMS IN AFRICA

FRIDAY, MAY 8, 2020

U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

Washington, DC

The Commission met via videoconference at 9:30 a.m., Vice Chairman Carolyn Bartholomew and Commissioner Andreas Borgeas (Hearing Co-Chairs) presiding.

OPENING STATEMENT OF VICE CHAIRMAN CAROLYN BARTHOLOMEW HEARING CO-CHAIR

VICE CHAIRMAN BARTHOLOMEW: Good morning, and welcome to the fifth hearing of the U.S.-China Economic and Security Review Commission's 2020 Annual Report cycle. Thank you all for joining us.

Especially thanks to our witnesses for the time and effort that they have put into their testimonies.

I would also like to thank the Senate Recording Studio for live streaming this event.

I would particularly like to express appreciation to the terrific Commission staff who worked on this hearing: Will Green, Leyton Nelson, and Brittney Washington.

Over the past two decades, Africa has emerged as a centerpiece of China's international strategy. Accordingly, China has significantly expanded its economic and political footprint across the continent. Regional and global initiatives such as the Belt and Road Initiative and the Forum on China-Africa Cooperation serve as mechanisms for Beijing to promote its development model and foreign policy agenda.

Forty-four of Africa's 54 countries have signed onto the Belt and Road Initiative, and China has emerged as the leading financier and builder of infrastructure projects across the continent. China is also rapidly building up its presence in Africa's fast-growing digital economy and has dominated the construction of Africa's telecom infrastructure.

For the Chinese government, the advantages of engaging with Africa are clear. China has used its investment in Africa to gain access to the continent's vast commodity resources, including oil, precious metals, and minerals crucial to the production of emerging technologies such as electric vehicle batteries. Africa also represents an attractive market for China's construction firms, which face excess capacity at home and are eager to find new outlets.

However, many times the benefits of these projects do not flow to the broader African workforce. China's funding of Africa's infrastructure projects also often comes with requirements that borrower countries select Chinese suppliers, making it more difficult for other countries, including the United States, to participate in Africa's infrastructure projects.

Beijing has also been able to leverage its engagement in Africa into support on the international stage. For instance, China has used its presence in Africa to isolate Taiwan diplomatically. All African nations, with the exception of Eswatini, have recognized Beijing

over Taipei. African leaders have also expressed support for Beijing's territorial claims in the South China Sea and made public statements in support of Beijing during the 2019 protests in Hong Kong.

The consequences for Africa are mixed. While Africa has an immense need for infrastructure that remains unmet, the projects that China funds are often selected through opaque means, exacerbating corruption problems. Moreover, China's funding comes at a price, contributing to an unsustainable buildup of debt in many African countries. These lending practices have led to accusations of a new colonialism, and in the wake of the economic slowdowns caused by the COVID-19 outbreak, African countries have increasingly called for debt relief. China has so far been silent to those requests, raising the question of whether the United States and other international donors will be left footing the bill.

While China has publicized its humanitarian public health efforts in Africa during the COVID-19 pandemic, many Africans are skeptical and have expressed concern that the equipment donated by China may be of poor quality.

Today, our distinguished witnesses will address these important issues.

Before we start, a personal note, which is, in 2006, I actually spoke on China in Africa at the American Enterprise Institute. At that time, I have to say some people were scratching their heads and wondering why we should be paying any attention at all to this. So, it's very interesting to me that now, 14 years later, we see that there are emerging challenges for America with China's presence in Africa, and I really look forward to hearing our witnesses on this topic.

I'll now turn the floor over to my colleague and Co-Chair for this hearing, Commissioner Andreas Borgeas.

PREPARED STATEMENT OF VICE CHAIRMAN CAROLYN BARTHOLOMEW HEARING CO-CHAIR

Good morning, and welcome to the fifth hearing of the U.S.-China Economic and Security Review Commission's 2020 Annual Report cycle. Thank you all for joining us, especially our witnesses for the time and effort they have put into their testimonies. I would also like to thank the Senate Recording Studio for livestreaming this event.

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Today our distinguished witnesses will address these important issues. I will now turn the floor over to my colleague and co-chair for this hearing, Commissioner Andreas Borgeas.

OPENING STATEMENT OF COMMISSIONER ANDREAS BORGEAS HEARING CO-CHAIR

COMMISSIONER BORGEAS: Thank you, Vice Chairman Bartholomew, and good morning, everyone.

Thank you, particularly, to our witnesses for the time and effort they have put into their testimonies.

Africa has been significant to Chinese foreign policy since the establishment of the People's Republic in 1949. Throughout the Cold War, the Chinese Communist Party actively promoted various nationalist and socialist movements in Africa, as proxies to support its overall position on the continent, as well as to promote itself as a global leader.

Over the last 20 years, China has again emphasized Africa as a cornerstone of its foreign policy and has made a significant and sustained commitment of resources and focus on the continent. The CCP has become increasingly confident that it can provide a political and economic model for Africa, as evidenced by its party-to-party training programs with African partners. China has shown a willingness to intervene in African domestic politics in order to protect its interests and shore up sympathetic elites.

Beijing is also contributing to the growth of digitally-enabled authoritarianism in Africa through the sale of advanced surveillance technologies and is making a concerted effort to shape African media to promote pro-China narratives.

China has even been able to garner African support for Chinese policies that have faced international criticism, such as Beijing's mass internment of Uyghurs and other Muslim ethnic groups in Xinjiang.

As Beijing's political and economic activities in Africa have increased, so, too, has its military engagement. In 2018, China hosted the inaugural China-Africa Defense and Security Forum in Beijing, a watershed moment in the context of Sino-African military ties.

The People's Liberation Army has been active in training the next generation of Africa's officer corps for decades. China is a leading contributor to U.N. peacekeeping operations, a fact not lost on African countries that prize the U.N.'s role in settling conflicts on the continent. However, as our witnesses will attest today, it is notable that some of China's major peacekeeping contributions have happened where Beijing has significant economic interests, such as in South Sudan.

In 2017, China built its first overseas military base in Djibouti, despite having said in the past that it would never establish an overseas military facility. This is eerily reminiscent of the reputed statements regarding the South China Sea as well.

The question remains, as China's interests in Africa increase, when will it establish the next phase? The ongoing COVID-19 pandemic presents new challenges for China-Africa relations and may alter China's relationships and images on the continent. In recent weeks, African leaders have spoken out against China in unusually frank terms for its reported mistreatment of Africans living in China, including actions forcing evictions of some Africans living in Chinese hotels and preventing Africans from entering restaurants and shops -- actions ostensibly taken to stop the spread of the virus.

African leaders have also called for Chinese debt relief, in light of the global economic slowdown caused by COVID-19. China has reacted by stressing themes of Sino-African solidarity and has used the pandemic as an opportunity to enhance its image through relief efforts and public diplomacy.

The ultimate success of this campaign remains to be seen, but it is clear that China cannot afford to allow COVID-19 to damage the reputation it has spent so long building in Africa and risk jeopardizing its economic investments on the continent as a result.

This hearing will explore these issues and assess the implications of Chinese activity on the continent for the United States. Our first panel today will provide an overview of China's strategy toward Africa and the consequences of Beijing's political influence.

Before we begin, I want to let everyone know that today's testimonies and transcript will be posted on our website at uscc.gov. Also, our next hearing on strategic competition with China will be held on June 24th.

Thank you again for joining us today.

And with that, we will proceed with our first panel.

Back to you, Chairwoman.

PREPARED STATEMENT OF COMMISSIONER ANDREAS BORGEAS HEARING CO-CHAIR

Thank you, Vice Chairman Bartholomew, and good morning, everyone. Thank you, particularly, to our witnesses for the time and effort they have put into their testimonies.

Africa has been significant to Chinese foreign policy since the establishment of the People's Republic in 1949. Throughout the Cold War, the Chinese Communist Party (CCP) actively promoted various nationalist and socialist movements in Africa as proxies to support its overall position on the continent, as well as to promote itself as a global leader. Over the last 20 years, China has again emphasized Africa as a cornerstone of its foreign policy, and has made a significant and sustained commitment of resources and focus on the continent.

The CCP has become increasingly confident that it can provide a political and economic model for Africa, as evidenced by its party-to-party training programs with African partners. China has shown a willingness to intervene in African domestic politics in order to protect its interests and shore up sympathetic elites. Beijing is also contributing to the growth of digitally enabled authoritarianism in Africa through the sale of advanced surveillance technologies, and is making a concerted effort to shape African media to promote pro-China narratives. China has even been able to garner African support for Chinese policies that have faced international criticism, such as Beijing's mass internment of Uyghurs and other Muslim ethnic groups in Xinjiang.

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The ongoing COVID-19 pandemic presents new challenges for China-Africa relations and may alter China's relationships and image on the continent. In recent weeks, African leaders have spoken out against China in unusually frank terms for its reported mistreatment of Africans living in China, including actions forcing evictions of some Africans living in Chinese hotels and preventing Africans from entering restaurants and shops—actions ostensibly taken to stop the spread of the virus. African leaders have also called for Chinese debt relief in light of the global economic slowdown caused by COVID-19. China has reacted by stressing themes of Sino-African solidarity, and has used the pandemic as an opportunity to enhance its image through relief efforts and public diplomacy. The ultimate success of this campaign remains to be seen, but it is clear that China cannot afford to allow COVID-19 to damage the reputation it has spent so long building in Africa and risk jeopardizing its economic investments on the continent as a result.

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Thank you, again, for joining us today. With that, we will proceed with our first panel.

PANEL I INTRODUCTION BY VICE CHAIRMAN CAROLYN BARTHOLOMEW

VICE CHAIRMAN BARTHOLOMEW: Thank you very much.

Before I introduce the first panel, I would like to thank Acting Administrator for Africa at the United States Agency for International Development for a statement that was provided to us. It's Christopher Maloney. Thank you, Administrator Maloney, and we will be entering the statement into the record.

Now I'll move to introducing our first panel.

First, we will hear from Ambassador David Shinn, a distinguished adjunct professor at the Elliott School of International Affairs at the George Washington University. He previously served for 37 years in the United States Foreign Service, including as Ambassador to Burkina Faso under President Ronald Reagan and as Ambassador to Ethiopia under President Bill Clinton. Ambassador Shinn will focus his testimony today on China's overall strategy for Africa.

He last testified before the Commission in 2005. So, welcome back, Ambassador Shinn. We look forward to your testimony.

After Ambassador Shinn, we'll hear from Yun Sun, Senior Fellow and Co-Director of the East Asia Program and Director of the China Program at the Stimson Center. She's also a Nonresident Fellow at the Brookings Institution. She has written extensively on the topic of China and Africa. Ms. Sun will focus her testimony on Beijing's political influence on the continent, including relationships the Chinese Communist Party has with African political parties, as well as Chinese media influence.

She has testified before the Commission on numerous occasions, including, most recently, in 2018. So, welcome back, Ms. Sun. We look forward to your testimony.

Finally, we will hear from Steven Feldstein, a Nonresident Fellow at the Carnegie Endowment for International Peace. Prior to this role, he served as the Deputy Assistant Secretary in the Democracy, Human Rights, and Labor Bureau in the U.S. Department of State, where he had responsibility for Africa policy, international labor affairs, and international religious freedom. Mr. Feldstein will focus his testimony on the implications of Chinese advanced technology in Africa.

He has not testified before the Commission before, but we're eager to hear his insights. Welcome, Mr. Feldstein, and we look forward to your testimony.

We're very pleased to welcome such an esteemed panel, and thank you again for being here and giving us the benefit of your knowledge and your expertise.

As a reminder, please keep your remarks to seven minutes.

Ambassador Shinn, we'll begin with you.

**OPENING STATEMENT OF AMB. DAVID SHINN, ADJUNCT PROFESSOR,
GEORGE WASHINGTON UNIVERSITY**

AMBASSADOR SHINN: Thank you very much, and it's a pleasure to join the Commission again.

You mentioned the last time I spoke was in 2005. That was on China-Africa. So, the Commission has been well ahead of the game on this particular topic.

I was given a half a dozen questions to deal with, and I want to just summarize my responses to those half dozen questions.

The first one deals with, What does China want from Africa? In other words, what are its basic interests in the continent? And I would suggest that there are five interests.

First, China wants access to natural resources. About 83 percent of all of China's imports from Africa are either oil or minerals. And if you add in hardwood timber, the percentage goes up to 96 percent.

The second interest is China sees Africa as a growing market for its exports, wants to increase the percentage of exports that it sends to Africa, concerns foreign exchange for China. It sees Africa as a growing market. It's the fastest-growing population in the world. And at least until coronavirus, it was a population that had a lot of additional expendable income.

The third interest is China seeks the political support of as many African countries as possible in organizations ranging from the U.N. General Assembly to the U.N. Human Rights Council, to the World Trade Organization. An important corollary of that desire is to ensure that every country in Africa recognized Beijing, and not Taipei, and as you already noted, only one country on the continent, Eswatini, now recognizes Beijing (sic).

The fourth interest of China on the continent is, as China's interests and the number of actual personnel increase who are resident or working or visiting the continent, as that grows, China becomes subject to greater risks and threats on the continent, just like any other non-African person or country would become. That includes threats like ordinary crime, a kidnapping, being caught in civil conflict, terrorist attacks, pandemics like Ebola. All of these are of concern to China and China's domestic audience. They want to ensure that these do not harm either Chinese nationals or Chinese interests in Africa.

And the fifth, and the last, interest that I would argue that China has in Africa is a broader strategy for expanding the Belt and Road Initiative, expanding Chinese influence globally, Africa being a part of that.

Turning to those countries in Africa that are of special interest to China, China has identified categories of countries that are of particular interest. It calls them comprehensive strategic partners. And so far, in that category China has identified African Union as an organization and nine countries: South Africa, Algeria, Egypt, Mozambique, Zimbabwe, Ethiopia, Kenya, Sierra Leone, and Namibia. These countries are interesting because they are not all obvious choices. South Africa, Algeria, Zimbabwe, and Nigeria have significant energy and/or mineral resources, but the others do not. I would argue that Sierra Leone is a particularly strange choice for this.

In terms of China's alignment with other U.S. competitors in Africa -- and I'll only mention Russia; the others are not particularly significant in the grand scheme of things -- China has aligned with Russia in terms of U.N. voting on African issues. That can be easily demonstrated. Beyond that, there's not a great deal to show where China and Russia have aligned in Africa, and, in fact, they're commercial competitors. They're particularly competitors

when it comes to arm sales to the continent.

And organizations that China makes use of in Africa, there are quite a number of them, but let me just highlight a couple of them. First, you have the China-Africa Cooperation Forum. You have FOCAC. You also have a similar organization that deals with the Arab states and has a number of African members. That is more Arab-focused than it is African-focused, but, nevertheless, an important one. You have the African Union, a very important organization for China to work through, and then, to a lesser extent, the League of Arab States, which has a number of members in Africa; the Southern African Development Community, and the Community of West African States. FOCAC and the African Union are the most important ones.

Turning to African support for China in international fora, China prefers to seek the support for its broader national goals in those international organizations where there is relatively less Western influence. Hence, they don't work so much through the World Bank and the IMF. They're looking to organizations like the United Nations, the various appendages of the United Nations where China has relatively more influence; even the Security Council, where there are three rotating African members on it at any given point in time.

And let me just wrap up by citing what I think are some of the areas where Congress might be more active in terms of engaging with Africa.

One, I would suggest that there be more STAFFDELS and CODELS going to Africa; that there be an increase in funding for the U.S. Export-Import Bank, and urge more of that funding to go to Africa.

I would ask that the new U.S. International Development Finance Corporation earmark a significant amount of its funding for Africa.

I would maintain funding for security reform and military training in those countries that follow reasonable human rights practices, and provide additional urgent funding for combating COVID-19 in Africa.

All of this to be followed with a congressional hearing dealing with COVID-19 and the international response to it. Hopefully, the U.S. will have played an important role.

And finally, conduct a hearing on the growing African debt problem, as that will underscore the relatively little American debt to Africa.

Thank you very much for your attention.

**PREPARED STATEMENT OF AMB. DAVID SHINN, ADJUNCT PROFESSOR,
GEORGE WASHINGTON UNIVERSITY**

China in Africa

Testimony before the U.S.-China Economic and Security Review Commission

David H. Shinn

May 8, 2020

China's Strategy in Africa

China's strategy for Africa has economic, political, and strategic components. It is also based on a history of China's support for African liberation movements and strong African backing in China's successful effort to replace Taiwan at the United Nations in 1971. While it is imperative not to overstate the importance of Africa in China's foreign policy, it is a fact that Africa, especially Sub-Sahara Africa, occupies a higher priority in Beijing than it does in Washington. Having said that, Africa holds a much lower priority in Beijing than the countries on China's periphery, the European Union, and the United States. In some respects, South Asia, the Middle East, and Latin America are approaching, if not surpassing, Africa in China's foreign policy considerations.

But what does China want from Africa? First, it wants access to Africa's natural resources. About 83 percent of all African exports to China are oil and minerals. When you add timber to the exports, the number jumps to 96 percent. In 2018, China imported 71 percent of its oil and 46 percent of its natural gas requirements. Those percentages are projected to increase. In 2018, China imported 18 percent of its oil from Africa, which is down from more than 30 percent of its oil imports from Africa just ten years ago. Today, China relies more on oil from neighboring countries and the Middle East. On the other hand, exports to China of African natural gas, which are now small, are likely to increase as a result of new discoveries in several African countries. More importantly, minerals found in Africa, several of which are heavily concentrated in the continent, are critical to China's industrial economy and defense industry. African countries account for more than 75 percent of global tantalum production, about 67 percent of cobalt production, 60 percent of platinum group production, and 50 percent of manganese production. China is a major importer from Africa of these minerals. In 2017, for example, 72 percent of China's imported chrome ore came from South Africa alone. Africa is also an important supplier of bauxite and copper for China.

Second, China sees Africa as a growing market for its exports and the earning of foreign exchange. Africa has well over a billion people and has the fastest growing population in the world. Most important, Africa has an increasing number of consumers with discretionary income, at least pre-coronavirus. In recent years, China has become a significant service provider by winning contracts for infrastructure projects, many of them financed by China, and building Africa's infrastructure with Chinese companies. It is necessary, however, to keep China-Africa trade in perspective. While China is Africa's largest trading partner, it accounts for less than 5 percent of China's global trade, although it constitutes about 15 percent of Africa's global trade. The trade is also heavily concentrated in Africa's oil and mineral rich countries.

Third, China seeks the political support of as many African countries as possible in organizations ranging from the UN General Assembly to the World Trade Organization to the UN Human Rights Council. Africa's fifty-four countries constitute more than one-quarter of UN members. Although they do not vote as a block, they tend to be more supportive of China's position than the United States' position on issues at the UN and in other fora. This is especially true for China's core domestic concerns such as the treatment of Muslim minorities, Tibet, South China Sea, Hong Kong, and human rights generally. In return, China often uses its position on the UN Security Council to support issues important to African countries, especially when they are being criticized by Western leaders. An important corollary of this interest is unreserved African support for the "One China" principle. Today, only one African country—Eswatini—recognizes Taiwan.

Fourth, as China's interests and the number of its nationals increase in Africa, China is subject to greater threats that it wants to minimize or avoid entirely. Pre-coronavirus, on any given day it is estimated there are about one million Chinese working, living, and visiting in Africa. There are probably at least 10,000 Chinese companies, most of them small private operations, in Africa. These individuals, companies, and interests increasingly experience the same kinds of attacks that other foreigners face on the continent. The threats include ordinary crime, kidnapping, being caught in civil conflict, terrorist attacks, piracy, and pandemic disease. The government of China and the Communist Party of China (CPC) are confronting, especially since the evacuation in 2011 of almost 36,000 Chinese from Libya, more domestic pressure to protect Chinese nationals and interests in Africa. This has resulted in a series of preventative and proactive measures by companies and the government of China ranging from greater risk aversion to employing private security companies.

Fifth, Africa is part of a broader strategy based on implementation of the Belt and Road Initiative (BRI) to expand China's economic, political, and military power. The establishment in 2017 in Djibouti of China's first military base outside China is the most visible manifestation in Africa of this goal. While the current focus is the consolidation of China's economic ties along the BRI, political and security relations are closely interwoven in this initiative. The People's Liberation Army Navy (PLAN) has expanded its reach in the Indian Ocean and the waters around Africa by increasing the number of port calls. China is also continuing its engagement in UN peacekeeping missions in Africa and its participation in the anti-piracy operation in the Gulf of Aden and strengthening its military cooperation with African governments. These steps strongly suggest that China intends to become a global power. Again, coronavirus may slow down or even disrupt this effort and the BRI.

China's Africa Policy Pronouncements

China's most recent, comprehensive policy paper on Africa released in December 2015 generally reflects current policy. It includes Xi Jinping's key themes of the "community of shared future" and the "Chinese Dream." Curiously, however, it makes no reference to the BRI, which Xi Jinping announced in September 2013. The 2015 BRI Action Plan did mention Africa

five times but only in the context of generic statements referring to “Asia, Europe and Africa.” This underscores that Africa is a BRI afterthought, although China is now trying to engage the African countries more vigorously. The guidance on security and military policy is generic, focuses on what China is prepared to do for Africa, but offered no hint of its desire to establish a military base in Africa.

Like policy papers prepared by other governments, China’s documents put the most positive spin on the relationship with Africa and make no mention of several negative issues. For example, the Africa policy paper discusses new loans but does not mention growing debt concerns, including several highly indebted African countries where China provided a significant amount of the financing. The debt problem has worsened since publication of the 2015 paper and is destined to get much worse in the aftermath of coronavirus. Nor does the policy paper discuss the large trade surpluses that China has with most African countries and the fact that China imports raw materials from Africa, but exports almost exclusively finished goods to Africa. These African concerns are publicly raised in South Africa and Kenya and privately discussed more broadly. On the other hand, the paper does promise to strengthen quality control over Chinese goods exported to Africa and enhance cooperation to protect the environment, two areas where African civil society has been critical of China’s policy for years.

“China’s Military Strategy” white paper of 2015 only refers to Africa in passing and says the PLAN will continue escort missions in the Gulf of Aden. The section on international military cooperation also applies to Africa. China’s 2019 white paper on national defense contains few references to Africa but announces principles that apply to the continent. It emphasizes humanitarian assistance and disaster relief, participating in UN peacekeeping and anti-piracy operations, playing a constructive role in resolving political disputes, jointly maintaining the security of international sea passage, and responding to global threats of terrorism, cyber security, and natural disasters.

African Countries of Special Interest to China

China has identified countries in Africa that are of special interest. In fact, China classifies countries globally by category of partnership. In Africa, the top category is “comprehensive strategic partnership.” Comprehensive means the cooperation is all-dimensional, wide-ranging and multi-layered. Strategic means the cooperation is long-term, stable, and transcends differences in ideology and social systems. So far, China has identified as comprehensive strategic partners the African Union and nine countries: South Africa, Algeria, Egypt, Mozambique, Zimbabwe, Ethiopia, Kenya, Sierra Leone, and Namibia.

These countries are interesting because they are not all obvious choices. South Africa, Algeria, Zimbabwe, and Namibia have significant energy and/or minerals, but the other five do not. The People’s Republic of China has important and long-standing ties, usually dating back to support for liberation movements, with Algeria, Egypt, Mozambique, Zimbabwe, and Namibia, but its earlier links with South Africa, Ethiopia, Sierra Leone, and Kenya were tentative at best. The African countries represent a wide variety of political systems, although most of them seem to

have close ruling political party ties with the CPC. Kenya, Sierra Leone, and Algeria are outliers in this connection. China is an important trading partner with all nine countries, but it is the largest partner only with South Africa, Kenya, Sierra Leone, and Ethiopia. It is especially hard to explain why Sierra Leone is a comprehensive strategic partner.

China has a lower level “strategic partnership” or “comprehensive cooperative partnership” with a wider range of countries. They include Nigeria (oil), Angola (oil), Sudan (had substantial oil until the independence of South Sudan), Gabon (oil), Republic of Congo (oil), Morocco (potash), Guinea (bauxite), Senegal, Tanzania, and Djibouti. All these countries have significant quantities of natural resources of interest to China except Senegal, Tanzania, and Djibouti. Senegal is an inherently important country in West Africa. Tanzania has a long historical relationship and important military ties. Djibouti permits China to operate a military base on its territory. Surprising omissions from this list are the Democratic Republic of the Congo (minerals and an important country in Central Africa), Ghana (oil and an important country in West Africa), and Zambia (minerals and long-standing close ties).

China’s Alignment with U.S. Competitors in Africa

China does not seek allies in the manner the United States does. It develops “partnerships” by offering political support and financial incentives. Arguably, the BRI is an effort by China to align itself with America’s economic competitors, especially European countries, so that all participants in the BRI compete more effectively against the United States globally. While Africa is not the primary target, it is an arena of U.S.-Europe and U.S.-China commercial competition. A case in point is Huawei’s highly successful campaign to capture most of the 4G and 5G market in Africa and to make inroads in Europe. The BRI has aided Huawei’s effort in Central Asia, South Asia, Europe, and Africa. Nevertheless, commercial competition is normal and takes place among allies.

The more important concerns for the United States are political, ideological, and security competition. Here, the Western countries generally remain aligned in Africa. There does not appear to be any evidence that China is working with countries such as North Korea, Iran, Cuba, and Venezuela to undermine American influence in Africa. For that matter, these countries are not particularly active in Africa. Although Cuba has a significant legacy in Africa, it lost its financial backing for operations in Africa after the breakup of the Soviet Union. Venezuela has never been active in Africa and, in any event, is preoccupied with internal problems. Iran once had strong ties with several African countries but has more recently been undercut by Saudi Arabia and the United Arab Emirates. It also faces serious internal challenges. North Korea has slowly been increasing its influence in Africa and is a country to watch, including the possibility of collaboration with China.

The most important player in this context is Russia. But China and Russia are commercial competitors in Africa, although China holds an overwhelming advantage. Russia’s trade, aid, and investment pale in comparison to that from China. The one area where Russia leads by a small margin is arms sales, mostly in North Africa. In any given year, China is usually the more

important supplier of arms in Sub-Sahara Africa. Some of Russia's engagement in Africa, especially that conducted by the private Wagner Group, which has close ties to the government, may give China pause. Wagner group activities in countries such as the Central African Republic and Sudan may even be counter to Chinese interests.

Since 2016, China and Russia have usually voted the same way on African issues that have come before the UN Security Council. Out of eleven votes on resolutions dealing with Africa, China abstained on all of them while Russia abstained on nine and voted yes on two, both early in 2016. The United States voted yes on all eleven. There appears to be close consultation between China and Russia on African issues that come before the Security Council.

China's 2019 white paper on defense states that "the military relationship between China and Russia continues to develop at a high level, enriching the China-Russia comprehensive strategic partnership of coordination for a new era and playing a significant role in maintaining global strategic stability." The document goes on to highlight increased China-Russia security cooperation and coordination. While none of this makes any reference to Africa, there are a few straws in the wind that suggest growing China-Russia naval cooperation in Africa and the wider Indian Ocean region. In November 2019, the South African navy hosted the Multinational Maritime Exercise with vessels from the PLAN and Russian navy. The following month, Iranian, Russian, and PLAN warships held joint maneuvers in the Indian Ocean. China has apparently also allowed Russian warships to use the pier at its military base in Djibouti. So far, this seems to be the extent of China-Russia military cooperation in Africa, but it is an issue that merits close attention.

Organizations China Uses to Implement Its Africa Strategy

China works through a variety of organizations at the international, continental, and sub-regional level to implement its Africa strategy. The most inclusive groups are the United Nations and its specialized agencies, but more on that in the next section below. Some of the other organizations were inspired by China such as the Forum on China-Africa Cooperation and the China-Arab States Cooperation Forum. African and Arab countries created another set of organizations: African Union, League of Arab States, Southern African Development Community, Economic Community of West African States, Common Market for Eastern and Southern Africa, and the Intergovernmental Authority on Development. A final category includes member states from several continents, especially the Organization of Islamic Cooperation and the Indian Ocean Rim Association. Although the degree to which China uses these organizations to implement its Africa strategy varies widely, they all play a role.

The Forum on China-Africa Cooperation (FOCAC) is the premier coordinating mechanism for China's engagement with Africa. All African countries except Eswatini are members. It meets every three years at the ministerial or summit level, alternating between Beijing and an African venue. The seventh and most recent session took place in Beijing in 2018. Each meeting is followed by a comprehensive three-year action plan and China's pledge for new loans, grants, and export credits. Trade, investment, infrastructure, and development assistance are constant

FOCAC themes, but the priorities have changed over time. The action plan highlighted climate change, poverty reduction, and think tank exchanges in 2009. The 2012 FOCAC underscored the importance of peace and security cooperation, which has continued as a high priority. China's assistance for African industrialization was a central theme in 2015 while 2018 witnessed a return to more support for agricultural development and a focus on the BRI. In 2018, China pledged \$60 billion in loans, export credits, grants, and new direct investment over the next three years.

African response to the FOCAC has generally been positive, although there are concerns that it is too China-driven. With the passage of time, African countries have had a more significant impact on the agenda. To some extent, this is a structural challenge. It is much easier for a single country—China—to implement its goals than for fifty-three African states to do so collectively. Many of the smaller African countries are also poorly equipped to follow up with China on action items. In the final analysis, individual African countries have concluded that their bilateral relationship with China is more important than working through the FOCAC.

The China-Arab States Cooperation Forum (CASCF) has twenty-two member countries, the same membership as the League of Arab States. Ten of the members are African and all of them are also members of FOCAC. Because the focus of CASCF is the Arab world and has limited African membership, it is much less important than FOCAC. Foreign ministers from member states meet every two years in China or one of the other member states. As of 2019, there had been eight ministerial-level meetings and sixteen senior official meetings. CASCF hosts some ten additional sub-groups such as the China-Arab Relations and China-Arab Civilization Dialogue that generally meet every two years.

The 8th and most recent CASCF ministerial conference took place in Beijing in 2018 when the theme was the BRI. China pledged \$20 billion in loans for economic development and \$3 billion in loans for the financial sector. The action plan for 2018-2021 covers political, economic, energy, environmental, agricultural, tourism, human resources, intellectual property, cultural, educational, scientific, health, media, and people-to-people cooperation. In 2019, CASCF senior officials met for the 16th time and the Strategic Political Dialogue for the 5th time. China expressed appreciation for Arab support on Xinjiang-related issues and said it is ready to enhance coordination with Arab states in countering terrorism and extremism.

The African Union (AU) represents fifty-five countries, including the Sahrawi Arab Democratic Republic (Western Sahara), territory which Morocco controls. China does not recognize the Western Sahara. The AU graduated from observer status to become a full member of FOCAC in 2011. But even before this development, China attached considerable importance to its relations with the AU. China established a strategic dialogue mechanism with the AU in 2008; at the second session the following year, AU Secretary General Jean Ping said the organization would “continue to stand by China on major issues concerning China's sovereignty and territorial integrity.” This is music to China's ears. In 2015, China established a permanent mission to the AU in Addis Ababa and subsequently invited it to open an office in Beijing, following the establishment by the United States of a permanent mission to the AU. Although

the European Union and United States provide much more funding to the AU, China built its new \$200 million headquarters free of charge, a daily reminder of China's benevolence. China periodically makes significant contributions to the African Union's peace and security budget.

Like the CASCF, the League of Arab States has ten African members although there is rarely a unified Arab position on controversial issues. Nevertheless, China has cultivated the Arab League since the early 1990s. President Hu Jintao's 2004 meeting with Arab League members resulted in the creation of the CASCF. Xi Jinping made a major speech on China-Arab relations at the Arab League headquarters in 2016. The Arab League's secretary general, during a visit by China's foreign minister in 2020, said the organization understands China's position on Xinjiang and opposes any interference in its internal affairs. China's early, frequent, and high-level interaction with the Arab League has served it well.

The sixteen members of the Southern African Development Community (SADC) focus primarily on development, peace and security, economic growth, and the alleviation of poverty. China has a long relationship with SADC, mostly in the development area, and provides an annual \$100,000 grant to the secretariat to support its operational needs. SADC provides another venue to raise economic, political, and security issues of concern to both sides. China accredits its ambassador in Botswana to SADC.

The fifteen members of the Economic Community of West African States (ECOWAS) originally dealt mostly with African development and regional integration. Increasingly, security issues have become part of the agenda. China's engagement with ECOWAS has been mainly in the trade and investment area. It has also provided modest funding for its peacekeeping activities. China cooperates with ECOWAS to end piracy and theft in the Gulf of Guinea, a problem that has impacted Chinese shipping. China accredits its ambassador in Nigeria to ECOWAS. In 2018, ECOWAS approved a \$31.6 million grant from China to build its new headquarters with construction scheduled to begin in 2020.

The Common Market for Eastern and Southern Africa (COMESA) has twenty-one members. Its primary goal is to promote regional integration through trade and development of natural resources. China is COMESA's largest bilateral trading partner. Its ambassador to Zambia serves concurrently as China's special representative to the organization. While China provides minimal financial support to COMESA, its secretary-general praised Chinese-financed infrastructure projects in member countries and their frequent political exchanges. In 2018, he said it is "disingenuous for those who only yesterday and for centuries were involved in the enslavement of Africans and exploitation of natural resources to turn around and proclaim that they have clean hands and that China's partnership is based on the model of exploitation that they know."

The Intergovernmental Authority on Development (IGAD) has seven members in the Horn of Africa. It promotes regional cooperation and integration through peace, security, and prosperity. China is not a significant funding source and does not have observer status. Western countries provide most of the funding; China provides small periodic grants to IGAD's

secretariat. China has taken, however, an active interest in IGAD's efforts to mediate the civil war in South Sudan where a Chinese state-owned oil company has extensive investments. In 2018, China provided \$500,000 to the IGAD forum supporting the South Sudan peace process.

The Organization of Islamic Cooperation (OIC) has fifty-seven members, including twenty-seven African countries. Major OIC issues include peace and security, counterterrorism, food security, human rights, and good governance. China says it has attached importance to the OIC since Premier Zhou Enlai sent a congratulatory message in 1974 during its second summit. The Islamic Association of China serves as an important communication link with the OIC. China's most senior officials make regular visits to OIC headquarters. Consequently, the OIC has pursued a policy on Xinjiang region that has pleased China.

The little-known Indian Ocean Rim Association (IORA) has twenty-two members, including nine from Africa. IORA is the only ministerial forum that covers the Indian Ocean and includes dialogue partners, which provide technical cooperation, help on environmental issues, and promote trade and investment. India tends to set the IORA agenda. China is a dialogue partner and regularly attends IORA council of minister meetings. The BRI is driving China's efforts to deepen relations with the organization. The IORA provides a forum where China can attempt to burnish its image as a responsible global power and reduce the fear of some countries, especially India, about its naval presence in the Indian Ocean.

African Support for China in International Fora

China prefers to seek African support for its broader national goals from those international organizations where there is relatively less Western influence. Consequently, China relies less on African support in the World Bank and International Monetary Fund (IMF), traditionally Western-led institutions where China wields less influence. However, even at the World Bank and IMF, China has become a larger contributor and is trying to gain leverage. Although invited to join, China has also shown little interest in the Western-dominated Organization for Economic Cooperation and Development. African support for China in the World Trade Organization, which has forty-four African members, offers greater potential and deserves close attention.

The United Nations General Assembly, where all fifty-four African countries are present, and the UN Security Council, where three of the ten rotating members are African, offer more effective forums to solicit African support. In recent years, the voting pattern of the three rotating African countries on the UN Security Council has aligned more closely with that of China than that of the United States. China often uses its permanent position on the Security Council to support the policies of African governments, especially on resolutions dealing with sanctions. African alignment with China has been even closer in the General Assembly. In a ranking of 192 countries that compared their votes with China's votes from 1992 to 2017, nine African countries appeared in the top twenty with voting agreement of 81 percent or more. No African country fell among the twenty countries in least agreement with China.

China also seeks African support in the UN's fifteen specialized agencies where Chinese nationals now head four of them: Food and Agriculture Organization, International Civil Aviation Organization, International Telecommunication Union, and UN Industrial Development Organization. The UN Human Rights Council is an especially important organization where China seeks support from the thirteen African members. Many African countries are equally challenged on human rights issues. There is a tendency for African countries to support China and vice versa but this support is less than commonly believed. A 2016 study concluded that China had begun to demonstrate some influence with the African group but had "not won major support." This may change following the U.S. departure in 2018 from the Human Rights Council.

Recommendations for Congressional Action

I begin with the belief that the current zero-sum U.S. policy of competing head-to-head with China in Africa is NOT the most effective U.S.-Africa policy. To the extent possible, the United States should compete in the areas of trade, investment, and winning of contracts. In the political and security arenas, a more nuanced policy is needed. No African official with whom I have met has any interest in choosing between the United States and China. Equally important, the United States government is not prepared to provide the financial resources to compete head-to-head with China in Africa and the private sector has not yet demonstrated the willingness or ability to fill the U.S. government's gap. The United States is better advised to lead by example in areas where it excels and has the financial resources. It should also provide additional resources to support private sector engagement in Africa. While the United States could do a better job of messaging, the Africans can conclude on their own what is positive and what is not about American and Chinese policies, programs, and activities concerning Africa. I have the following specific recommendations for Congressional action:

- Encourage more CODELS and STAFFDELS to visit Africa to learn about the continent and demonstrate Congressional interest in it.
- Increase funding for the U.S. Export Import Bank and urge it to use more of its funding in Africa.
- Ask the new U.S. International Development Finance Corporation to earmark a significant percent of its funding for Africa.
- Maintain funding for security sector reform and military training in those countries that follow reasonable human rights practices.
- Provide additional, urgent funding for combatting COVID-19 in Africa.
- Conduct a hearing on the international response to COVID-19 in Africa that will underscore the significant U.S. contribution.
- Conduct a hearing on the growing African debt problem, which will demonstrate how little the United States has contributed to the problem and provide a more factual understanding of China's role.

OPENING STATEMENT OF YUN SUN, SENIOR FELLOW AND CO-DIRECTOR OF EAST ASIA PROGRAM, STIMSON CENTER

VICE CHAIRMAN BARTHOLOMEW: Thank you very much, Ambassador Shinn. Ms. Sun?

MS. SUN: Thank you to the members of the U.S.-China Economic and Security Review Commission for the opportunity to testify on Chinese efforts to gain political influence in Africa.

My testimony seeks to analyze aspects of China's political influence in Africa through political capacity-building, political party training, media elites training, and the engagements through its diplomatic corps. It also aims to assess the African response and reception to such Chinese efforts, which forms a baseline in understanding the effectiveness of the Chinese influence.

China currently adopts a sophisticated and nuanced approach to political influence in Africa. Accelerating significantly since 2000, the Chinese Communist Party's engagement with African political parties shifted from an overtly ideological dialog on Chinese communism to a more subtle and expansive demonstration of the fruits of the Chinese economic development. Based on the assumptions that China's remarkable economic progress over the past few decades is attributable primarily to its political system, the Chinese Communist Party engages directly with African political parties, political leaders, and other elites to provide political training programs in China.

For African political parties interested in adopting Chinese Communist Party methods, such as cadre training schools and public relations management, the Chinese Communist Party uses its long history of partnership in Africa and deep pockets to train thousands of political party members in African countries. Outside of the political parties, scholarships, fellowships, and delegations funded by the CCP provide ample opportunities for current and future African leaders to spend time studying in China, witness China's development firsthand, and strengthen relations between China and African countries.

China's engagement with African political parties has significant geopolitical implications. As China's Belt and Road Initiative projects expand in Africa, the cooperation of ruling parties in African countries is critical for securing approval of major projects. Party-to-party training provides the foundation for China to deepen its partnership in Africa, in contrast to Western countries, particularly the United States, whose development finance advocates for a different set of rules.

In terms of media influence, China has detailed plans to establish a China-Africa Media Cooperation Network in which China trains African media officials and the journalists and promotes exchanges and visits. China also supports African TV programs and jointly produced documentaries with Africa, and provides content to Africa national broadcasting agencies. With the promotion of Chinese media resources by national agencies and private broadcasters with Chinese backing, the sparse media environments of many African countries could see Chinese monopolization of news and broadcasted arts to curry favor for Chinese world views or soft power.

Since 2014, the China-Africa Press Center has annually trained the journalists in China with a primary goal to inspire admiration and compliment for China. The exact number of training programs and journalists trained remains opaque, but the efforts are visibly active and receive the same positive reports from these reporters upon their return to Africa.

China's growing ownership of Africa media companies has offered Beijing direct

channels of influence over the content, the tone, and the preferences of the media, including media censorship of journalists and cancellation of reporting negative of China. In addition to ownership of African media outlets, Chinese state-owned media has also established a comprehensive foothold in print, in television, and online media, where pro-China opinions are encouraged and spread widely.

Chinese political and media influence has a direct impact on the norm-building on the continent, and this is particularly true in the digital space. China's promotion of internet sovereignty, in contrast to the Western multi-stakeholder internet model, has been extended to African governments with positive reception and the intent to emulate from multiple countries, including Tanzania, Uganda, and Zambia.

In support of these efforts, Chinese firms have also exported hardware and practices applicable to surveillance states. For example, Chinese companies have signed agreements with the Zimbabwean government in 2018 to build a national facial recognition and monitoring system, inciting fears of social credit systems in the country.

Last, but not least, the Chinese diplomatic corps in Africa is playing an increasingly active role in shaping African public opinion through diverse social media channels and communications strategies. China has diplomatic relations and representation with all of sub-Saharan Africa except Eswatini, but China has outpaced the United States in measures of not only embassies, but also high-level diplomatic visits.

Beginning in 1991, the Chinese Foreign Minister has made Africa the destination of his first overseas trip every year. To date, Chinese President Xi Jinping has visited Egypt, Tanzania, Zimbabwe, the Republic of the Congo, and Guinea each once and South Africa three times. During the same period, President Obama visited Tanzania, Kenya, and Ethiopia once and Senegal and South Africa twice. President Donald Trump has never visited Africa as the President.

There are different views even among Africans on the effectiveness of the Chinese political training, soft power influence, and export of the Chinese model. Some Africans are cynical and describe the Chinese efforts as nothing but public relations shows and tours. But some political leaders in Africa have explicitly taken inspiration from the Chinese Communist Party's structure and operation.

The one thing that I would like to emphasize here is a tendency to underestimate the Chinese ideological push as they are dismissed as ineffective. At this stage, what is important here is the Chinese intent to export its model and experience rather than its effectiveness for Africans to receive and emulate. China is still exploring the most effective way to promote its political influence and soft power within African countries. That is a tactical-level issue which does not change the fact of the Chinese strategic goal to promote its model in Africa.

With this strategic intent, China will develop more sophisticated and effective strategies to achieve this goal. To simply dismiss the Chinese efforts as ineffective, therefore, negligible, is missing a key element of China's strategy towards Africa and its competition strategy with the United States on the continent.

That is the end of my verbal testimony. Thank you very much.

**PREPARED STATEMENT YUN SUN, SENIOR FELLOW AND CO-DIRECTOR OF
EAST ASIA PROGRAM, STIMSON CENTER**



May 8, 2020

Testimony before the U.S.-China Economic and Security Review Commission

Chinese Campaigns for Political Influence in Africa

Yun Sun, Co-Director, East Asia Program and Director, China Program

The Stimson Center

Thank you to the members of the U.S.-China Economic and Security Review Commission for the opportunity to testify on Chinese efforts to gain political influence in Africa. This testimony seeks to analyze aspects of China's political influence in Africa through political capacity building, political party training, media elites training, and engagement through its diplomatic corps. It also aims to assess the African response and reception to such Chinese efforts, which forms a baseline in understanding the effectiveness of the Chinese influence.

Historically, Africa's political importance was manifested in the fact that China's overarching goal was diplomatic recognition from African nations and the reinforcement of official ties that strengthen the political legitimacy of the Communist regime. Throughout the 1960s, the period when China was "striking with both fists" (in two directions: toward the United States and the Soviet Union), its support of African countries generally reduced the pressure on China brought about by the international isolation imposed by the two major powers. The emotional affinity of China toward Africa has since then been a constant factor in the relationship, although it has been gradually diluted, and in some cases replaced, by the pragmatic economic calculations on both sides in recent years.

China relies heavily on diplomatic support and cooperation from African countries on key issues in the international arena and in multilateral forums. Currently, the 54 African states account for more than one quarter of U.N. member states and votes. China has relied on African countries' support at the U.N. for its political agenda, including Beijing's assumption of its seat at the UN. In 2008, before the Beijing Olympics, the issue of Tibet became a controversial sore spot for China at the U.N. Human Rights Council. China relied on African countries to remain silent or issue statements supportive of China's Tibet policy in order to defuse and preempt hostile discussions or actions.¹ Today, on issues ranging from human rights to U.N. reform and from regional security to China's core national interests, China looks to Africa to be on its side.

As China's global ambition grows rapidly under President Xi Jinping, China has grown increasingly interested in portraying Africa as a strong supporter and testament of China's great power status, its reputation as a responsible stakeholder, and the leader of the developing world.

Chinese economic engagement with Africa has been constantly cited to demonstrate the generosity of China as the largest developing country and the desirability of a new international order led by China. These agendas strengthen Xi Jinping's prestige and authority at home and abroad.

Another of China's key political aspirations in the relationship with Africa is to end Taiwan's diplomatic presence on the continent. For Beijing, it is a matter of fundamental regime legitimacy that Africa embraces the One-China policy and accepts Beijing rather than Taipei as the only lawful representative of China. The tug of war between Beijing and Taipei over diplomatic ties with African countries has lasted more than six decades since the founding of the People's Republic of China. Currently, Eswatini is the only African country that still maintains diplomatic ties with Taiwan. It is worth noting that since the Democratic Progressive Party assumed office in Taiwan in 2016, China has successfully established diplomatic ties with two of Taiwan's diplomatic allies: São Tomé and Príncipe and Burkina Faso. It is widely believed that China's economic enticement, especially the promises of aid and loans, has played a key role in the diplomatic tug of war.

As the largest and perhaps most effective authoritarian regime in the world, Beijing has always viewed foreign governments' recognition of the Chinese Communist Party's (CCP) successful political and economic policies as a powerful reinforcement of its legitimacy at home. Since the 2000s, China has begun to actively promote the experience and familiarization with such political and economic policies among other developing countries. China uses its own development model, which combines political authoritarianism and economic capitalism, to show to African countries that economic development and political stability can coexist without a democratic system. In many countries, "China's economic progress is cited by statist, protectionist, and thugs alike to 'prove' that keeping the state's grip on companies, trade, and political freedoms need not stop a country growing by 8%-plus a year."² From Beijing's perspective, the popularity of the China Model is the best way to validate the credibility, or even the desirability, of the Chinese system.

In this sense, China's ideological interest in Africa did not disappear after it directed its priorities toward economic development. Instead, it has taken a different, subtler form, one that supports Beijing's legitimacy through spreading and popularizing China's development model. The more countries identify with and adopt Beijing's approach, the less isolated China feels, and the stronger the legitimacy the CCP enjoys. Beijing would like to see non-Western, non-democratic governments survive and thrive in Africa simply because they help to validate China's political system and mitigate its international isolation by showing that Western democracy is not a universal value and that the Western democratic system does not have to apply in every country.

China is actively promoting this new model of political and economic development in Africa through government fellowships and training programs for African elites, which constitute a key component of Chinese foreign policy toward Africa. The goal is to educate African elites on China's experience in economic development and political governance, as well as help them to imitate such policies in their home countries. China states that the training programs are strictly exchanges of opinions rather than an imposition of the China Model on African countries. In other words, China invites African political party cadres to China to study the Chinese way of governance on issues they are interested in, but whether they eventually adopt the Chinese way is

purely at their own discretion. This approach does constitute capacity building, but it is perhaps less dictatorial compared to Western capacity-building programs.

China actively pushes African elites to personally experience China's economic success and systematically trains them on how to emulate China's paths to success. The conscious effort made by China to help African elites absorb, assimilate, and duplicate the Chinese experience does constitute a different type of ideological push. It is geographically expansive, institutionally systematic, and psychologically and politically impactful over the choices and preferences of African political parties and, thus, over the African political landscape.

In Western concepts, the Chinese political capacity-building program equates to the export of Chinese ideology, albeit in a more implicit and indirect form. However, in this case, China's power does not lie in its imposition but in its inspiration. It is noteworthy that China under President Xi Jinping is rapidly expanding the scope and scale of such capacity-building programs in Africa. In the 2015 FOCAC commitment, China committed to a total of 2,000 degree program opportunities, 30,000 government fellowships, visits by 200 African scholars, and training for 500 African youths and 1,000 media personnel. However, in 2017, the number of government fellowships jumped from 30,000 to 50,000 in addition to 1,000 African elites trained by China. Demonstrating China's keen interests in shaping the affinity of the next African leaders, China has quadrupled the number of African youths to be invited to China for exchanges. While these numbers are impressive, none are as jaw-dropping as the number of capacity-building and training opportunities China has agreed to provide: 50,000 training opportunities to African countries, including government officials, opinion leaders, scholars, journalists, and technical experts. These are essentially the African political, economic, and social elites as well as opinion leaders that will shape the future of the continent and its relations with China.

Political Parties and Elites

The Chinese Communist Party's party-to-party engagement with African political parties dates to the 1950s and 1960s, when CCP members sought to assist African liberation movements and nascent political parties with their pushes for independence. Though African countries generally did not adopt a Maoist ideology, this period forged strong relations between the CCP and the ruling parties of several African countries, such as Angola, Algeria, Zanzibar (now part of Tanzania), and the Congo. By the 1970s, when China began its domestic reforms and opening-up process, the good relations between the CCP and some ruling parties in Africa won China support in its bid to reclaim its U.N. membership, such as from Tanzania.³

Accelerating significantly since 2000, the CCP's engagement with African parties shifted from an overtly ideological dialogue on Chinese communism to a more subtle and expansive demonstration of the fruits of China's economic development. Based on the assumption that China's remarkable economic progress over the past few decades is attributable primarily to its political system, the CCP engages directly with African political parties, political leaders, and other elites to provide political training programs in China. For African political parties interested in adopting CCP methods, such as cadre-training schools and public relations management, the CCP uses its long history of partnership in Africa and deep pockets to train thousands of political party members in

African countries. Outside of political parties, scholarships, fellowships, and delegations funded by the CCP provide ample opportunities for current and future African leaders to spend time studying in China, see China's development firsthand, and strengthen relations between China and African countries.⁴

Just as support from African partners helped China win its bid for U.N. membership, the CCP's engagement with African political parties has significant geopolitical implications for China. As China's Belt and Road Initiative projects expand in Africa, the cooperation of ruling parties in African countries is critical for securing approval of major projects. Party-to-party relations provide a foundation for China to deepen its partnerships in Africa in contrast to Western countries, particularly the United States, whose development finance advocates for a different set of rules.

The efforts by the CCP also has certain concrete inspirations to offer African countries: a framework for governance that supposedly leads to reduced poverty; consolidation of ruling classes' hold on power; an alternative source of development finance and partnership other than the West; and a large source of assistance for education and party growth. It is true that the dialogues, forums, and other major engagement platforms seem to be largely China offering lessons learned to Africa, rather than a mutual exchange. However, the capacity-building opportunities remain attractive to African parties that are inspired by the CCP's longevity and level of control, as well as (a separate issue, but to what extent is debatable) China's economic development.⁵ The benefits to the CCP and to China will ensure that the CCP continues to cultivate interest in its model from African parties well into the future.

Media and Digital Space

The 2018 FOCAC Beijing Action Plan for 2019-2021 promotes the establishment of a China-Africa media cooperation network in which China would train African media officials and journalists and promote exchanges and visits. The Plan also states that China will support African TV programs and jointly produced documentaries and both sides will provide films and TV programs to each other's national broadcasting agencies.⁶ With the promotion of Chinese media resources by national agencies and private broadcasters with Chinese backing, the sparse media environments of many African countries could see Chinese monopolization of news and broadcasted arts to curry favor for Chinese worldviews or soft power.

Since 2014, the China-Africa Press Center has annually trained journalists in China with the primary goal to inspire admiration and compliment for China. The exact number of training programs and journalists trained remains opaque, but the efforts are visibly active. For example, the 2019 China-Africa and China-Asia Pacific press centers saw 50 journalists from 49 African and Asian countries.⁷ Some of the efforts render satisfying results: in 2018, China organized for 22 Zambian journalists to visit China and attend a special 2018 Zambia Media Think Tank Seminar, managed by the National Radio and Television Administration and featuring presentations by senior officials from the State Council Information Office and State Administration of Radio, Film and Television of China.⁸ Following their return, one journalist published an enthusiastically pro-China piece, restating the freedom of speech and information afforded by the PRC Constitution and the "robust" media landscape in China.⁹

In recent years, Chinese ownership of African media companies has offered Beijing direct channels of influence over the content, tone, and preferences of the media. And Beijing has used these channels. China International Television Corporation and the China-Africa Development Fund together own 20% of South Africa's Independent Media, the country's second-largest media company.¹⁰ This financial influence has led to reported media censorship of journalists: immediately after publishing an article critical of China's treatment of Uyghur Muslims in 2018, one Independent Media contributor's column was cancelled, and the piece was taken down.¹¹ Chinese company StarTimes also owns stakes in South African media companies, having rescued TopTV and bought 20% of On Digital Media.¹²

In addition to ownership of African media outlets, Chinese state-owned media has established a comprehensive foothold in print, television, and online media, where pro-China opinions are encouraged and spread widely. Although not as present as Western organizations like BBC or CNN, official Chinese media including the Xinhua News Agency, CGTN, and *China Daily* have bureaus on the continent, all headquartered in Nairobi: Xinhua's Africa Bureau was opened in 1986, CGTN Africa opened in 2012, and *China Daily* has been producing a weekly Africa edition in print since 2012. It has been reported that Xinhua's office in Nairobi has about 40 Chinese employees, including family members, and *China Daily*'s bureau in Nairobi has four staffers, including two Chinese.¹³ Apart from the heavyweight media companies, ChinAfrica, a monthly magazine, was launched in Beijing in 1988, and ChinAfrica Media and Publishing was inaugurated in Johannesburg in 2012, touting being "the first among China's print media targeting African readers to establish a presence." ChinAfrica is owned by the CCP-backed *Beijing Review*.¹⁴ China also runs *Radio China International* in local languages as well as English and French.¹⁵ In addition, as part of the Access to Satellite TV for 10,000 African Villages project, Chinese media company StarTimes broadcasts Chinese television and news to rural Africa.¹⁶

Chinese actors' influence on African countries' governance structures has a direct impact on norm-building on the continent, and this is particularly true in the digital space. China's promotion of "internet sovereignty" in contrast to the Western multi-stakeholder internet model has been extended to African governments. In 2017, the Tanzanian communications deputy minister praised China's control over the internet within its borders, calling China's homegrown sites "safe, constructive, and popular."¹⁷ A year later, the controversial "Electronic and Postal Communications (Online Content) Regulations" were introduced, which place fees on online content creators and bloggers. The effect has been the loss of diversified and smaller-scale online representation.¹⁸ It is believed that Uganda and Zambia have similar proposed legislation due to their close cybersecurity partnerships with Beijing.¹⁹

Chinese firms have also exported hardware and practices applicable to surveillance states. For example, Guangzhou-based startup, CloudWalk, signed in 2018 an agreement with the Zimbabwean government to build a national facial recognition and monitoring system, inciting fears of social credit systems in the country.²⁰ Tools such as cybersecurity and social-monitoring technologies can solidify authoritarian governments or flawed democracies' less democratic practices. Ideologically on the international level, the export of the China Model not only boosts

China's norm-shaping capability but also accumulates potential allies opting for an alternative to Western democratic governance within the international community.

The Impact of the Chinese Diplomatic Corps

Since 2016, China has successfully established diplomatic ties with two of Taiwan's diplomatic allies in Africa: São Tomé and Príncipe and Burkina Faso. Eswatini is the only internationally recognized country on the continent without Chinese diplomatic relations. In comparison with the U.S., China has diplomatic representation with all of Sub-Saharan Africa except Eswatini; the U.S. lacks active embassies in the Comoros, Guinea-Bissau, Libya, and São Tomé and Príncipe.

China's diplomatic corps in Africa is playing an increasingly active role in shaping African public opinion through diverse social media channels and communications strategies. While the strategic communications of China's diplomatic corps have previously been criticized for being bureaucratic and stiff²¹, since 2019 Chinese diplomats in Africa have launched Twitter accounts and engaged with comments to extend their messaging. As of April 2020, 25 Chinese ambassadors or embassies in Africa maintain Twitter accounts.²² The accounts engage with followers in multiple languages of the host countries. While heavily laced with CCP propaganda, the accounts represent an increasingly effective platform for China to communicate its interests and information at a time when social media usage in Africa is soaring. Interestingly, the Chinese embassy in South Africa, led by Ambassador Lin Songtian, has emerged as a vocal critic of U.S. policy and promoter of Chinese stances on Twitter.²³ The novel approach of China's diplomatic corps in Africa represents the Foreign Ministry's adaptive methods to engage African audiences.

It is particularly worth noting that China's diplomatic attention and resources devoted to Africa outpace that of the U.S. in measures of not only embassies but also high-level diplomatic visits. Beginning in 1991, the Chinese Foreign Minister has made Africa the destination of his first overseas trip of the year. In fact, Africa was the first place the Chinese Foreign Minister visited after the Tiananmen event in 1989 and African leaders were the first to visit China despite the international criticism and sanctions on China at the same time.²⁴ To date, Xi Jinping has visited Egypt, Tanzania, Zimbabwe, the Republic of the Congo, and Guinea each once and South Africa thrice. During the same period, President Obama visited Tanzania, Kenya, and Ethiopia once and Senegal and South Africa twice; Donald Trump has never visited Africa as president.

China's high-level visits achieve three complementary geopolitical goals. First, they are a physical representation of China's continual commitment to Africa. By highlighting China-Africa engagement, China projects, advances, and continues its economic engagement, media impact, and political influence on the continent. Even without major announcements or developments, the visits show to African governments and citizens alike the consistent and substantial importance China attaches to Africa.²⁵ Second, the senior-level visits serve as a stark contrast to the U.S.'s Africa policy amid great power competition. In contrast to the Trump administration's critical messaging of China-Africa relations, China's senior-level visits represent direct engagement with the continent that recognizes Africans' agency in their own future. These soft-power gains have been seen in African leaders' rebuke of Washington's warnings to Africa against Chinese actions and insinuation of African helplessness: in 2018, Sierra Leonean president Bio responded to such

criticisms by stating “We are not fools in Africa... At difficult times, when we need help most, China was there for us.”²⁶ Third, a direct channel to high-level Chinese officials allows African leaders to easily voice their interests, in ways relations with the U.S. or Europe do not permit.²⁷ This builds trust between China and Africa and strengthens China’s international messaging of the benign and win-win nature of its foreign policy.

African Reactions

African governments and communities have, as a whole, lauded Chinese investment and aid as well as its political engagement with the continent. In one manifestation of the African reception, every African country except Eswatini sent representation to the 2018 FOCAC summit in Beijing, with the most senior officials attending for all countries except Tanzania, Burundi, the Democratic Republic of the Congo, Eritrea, and Algeria. Many governments have publicly praised China, both for its political model and its economic contributions.

Politically, China represents to some Africans a model to emulate, and China’s appeal as a comember of the Global South helps. Ghanaian president Akufo-Addo stated that Ghana aims to replicate China’s success story, referencing “socialism with Chinese characteristics.”²⁸ South Africa’s African National Congress has lauded the CCP as “a guiding lodestar.”²⁹ Economically, governments near-unanimously praise China’s investment and aid, competing for the limited yet sizeable funds. Rwandan president Kagame stated at FOCAC 2018, “China has proven to be a win-win partner and sincere friend.”³⁰ South African president Ramaphosa stated at the same event, “In the values that it promotes, in the manner that it operates and in the impact that it has on African countries, FOCAC refutes the view that a new colonialism is taking hold in Africa.”³¹ Within public forums, African governments are overwhelmingly positive toward Chinese influence both political and economic.

There are different theories, even among Africans, on the content, purpose, and effect of the trainings and other CCP sponsorships of African political parties. While the curriculum of the training covers topics that seem designed to promote authoritarianism, such as influencing public opinions and managing criticism of the political party, a South Sudanese diplomat notes in an interview that people who have attended training trips describe them as a public relations tour more than anything else.³² A tour, of course, still provides an important opportunity for the CCP to show off China’s development achievements to African leaders. Regardless of the content of the training, some political party leaders in Africa also explicitly take inspiration from the CCP’s structure and operation, such as leaders in South Sudan’s ruling party SPLM and South Africa’s African National Congress party, which attempted to establish a political leadership school similar to the CCP school in Shanghai in the 2010s.³³

Overall, existing African pushback against Chinese influence has heavily centered around China’s economic rather than political influence. Central governments and local communities have notably raised numerous cases of malign Chinese economic influence spanning criticism of environmentally damaging resource extraction, unfair business practices and currency manipulation outcompeting nascent African industries³⁴, excessive use of Chinese rather than local labor for projects, and occasional condescending approaches to Africans during negotiations or

public statements.³⁵ Of note, Zambian opposition candidate Michael Sata elevated anti-Beijing rhetoric and the issue of Chinese business practices to presidential election discussions in his 2006, 2008, and 2011 campaigns.³⁶ He later backed down from his anti-Beijing rhetoric.

Notable is criticism of China's economic influence at the lower levels. African civil society and citizens have voiced concerns. Locals have chided perceived collusion between ruling parties and Beijing and perceived economic harm caused by China, with notable cases including: "the kidnapping of 29 Chinese workers by Sudanese rebels in January 2012;... the killing of four Chinese workers in South Africa in November 2011; violent labour strikes at Chinese-owned coal mines in Zambia in 2012; the arrest and deportation of Chinese miners in Ghana in June 2013; and demonstrations by workers and traders against Chinese goods in Ghana, Senegal, Kenya and Malawi over the last several years."³⁷

When civil society has criticized China's political influence, it has involved anti-authoritarian and pro-human rights voices. In Ethiopia, opposition activists allege that Beijing has hardened the ruling party's authoritarian tendencies, and insurgent groups have considered Chinese firms proxies or allies to the ruling party, leading to the deadly 2007 attack at the Abole oil field against Sinopec.³⁸ Recently, China has faced criticism about the treatment of Africans in Guangzhou during the COVID-19 pandemic (both from netizens and central governments, who have summoned Chinese ambassadors to explain their policies).³⁹

Recommendations

The Chinese approach to gain political and ideological influence in Africa has a critical impact on U.S. national interests on the continent. From exploitative economic relations to rising support and appeal of authoritarian principles and practices, from government accountability to the African media landscape, China presents a heightened competition with the United States over the future of Africa. While China will always remain an intrinsic actor in Africa, there are policies that the United States could consider to manage the competing narrative and growing influence from China:

Enhance U.S. engagement. A key reason that China is gaining momentum in Africa has been the lack of attention and resources from Washington toward the continent. The appeal of China's political agenda largely originates from the Chinese economic success and, partially, its economic engagement with Africa. If the U.S. is able to enhance its economic, political, and diplomatic efforts to offer African countries an alternative, it will mitigate the Chinese ability to dominate the discourse. Expanding USAID, the DFC, USADF, the State Department, and other government organs' efforts on the continent can provide ample opportunities for direct and positive interactions. U.S. engagement with the continent across multiple levels (the African Union, member countries, civil society, etc.) will increase competition across investment and governance structures and directly benefit African citizens.

Emphasize bidirectional communication channels. Reputational obstacles and historical legacies of colonialism that often accompany Western engagement with Africa can be mitigated by reinforcing the bidirectional nature of political, economic, and diplomatic interactions between the U.S. and the continent. Because China's diplomatic success on the continent has stemmed from its continual engagement and offer of support where it perceives it needed, ensuring that U.S.

diplomatic visits continue to highlight African countries' perspectives, needs, and initiatives can offer these countries even more opportunities to enhance African development. Capacity-building programs such as academic exchanges can also enhance the bilateral relationships between the U.S. and African countries.

Increase investment in African civil society. Soft power and people-to-people engagement have traditionally been a strength of the United States. But with China's enhanced efforts, the U.S. will need to ratchet up its level of effort. To better inform the African governments' decision-making, the U.S. should increase support of African civil society to strengthen local safeguards against Chinese negative intentions and malign activities and increase African self-autonomy and agency in the continent's own future.

Align with like-minded partners. The landscape of Africa's partnerships is changing quickly, expanding from traditional Western donors to emerging markets such as India and Turkey. Forming an alignment with like-minded partners in Africa will boost the available resources and credibility of the U.S. engagement, diminishing the perception that the U.S. interest is to compete with China in Africa rather than a genuine interest in the continent itself. It will also help to enhance the effectiveness of the engagement with the input and support of other donors and partners. The coalition of like-minded partners can offer an alternative to China's normative influences, such as those on internet freedom and open governance, and work together to promote human rights across the continent.

Limit the impact of great power rivalry on Africa. Despite the fact that China is increasing its effort to gain political influence in Africa, the challenges faced by the continent are so vast and diverse that great power rivalry should not hinder efforts, joint or unilateral, to assist African countries to battle their difficulties. The U.S. should avoid punishing Africa for the sake of competing with China.

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OPENING STATEMENT OF STEVEN FELDSTEIN, NONRESIDENT FELLOW, CARNEGIE ENDOWMENT OF INTERNATIONAL PEACE

VICE CHAIRMAN BARTHOLOMEW: Thank you very much, Ms. Sun.
Mr. Feldstein?

MR. FELDSTEIN: Great. Vice Chairwoman Bartholomew, Commissioner Borgeas, Members of the Commission and Staff, thank you for the opportunity to testify about the goals of China's Africa policy.

The overarching issue I will address today is the dynamics of digital repression among African governments. Chinese tech companies are very active on the continent. Firms like Huawei, ZTE, and Hikvision export a range of digital products and services to African governments -- telecom networks, surveillance systems, cloud computing centers, manufacturing facilities, and R&D research labs. My data shows that Chinese tech firms operate in at least 47 of 54 countries in Africa in significant ways.

China's provision of advanced surveillance capabilities to governments with poor human rights records is particularly problematic. CloudWalk's mass surveillance facial recognition project in Zimbabwe or Huawei's safe city projects in Kenya, Zambia, and Uganda illustrate the trend. They raise serious questions about whether these technologies are reinforcing, if not driving, political repression on the continent.

I think we can conclude several things regarding patterns of digital repression in Africa.

First, African governments use advanced surveillance instruments in distinctive ways. For some leaders, these tools are a key part of the governing strategies. In autocracies with highly developed coercive institutions, digital tools can transform the state's ability to track political opponents, monitor dissent, quash protest movements, and consolidate political control.

But, in lower-capacity countries which lack highly trained personnel who can act on relevant information, these tools are much less effective. In democracies such as Botswana, Ghana, Mauritius, or South Africa, which have stable political systems and governments that abide for the most part by the rule of law, their motivations for acquiring China's technology may be less about political repression and more about other issues, such as building law enforcement capacity. For these countries, the big advantage provided by Chinese products is their low cost.

Second, Chinese firms do not have a monopoly on repressive technology. They often face stiff competition from companies based in liberal democracies. Ethiopia is a good example. While Chinese companies were responsible for developing much of Ethiopia's digital infrastructure, many other companies have contributed digital capabilities to the regime. Research outfits like the Citizen Lab have documented how Israeli, Italian, German, and even U.S. firms have provided spyware to the Ethiopian government to assist in its repression program.

Third, many ask whether technology provided by China is facilitating its access to African data. The evidence is inconclusive. There are several anecdotal examples, such as in Zimbabwe, that indicate the prospect that Chinese AI firms are providing advanced technology in exchange for access to African data. But few other examples have come to light. This remains something to watch, but there is insufficient data to indicate a trend.

Now one new technology that has gained attention is China's promotion of safe cities. These projects use tracking devices, video cameras, and other surveillance technology to enhance police and security force capabilities. Unsurprisingly, such systems lend themselves to improper use.

Nine countries in Africa are currently implementing safe city systems, including Ghana, Kenya, Morocco, South Africa, and Uganda. Huawei is responsible for developing safe cities in all nine countries. So, this raises a key question: does safe city technology matter as a major tool of digital repression in Africa? At present, the answer is most likely no. Safe cities are boutique surveillance techniques and in certain circumstances provide powerful tools to governments, but are generally not key instruments of control. Most governments possess neither the institutional capacity nor sufficient resources to employ safe cities to subdue their populations in a meaningful way.

Repression on the continent remains a human-capital-intensive enterprise. However, it isn't farfetched to anticipate that in the future these tools will become more commonplace in Africa. While safe cities have yet to make a big impact, their repressive impact is likely to grow with time.

I want to spend a moment on the coronavirus pandemic. Governments around the world, including in Africa, are embracing digital surveillance tools in their response, leading to four notable trends.

First, we're seeing acceleration of existing repression. The governments that are already prone to using digital repression have aggressively moved ahead to deploy facial recognition surveillance, contact tracing apps, or social media monitoring.

Second, states have become central in gathering and providing information. So, technology may help citizens manage their daily lives under lockdown, but it also aids in the official control of information.

Third, the deployment of coronavirus digital surveillance measures is not limited to authoritarian states. All manner of governments are relying on these tools from autocracies to established democracies.

Finally, new surveillance techniques are emerging in an ad hoc manner amidst a policy vacuum. Clear rules of the road regarding safeguards, privacy protections, let alone remedies for abuse, have not been clearly thought out.

In South Africa, for example, the government initially came under fire for contact tracing regulations that lacked basic privacy protections. Only after a public outcry did the government substantially revise its rules. One can only imagine the type of abusive regulations being implemented in countries that lack South Africa's rule-of-law standards.

So far, compared to other regions, African countries have relied less upon digital tools in responding to the pandemic. Consequently, China's role in supporting COVID-19 surveillance measures in Africa remains small. It is true that China's coronavirus surveillance model has received widespread attention, and there are reports that its government is exporting surveillance practices to countries in other regions, such as Italy and Iran, but there's little indication that these techniques have spread significantly to Africa, at least at present.

What steps can Congress take, then, to mitigate the repressive uses of China's digital technology in Africa? I suggest three areas of focus.

First, helping to shape norms of responsible use for surveillance technology by creating a high-level commission or advisory body made up of leading policymakers, experts, and academics who would hold public hearings and generate consensus recommendations to guide best practices on digital surveillance issues for Africa and globally. This is particularly urgent in light of the coronavirus implications.

Second, ramp up resources to curtail the spread of digital repression. Create a standalone digital rights fund. Such a fund could support local advocacy groups that are directly pushing

back against state repression in Africa. It would support international rights groups who are challenging China's cyber sovereignty agenda, and it could also advance longer-term research to investigate critical questions: what strategy to bring the most impact to counter a government's digital repression programs? What types of tactics are states adopting in response?

Finally, provide targeted funding to level the commercial playing field for American companies vis-a-vis Chinese firms by establishing a digital technology infrastructure fund administered by the U.S. International Development Finance Corporation. This would provide financial resources in the form of matching grants or low-interest loans to make U.S. bids more price-competitive to Chinese ones in areas of strategic importance, such as 5G network buildouts.

Digital repression efforts are gaining steam in Africa, whether it's supported by China or other countries. Taking concrete steps now to blunt its impact is critical.

I'll leave my comments here. Thank you.

**PREPARED STATEMENT OF STEVEN FELDSTEIN, NONRESIDENT FELLOW,
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Hearing on China’s Strategic Aims in Africa
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Governments in many regions, including in Africa, are making use of Chinese technology to enhance their repressive capacities and actions. Major Chinese firms, such as Huawei, ZTE, Hikvision, Dahua, Meiya Pico, Sensetime, and others, are building surveillance networks, peddling hi-tech censorship tools, and supplying advanced social media monitoring capabilities to countries around the world.¹ Many of the recipient governments possess troubling human rights records. Cloudwalk’s mass surveillance facial recognition project in Zimbabwe, or Huawei’s safe city projects in Kenya, Zambia, and Uganda illustrate this trend. They raise concerning questions about the motives behind China’s digital exports – in particular, is the dissemination of these technologies reinforcing, if not driving, the spread of digital repression?

I would highlight the following points related to patterns of digital repression and surveillance in Africa.

- Chinese companies are actively exporting digital tools with advanced surveillance capabilities to African governments. These capabilities flow towards a diverse array of countries – both autocracies and democracies – who use this technology in different ways. For countries with high internal coercive capacity, such as Egypt, Kenya, or Zimbabwe, these tools reinforce and enhance political repression. In lower capacity countries, their utility diminishes.
- Chinese firms do not have a monopoly on repressive technology. They frequently face stiff competition from companies based in liberal democracies. Moreover, the evidence is inconclusive as to whether surveillance technology provided by China is allowing them to access African data.
- One technology that has gained attention is China’s promotion of “safe cities.” These projects use tracking devices, video cameras, and other surveillance technology to enhance police and security force capabilities. Unsurprisingly, such systems lend themselves to improper use.
- Thirteen countries in Africa have acquired advanced surveillance capabilities – nine of which are implementing safe city systems: Botswana, Cote d’Ivoire, Ghana, Kenya, Mauritius, Morocco, South Africa, Uganda, and Zambia. Chinese firms, particularly Huawei, are responsible for developing safe cities in all nine countries.
- This raises a key question – does safe city technology matter as a major tool of digital repression in Africa? At present, the answer is most likely no. For now, safe cities are

boutique surveillance techniques that in certain circumstances provide powerful capabilities to governments, but generally are not employed as key instruments of control. Repression on the continent remains a human capital-intensive enterprise.

- The COVID-19 pandemic has caused governments around the world to turn to digital surveillance tools to fight the virus' spread. Compared to other regions, African countries have not yet carried out extensive digital surveillance or censorship measures in response. Consequently, China's role in supporting COVID-19 digital surveillance and censorship measures in Africa remains small, at present.
- Congressional action in three areas would have a beneficial impact in mitigating the repressive uses of Chinese-supplied digital technology in Africa and globally: 1) shape norms of responsible use for surveillance technology by establishing a high-level advisory panel to lay out recommendations, 2) increase support for digital rights organizations by establishing a standalone digital rights fund, and 3) provide targeted funding to level the commercial playing field vis-à-vis Chinese firms by establishing a digital technology infrastructure fund administered by the U.S. International Development Finance Corporation.

Diffusion of Chinese Technology in Africa

How extensive is China's proliferation of digital technology? Its exports encompass a range of products and services – telecom network cables, digital partnerships with universities, surveillance, cloud computing data centers, manufacturing facilities, R&D research labs, and trainings. My data shows that Chinese digital engagement across these different sectors occur in at least 47 of 54 countries in Africa.² Huawei and ZTE are the most active Chinese firms, but other key players include Dahua, Hikvision, China Telecom, Meiya Pico, China Mobile, CETC, and Uniview. China's large digital footprint on the continent is not surprising given how many African states are members of the Belt and Road Initiative (BRI) – at last count, approximately 41 countries in Africa have officially joined the BRI.³

Starting in 2015, Chinese officials began to trumpet the “Digital Silk Road” (DRS), an adjunct to BRI focused on internet connectivity, artificial intelligence, the digital economy, telecommunications, smart cities, and cloud computing.⁴ The launch of the DRS has been murky, and tangible figures are hard to come by. Nonetheless, reports indicate that China has signed DRS cooperation agreements with at least 16 countries. In Africa, *Bloomberg* describes five countries – Angola, Ethiopia, Nigeria, Zambia, and Zimbabwe – which are direct beneficiaries of DSR investments totaling \$8.43 billion.⁵

This likely significantly undercounts the scope of Chinese tech activities in Africa; it excludes numerous documented projects, from Kenya and South Africa to Cameroon, Cote d'Ivoire, and Ghana. In fact, according to researchers C. Raja Mohan and Chan Jia Hao, Chinese officials claim that as a result of the BRI, “over 6,000 of China's Internet enterprises alongside over 10,000 Chinese technological products have gained access to overseas markets.”⁶

African governments are using much of this technology for benign purposes. They are enhancing connectivity and laying digital infrastructure necessary to modernize their economies. But there's a downside to China's increased involvement in Africa's ICT sector. Its exports are accompanied by an authoritarian mindset that implicitly encourages and directly enables repressive uses of its technology.

Insights Regarding Surveillance & Digital Repression in Africa

We can conclude several things regarding patterns of digital repression and the state of surveillance in Africa.

First, a diverse array of countries procure advanced surveillance instruments for a variety of reasons. For some leaders, sophisticated surveillance tools are a key part of their governing strategies. In these circumstances, not only are Chinese companies abetting non-democratic governments, but they are providing capabilities to states that would otherwise struggle to acquire such tools. In Zimbabwe, for example, which remains under targeted sanctions from the United States, there are reputational and legal risks for western companies to do business with the government (particularly for sensitive digital equipment). Chinese companies have eagerly stepped into the void. As a result, they are directly propping up an oppressive government that willingly and violently subdues its population.

While China can supply digital tools, whether governments will effectively deploy them is another matter. Does the government possess high internal coercive capacity? How strong are civil society and government oversight mechanisms? Depending on the answer, digital tools can potentially transform the state's ability to track political opponents, monitor dissent, quash protest movements, and consolidate political control. But in lower capacity countries which lack disciplined security forces, a coherent command and control structure, and highly-trained personnel able to analyze, interpret, and act on relevant information, the effectiveness of digital tools noticeably diminishes.

In democratic countries, such as Botswana, Ghana, Mauritius, or South Africa, which have stable political systems and governments that abide by the rule of law, their procurement of Chinese technology brings different implications. Their motivations for acquiring these tools have less to do with political repression and largely relate to other issues, such as enhancing law enforcement capacity (e.g., addressing elevated crime rates in South Africa's urban centers). For these countries, Chinese products offer two big advantages: 1) they are comparatively less expensive because of extensive subsidies provided by the Chinese state, and 2) Chinese firms aggressively market their products and are present in the African market in ways that many US and European firms are not. In my research, contacts emphasized to me that Chinese companies are willing to take the extra effort to fulfill immediate needs at competitive – oftentimes unbeatable prices. At the same time, they also share concerns about how Chinese technology may be used – to what extent is data being protected? Is data being shared with the Chinese government? What safeguards are Chinese companies building into their product design?

Second, Chinese firms do not have a monopoly on repressive technology. They frequently face stiff competition from companies based in liberal democracies. Ethiopia is a good example. In

February, I flew to Addis to conduct research for my upcoming book examining the global spread of digital repression. I wanted to hear directly from people on the ground about the impact of digital repression in a country that has generated significant attention for its innovative use of digital tools to enhance the government's political objectives. Ethiopian citizens have suffered from an array of abusive tactics – frequent internet shutdowns, targeted surveillance against journalists and opposition politicians, widespread censorship filtering, and persecutions of individuals for sharing online content. China has cultivated a close relationship with the ruling party, and its companies were responsible for developing much of Ethiopia's digital infrastructure. For example, Ethiopia's national telecom network was largely built by ZTE. As Zhang Yanmeng, ZTE's chief executive officer, crisply put it, "This is the world's only project in which a national telecom network is built by a sole equipment supplier."⁷ Thus, China's critical role has allowed it to shape the government's choices, including providing digital capabilities that enable surveillance and censorship.

But it would be inaccurate to hold China responsible for Ethiopia's digital repression. Many other countries have contributed digital capabilities to the regime. Groups like The Citizen Lab have documented how Israeli, Italian, and German firms provided spyware to the Ethiopian government to assist its repression program. During my visit, I met with Tekleberhan Woldearegay, the former director of Ethiopia's Information Network Security Agency (INSA), which is responsible for most of the state's digital repression activities. I asked him about the level of Chinese influence during his tenure at INSA. He smiled and said, "always the Americans think we're working behind the door with the Chinese. Never. That's a completely false perception." He continued, "So we, for example, bought technology from Israel, from Italy, even from Germany, including from America. Also from China. Always to protect your country to create a secure environment. We were searching the best technologies from every part of the world."⁸

Finally, a common question that arises is whether advanced technology provided by China is facilitating access to African data. On this front, the evidence is inconclusive. There are several anecdotal examples that have emerged regarding partnerships between Chinese AI companies and African governments, where Chinese firms provide advanced surveillance capabilities in exchange for access to African data. Researchers from the Australian Strategic Policy Institute, for example, have written about "data colonialism in Zimbabwe" and described how an agreement between China's Cloudwalk Technology and the Zimbabwean government will facilitate sending biometric data on "millions of its [Zimbabwe's] citizens to China to assist in the development of facial recognition algorithms that work with different ethnicities and will therefore expand the export market for China's product." In return, the authors note that the Zimbabwean government "will get access to CloudWalk's technology and the opportunity to copy China's digitally enabled authoritarian system."⁹ This may be true, but there are few other examples that have come to light. This remains an area to watch, but there is insufficient evidence that indicates a trend.

Unpacking the Safe City Model

A growing area of importance for China is the export of advanced surveillance tools powered by artificial intelligence and big data technology. In particular, its promotion of "safe cities" has

gained increasing attention. The safe city concept originated from development institutions like the World Bank, which promoted “smart cities” as a way for municipalities to improve service delivery. Smart cities feature an array of sensors which gather information in real time from “thousands of interconnected devices” helping city officials manage traffic congestion, direct emergency vehicles to needed locations, foster sustainable energy use, and streamline administrative processes.¹⁰ Activities specifically oriented towards public safety objectives emerged out of the smart city concept. These projects use tracking devices, video cameras, and other surveillance technology to enhance police and security force capabilities.

Huawei has been a leader in trumpeting public safety technologies for smart cities. It popularized the term “safe cities” as a marketing tool for law enforcement communities that would help “predict, prevent, and reduce crime” and “address new and emerging threats.”¹¹ Huawei explicitly links its safe city technology to confronting regional security challenges, noting that in the Middle East, its platforms can prevent “extremism”; in Latin America, safe cities enable governments to reduce crime; and that in North America, its technology will help the United States advance “counterextremism” programs.¹² Huawei’s description of the Kenya Safe City project is illuminating:

As part of this project, Huawei deployed 1,800 HD cameras and 200 HD traffic surveillance systems across the country’s capital city, Nairobi. A national police command center supporting over 9,000 police officers and 195 police stations was established to achieve monitoring and case-solving. The system worked during Pope Francis’ visit to Kenya in 2015, where more than eight million people welcomed his arrival. With Huawei’s HD video surveillance and a visualized integrated command solution, the efficiency of policing efforts as well as detention rates rose significantly.¹³

Unsurprisingly, such systems lend themselves to improper use. An investigative report by the *Wall Street Journal* in 2019 provided an eye-opening illustration. The reporters discovered that Huawei technicians in both Uganda and Zambia had helped government officials spy on political opponents. This included “intercepting their encrypted communications and social media, and using cell data to track their whereabouts.” Not only did Huawei employees play a “direct role in government efforts to intercept the private communications of opponents,” but they also encouraged Ugandan security officials to travel to Algeria so they could study Huawei’s “intelligent video surveillance system” operating in Algiers.¹⁴ Uganda subsequently agreed to purchase a similar facial recognition surveillance system from Huawei costing \$126 million.¹⁵

Safe Cities in Africa – Where Are They Located? Do They Matter?

Where do safe city surveillance systems operate in Africa and how extensive is their proliferation? Last year I published a report, “The Global Expansion of AI Surveillance” that established an index and methodology for evaluating the diffusion of advanced surveillance technology worldwide in four sectors: safe cities, public facial recognition systems, smart policing, and social media surveillance. Extrapolating and updating the data for Africa shows that thirteen countries in the region have acquired advanced surveillance capabilities, and that nine of these countries are implementing safe city systems: Botswana, Cote d’Ivoire, Ghana, Kenya, Mauritius, Morocco, South Africa, Uganda, and Zambia. Chinese firms are providing

advanced surveillance technology in twelve of the thirteen countries (Namibia is the lone exception). Huawei is the most frequently identified company. A map graphically showing the distribution of Chinese surveillance technology can be found in Figure 1.

What is noteworthy about this set of countries is that they represent a diversity of regime types with corresponding levels of digital repression. The list features liberal democracies (Ghana Botswana), closed autocracies (Morocco), and competitive authoritarian states (Algeria, Egypt, Zambia, Zimbabwe). Some of the countries heavily rely on digital repression with high levels of censorship (Egypt, Algeria) or social media surveillance (Zimbabwe, Zambia, Algeria). Others rank among the best performers on the continent and have virtually no internet constraints (Botswana, Ghana) or online surveillance (Botswana, South Africa). One connecting factor these countries share in common are relatively robust military expenditures. Several of the countries – Algeria, Egypt, South Africa – rank in the top 50 globally for their military budgets. However, two of the countries – Ghana and Mauritius – place outside the top 100. A detailed table showing specific technologies and rankings associated with each country is located in Figure 2.

While thirteen countries make for a reasonable sample, this still represents a minority of countries on the continent. This raises a key question – does safe city technology matter as a major tool of digital repression in Africa? At present, the answer is most likely no.

For now, safe cities are boutique surveillance techniques that in certain circumstances provide powerful capabilities to governments, but generally are not employed as key instruments of control. Repression on the continent remains a human capital-intensive enterprise. Most governments possess neither the institutional capacity nor sufficient resources to reliably use safe cities and related techniques to subdue their populations. Instead, they favor blunter tactics. Internet shutdowns, for example, are prevalent on the continent. They are simple to enact and lead to immediate results (although in the medium to long-term they are ineffective tools in suppressing dissent – as leaders in Sudan and Ethiopia can attest). Arrests and persecutions of journalists, opposition members, and civil society activists are another preferred tactic. They also require minimal technological capacity to undertake. What surveillance does occur largely encompasses targeted measures – such as implanting spyware to extract confidential information from specific individuals. Except for a handful of countries, mass surveillance in Africa is largely absent.

Even globally, the onset of artificial intelligence and big data surveillance has yet to reach critical mass – it remains aspirational for most countries. While China has shown the world how cutting-edge technology can reinforce a massive police presence to turn regions like Xinjiang into virtual police states, for now, China's actions are unique.¹⁶

That being said, it isn't a stretch to project that in the coming years, increasingly advanced surveillance networks supplied by Chinese firms will become more and more common in Africa – and around the world. In other words, while safe cities have yet to make a big impact in terms of their repressive outcomes, it is worth spending time understanding how they function and how authorities may exploit them for future repressive purposes.

Impact of the COVID-19 Pandemic and Impact on China-Africa Relations

The COVID-19 pandemic has caused governments around the world to turn to digital surveillance tools to fight the virus' spread. While there are many legitimate reasons for governments to deploy contact tracing apps and use location monitoring technology to monitor viral outbreaks, there are troubling reports of privacy violations and human rights abuses. Five trends are particularly salient – both in Africa and globally:

- **Acceleration of existing repression.** Governments already prone to using digital surveillance, censorship, or peddling disinformation, such as Egypt, China, Russia, and India, have aggressively moved ahead to deploy facial recognition surveillance, contact tracing apps, and social media monitoring, along with information controls. State authorities are using the pandemic as a pretext to advance their political agendas.
- **States have become central in gathering and providing information.** As analysts Nathan Brown, Intissar Fakir, and Yasmine Farouk write, “technology may facilitate daily lives under lockdown, but it also aids in the official control of information.”¹⁷ The enduring implications of this shift are yet unclear but they present flashing warning signs citizens living in autocracies.
- **The deployment of COVID-19 digital surveillance measures is not limited to authoritarian states.** All manner of governments, are relying on these tools, from autocracies (China, Russia, Thailand, Egypt, Morocco) to established democracies (Spain, Italy, Ghana, Belgium, South Africa).
- **Arrests for violating “fake news” laws linked to the pandemic.** Governments are arresting scores of individuals for spreading “fake news” about the coronavirus in countries such as Myanmar, Cambodia, Kenya, Uganda, China, and Morocco. Targets for arrest are often civil society activists and political opposition figures. In Niger, for example, authorities arrested prominent journalist Kaka Touda for his reporting on the virus.¹⁸
- **New surveillance techniques are coming online in an ad hoc manner amidst a policy vacuum.** Clear rules of the road regarding safeguards, privacy protections, let alone remedies for abuse, have not been clearly thought out (some governments are deliberately overlooking them). In South African, government officials substantially revised a controversial contact tracing proposal after a firestorm of criticism regarding lack of privacy protections.¹⁹ This raises larger questions about whether new levels of intrusion are here to stay, particularly in non-democracies.

Compared to other regions, such as Asia or Europe, countries in Africa have not yet carried out extensive digital surveillance or censorship measures in response.²⁰ As of April 27, 2020, only Ghana had implemented contact tracing apps (mobile phone applications which use location data to track infected individuals). South Africa and Kenya have instituted digital tracking using aggregated mobile phone data and/or advanced phone monitoring technology. Tunisia is the lone country that has deployed physical surveillance measures to stem the coronavirus – its police are using remote-controlled robots to enforce the country's quarantine.²¹ When it comes to

ensorship controls (e.g., locking up individuals who spread “fake news” on social media regarding the coronavirus) African countries display troubling trends. At least seven countries – Algeria, Egypt, Kenya, Morocco, Niger, Tanzania, and Uganda – have imprisoned journalists and civil society activists on misinformation grounds. In Tanzania, for instance, its communications regulatory authority sanctioned three TV stations for spreading misinformation when they allegedly criticized President John Magufuli for declaring that churches should stay open because “coronavirus cannot survive in a church.”²² Finally, Ethiopia continues its internet shutdown in the Oromia region even as the country’s coronavirus caseload rises (although there are reports that the government has restored access to parts of the region). Figure 3 shows a breakdown of digital measures implemented by African countries in response to the coronavirus.

China’s role in supporting COVID-19 digital surveillance and censorship measures in Africa remains small. It is true that China’s COVID-19 surveillance model has received widespread attention (the government is using a combination of facial recognition surveillance, QR codes linked to mobile phone contact tracing apps, as well as drones and robots deployed to hot spots). And there are reports that its government is exporting technology and surveillance practices – e.g., Huawei has donated network equipment and cloud computing access to Italian hospitals, and Iran’s Ministry of Health has released a contact tracing app modeled after China’s version. But there is little indication that these techniques have spread to Africa and has caused their governments to consider adopting similar measures. Of course, as caseloads rise in Africa, circumstances could change.

China’s coronavirus response in Africa have focused predominantly on providing splashy deliveries of emergency medical equipment, such as a Boeing 777 cargo plane loaded with masks, testing kits, and related medical supplies (sponsored by Chinese billionaire Jack Ma) which landed in Ethiopia in March.²³ These actions have been accompanied by coordinated disinformation narratives from officials such as Foreign Ministry spokesperson Zhao Lijian and former ambassador to South Africa Lin Songtian, about the generosity of the Chinese people compared to the failed promises of the United States.²⁴

Interestingly, a new twist has occurred in the past several weeks. Reports have emerged of widespread discrimination against African citizens in China, including evictions of citizens from Togo, Nigeria, and Benin from their homes in Guangzhou. There are also accounts that Chinese restaurants and shops are refusing service to African citizens. As reported by AFP, one Ugandan student disclosed, “I’ve been sleeping under the bridge for four days with no food to eat... I cannot buy food anywhere, no shops or restaurants will serve me.”²⁵ In response, several African ambassadors in Beijing broke with established practice and sent a scathing note to Foreign Affairs Minister Wang Yi to express outrage over their citizens’ treatment in China.²⁶ More broadly, this has generated public outrage against China and threatens to unravel its meticulous public diplomacy efforts. While it is possible that the backlash may diminish, particularly if China reverses its discriminatory policies, it signifies the fragile nature of China’s relationship with Africa and the drawbacks to relying primarily on transactional diplomacy as a means to strengthen ties.

Recommendations for Congressional Action

Congressional action in three areas would have a beneficial impact in mitigating the repressive effect of Chinese-supplied digital technology in Africa and globally: 1) shape norms of responsible use for surveillance technology by establishing a high-level advisory panel to lay out recommendations, 2) increase support for digital rights organizations by establishing a standalone digital rights fund, and 3) provide targeted funding to level the commercial playing field vis-à-vis Chinese firms by creating a digital technology infrastructure fund.

First, norms of responsible use when it comes to advanced digital technologies, particularly surveillance tools, remain unsettled. In the absence of effective guidelines and standards of conduct, companies and countries are free to create their own rules. This gives authoritarian countries like China a continual opportunity to impart their own value-systems regarding privacy, sharing of data, and government control of information. It is incumbent that liberal democracies create shared understandings and common regulatory approaches to counter abusive trends. *One proposal would be for Congress to authorize the creation of a high-level commission or advisory body* made up of leading policymakers, experts, and academics who would hold public hearings and generate a consensus set of recommendations to guide best practices on pressing digital surveillance issues – something particularly urgent in light of COVID-19. As Rob Berschinski and Benjamin Haas from Human Rights First recently wrote, such a body could also “advise on whether appropriate processes are in place to adjudicate licensing of U.S. intelligence capabilities and services to governments exhibiting a pattern of human rights abuses, and whether foreign governments meet their human rights obligations when undertaking surveillance and other forms of intelligence activities with the support of U.S. agencies or firms.”²⁷

Second, the rise of digital repression is enabling dictators and would-be autocrats to persecute political rivals, tamp down free expression, and suppress criticism.²⁸ *One of the best ways to push back on these techniques would be to provide a substantial infusion of resources to support digital rights groups – such as creating a standalone digital rights fund administered by the State Department’s Democracy, Human Rights, and Labor Bureau.* Such a fund could focus in three areas: 1) support local groups that are directly pushing back against digital repression efforts, 2) fund international digital rights groups (e.g., Access Now, Privacy International, Netblocks, the Open Observatory of Network Interference, etc.), who are challenging China’s “cyber sovereignty” agenda (which gives states implicit permission to restrict internet access and digital rights as they would like),²⁹ and 3) fund longer-term research to investigate critical questions – what strategies bring the most impact to counter governments’ digital repression efforts? What tactics are states adopting in response? To what extent are Chinese and Russian companies facilitating global adoption of digital repression tools, and how effective are these technologies in muzzling advocacy, dissent, and political mobilization? Ensuring that liberal democracies can confront short-term issues and develop longer-term responses is crucial. Without sufficient funding, these efforts will lag.

Third, one of the big selling points of Chinese technology is its cost. Chinese financial institutions provide conditional loans to countries that restrict tech purchases to Chinese firms. Chinese companies are likewise subsidized at a heavy rate by the CCP – by one estimate, more than three percent of China’s annual output goes towards direct and indirect business subsidies.³⁰

This cash infusion gives Chinese firms significant advantages vis-à-vis foreign rivals. They can access discounted loans from state banks, obtain low-cost inputs (cheap land, electricity), and receive direct cash infusions from government investment funds. This enables firms like Huawei, ZTE, Hikvision, and others to consistently underbid rivals for digital technology contracts – from installing 5G networks and establishing data centers to building safe cities. When African countries with scant resources receive Chinese bids that are 40% lower than comparative tenders from American or European firms, it's not difficult to guess which company wins the contract. While it is not practical nor desirable for the US government to compete on subsidies, there are interim steps the US government could take to level the playing field for American companies. In digital technology areas of strategic importance, such as 5G networks or smart city systems, *Congress could establish a digital technology infrastructure fund, administered by the U.S. International Development Finance Corporation (DFC), that would provide financial resources in the form of matching grants and/or low-interest loans to make US bids more price competitive.* Such a fund could leverage equity financing currently offered by the DFC, but it would offer several enhancements: 1) upgrade the amount of resources available, 2) focus specifically on digital technology projects and reprioritize evaluation criteria so that strategic considerations become much more important factors for determining whether financing is provided, and 3) streamline the lengthy administrative process that companies currently must undergo to obtain support through the use of waivers.

Tables and Graphs

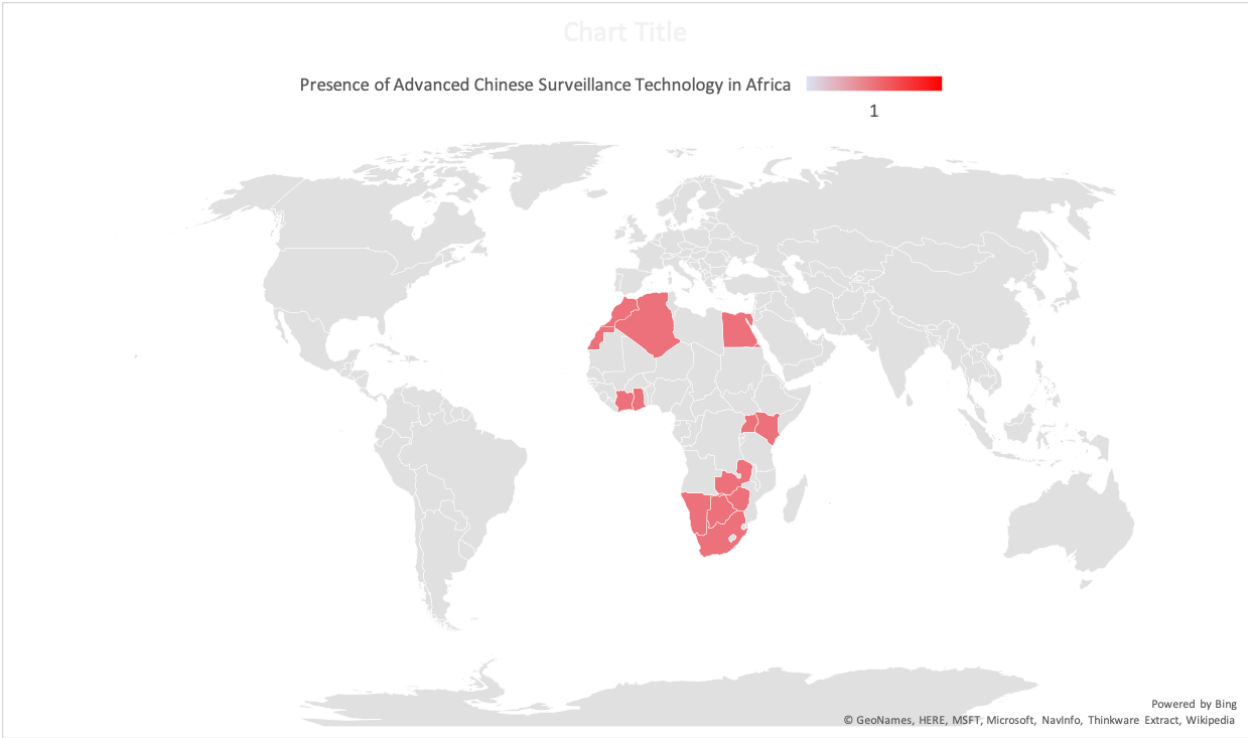


Figure 1. African Countries with AI and big data surveillance technology provided by Chinese firms

Country	Regime Type	Internet Access (% of pop)	Social Media Surveillance Ranking in Africa (lower ranking = more surveillance)*	Online Censorship Ranking in Africa (lower ranking = more censorship)*	Global Military Expenditures Ranking	BRI Member?	Digital Silk Road Member?	Safe City?	Facial Recognition?	Smart Policing?	Social Media Monitoring	Chinese Surveillance Tech?
Algeria	Electoral Democracy	48	4	8	25	x				x		x
Botswana	Liberal Democracy	41	49	54	86			x		x		x
Egypt	Electoral Democracy	45	16	5	51	x			x	x	x	x
Ghana	Liberal Democracy	38	51	45	110	x		x		x		x
Cote d'Ivoire	Electoral Democracy	44	34	39	82	x		x				x
Kenya	Electoral Democracy	18	38	40	69	x		x	x	x	x	x
Mauritius	Electoral Democracy	56	9	16	141			x		x		x
Morocco	Closed Autocracy	62	40	29	47	x		x	x	x	x	x
Namibia	Electoral Democracy	37	27	50	89	x			x	x		
South Africa	Electoral Democracy	56	42	33	48	x		x	x	x	x	x
Uganda	Electoral Democracy	24	11	26	94	x		x	x		x	x
Zambia	Electoral Democracy	28	6	13	98	x	x	x	x			x
Zimbabwe	Electoral Democracy	27	2	18	91	x	x		x	x		x

*Source: Digital Society Project (<http://digitalsocietyproject.org/>)

Figure 2. Breakdown of countries in Africa that have accessed advanced surveillance technology

Contact Tracing Apps	Digital Tracking	Physical Surveillance	Censorship Controls	Internet Shutdowns
Ghana Kenya* (prospective)	South Africa Kenya	Tunisia	Egypt Niger Kenya Uganda Tanzania Algeria Morocco	Ethiopia

Figure 3. Digital Technology Used by African Countries in Response to COVID-19 (as of April 27, 2020)

¹ Much of the data presented in this testimony is drawn from two research pieces I have previously published on this subject: Steven Feldstein, “How artificial intelligence is reshaping repression,” *Journal of Democracy* 30, no. 1 (2019): 40-52; Steven Feldstein, “The Global Expansion of AI Surveillance,” Carnegie Endowment for International Peace - Working Paper, September 17, 2019, <https://carnegieendowment.org/2019/09/17/global-expansion-of-ai-surveillance-pub-79847>.

² An important resource for compiling data on Chinese technology investments in Africa is Danielle Cave, Samantha Hoffman, Alex Joske, Fergus Ryan and Elise Thomas, “Mapping China’s Tech Giants,” Australian Strategic Policy Institute, 2020, <https://chinatechmap.aspi.org.au/#/splash/>. Individual country reports published by Freedom on the Net also provided useful information: “Freedom on the Net 2019: the Crisis of Social Media,” Freedom House, 2019, <https://freedomhouse.org/report/freedom-net/2019/crisis-social-media>.

³ See “Countries of the Belt and Road Initiative,” Green Belt and Road Initiative Center, March 2020, <https://green-bri.org/countries-of-the-belt-and-road-initiative-bri/>; Abdi Latif Dahir, “These are the African countries not signed to China’s Belt and Road project,” *Quartz Africa*, September 30, 2019.

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⁷ Zhao Lili, “Contributing to the Development of Ethiopia with Wisdom and Strength,” ZTE Tech, June 12, 2009, https://www.zte.com.cn/global/about/magazine/zte-technologies/2009/6/en_414/172517.html.

⁸ Tekleberhan Woldearegay (former director of INSA), interview with the author, February 19, 2020. Tekleberhan’s reference to the purchase of Germany, Italian, and Israeli surveillance technology aligns with independent reporting from The Citizen Lab documenting extensive spyware contracts between Ethiopian intelligence and those same firms. See Bill Marczak et al., “Champing at the Cyberbit: Ethiopian Dissidents Targeted with New Commercial Spyware,” Citizen Lab, December 6, 2017, <https://citizenlab.ca/2017/12/champing-cyberbit-ethiopian-dissidents-targeted-commercial-spyware/>; Bill Marczak, John Scott-Railton, and Sarah McKune, “Hacking Team Reloaded? US-Based Ethiopian Journalists Again Targeted with Spyware,” Citizen Lab, March 9, 2015, <https://citizenlab.ca/2015/03/hacking-team-reloaded-us-based-ethiopian-journalists-targeted-spyware/>; Bill Marczak et al., “Hacking Team and the Targeting of Ethiopian Journalists,” Citizen Lab, February 12, 2014, <https://citizenlab.ca/2014/02/hacking-team-targeting-ethiopian-journalists/>; and Morgan Marquis-Boire et al., “You Only Click Twice: FinFisher’s Global Proliferation,” Citizen Lab, March 13, 2013, <https://citizenlab.ca/2013/03/you-only-click-twice-finfishers-global-proliferation-2/>.

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PANEL I QUESTION AND ANSWER

VICE CHAIRMAN BARTHOLOMEW: Thank you very much. Thank you to all of our witnesses.

We're going to move to questioning. I'm going to start with Commission Chair Robin Cleveland. We'll move, then, to my Co-Chair, Andreas Borgeas, and then, move to the rest of our colleagues. And since the past few times we have done this alphabetically from the top of the alphabet, I'm going to do it alphabetically from the bottom of the alphabet. So, Commissioner Wortzel will be the next person up.

Chairwoman Cleveland, any questions?

CHAIRMAN CLEVELAND: Yes. And it's so much nicer being in an observer role than being responsible for the hearing. I much prefer this.

I want to take advantage of the fact that the Assistant Secretary for Africa at AID has offered a statement. And he says, "Our approach is to provide assistance that helps communities and our partner nations build their own self-reliance, rooted in a more dynamic private-enterprise-driven future and transparent citizen responsive governance system. The American model of development assistance builds country capacity and trains individuals who are experienced and institutions that can take on their own challenges. We help partner governments, civil society, and the private sector; recognize the cost of alternative development models that can weaken confidence in democracy and free market systems and burden countries with unsustainable debt, erode sovereignty, and lead to forfeiture of strategic assets."

I'm wondering if you could, particularly Ambassador Shinn and Ms. Sun, could you contrast that mission statement of ours with what you see as the Chinese approach?

AMBASSADOR SHINN: Sure. I'd be happy to comment on that. And that's a very general statement. It's very hard to take issue with it. But what I don't hear there is some more specificity in terms of resources that might be brought to bear in order to achieve that goal. And that's a very important part of what is being proposed here. The idea is a good one and, as I say, I don't take exception to it.

To some extent, China does some of this. That's not their focus, but they certainly do training. They don't do as much capacity training and, say, government ministries as the United States has traditionally done. They've been more focused on financing new loans for infrastructure building, which the United States has shied away from for many, many years. We basically don't do much of that anymore. We do a little bit with the Millennium Challenge Corporation, but that's in the form of grants, not loans, and it's a very different concept. But China is, by and large, providing the financing to the continent, and it's to that issue that we were talking about earlier on.

So, it's a rather different approach to things, although it is important to keep in mind that China does do a certain amount of training, both in China, particularly in China, but also some on the continent itself, and I think tries to encourage the internal capacity of African organizations and countries, these agricultural development centers that they're developing which have a very mixed record, I must say, but, nevertheless, they would fall in that category, I believe.

CHAIRMAN CLEVELAND: Ms. Sun, do you have anything to add in terms of compare and contrast?

MS. SUN: Yes, thank you. Thank you, ma'am, for the question.

I think in terms of the contrast, at least from the Africa perspective, the level of the

resources and attention that China attaches to Africa, not only from the government, but also from the private sector, also from the state-owned enterprises and, also, from the Chinese society, is simply massive compared to the U.S. level of engagement.

So, the appeal from China not only comes from the inspiration that the Chinese model brings to many of the developing countries in Africa, some of the least developed countries in the world; it also comes from the fact that the Chinese are there and the Chinese efforts are consistent.

And beyond that, I would say, in terms of the political engagement, China takes pride in the fact that they don't have political strings attached to their deals, but there are some political strings attached, such as on Taiwan, on Hong Kong, or on the Xinjiang issue. But, broadly speaking in terms of the governance requirement, in terms of the standard and criteria that African countries must meet, the Chinese strings or the Chinese criteria is not as high as the U.S. criteria.

Say in terms of the Chinese financial engagement with Africa, like Ambassador Shinn just pointed out, the Chinese adopt a state-motivated model or a state-led model, and that's not something that U.S. companies with U.S. private sectors can mobilize to that same level.

So, I would say these are the differences. Thank you.

CHAIRMAN CLEVELAND: Okay. What do you estimate the total loan portfolio to all countries in Africa from China may be at this point? What do you think the size of that is?

MS. SUN: There are different estimations. Because the Chinese government does not disclose this type of data, it's very difficult to track. But Professor Deborah Brautigam at Johns Hopkins University, they have tracking that basically puts the Chinese loans in Africa somewhere around 150 billion U.S. dollars, if I remember correctly.

CHAIRMAN CLEVELAND: Which, of course, given the fact that we erased the debt of most of these countries to the tune of \$200 billion, the fact that the Chinese stepped in with \$150 billion recreating that debt distress is worrying.

Thank you, Chairman.

VICE CHAIRMAN BARTHOLOMEW: Before we move forward, Mr. Feldstein, did you have anything that you wanted to add to the questions that Chairman Cleveland asked?

MR. FELDSTEIN: Yes, just one point. In terms of the idea of a self-reliance model, I think one of the fallacies about that, when it comes to digital technology, is that the domestic capacity for African countries and their companies, while it's improving, is still fairly nascent. And so, there is a need to take advantage and use technology that's exported from overseas.

And so, then, the question there becomes, Who are different governments going to procure from? Are they going to procure from ZTE or Huawei when it comes to building out their network telecoms? Are they going to go European firms? Are they going to go to the United States? But the idea that we can build self-reliance to the point where advanced technological systems can be put in place is not something for the most part in countries in Africa that they have the capacity to do at the moment, which is why we're looking at slightly different game when it comes to development outcomes versus kind of this other area of digital technology.

CHAIRMAN CLEVELAND: Thank you.

VICE CHAIRMAN BARTHOLOMEW: Great. Thank you.

All right. My stellar Co-Chair, Commissioner Borgeas?

COMMISSIONER BORGEAS: And thank you.

I think Chairwoman Cleveland already jumped into a question I was prepared to ask. So,

I'll move on to another one. Maybe I'll pose this to Ambassador Shinn as well as our two other panelists.

Apparently, by foreign direct investment in Africa, France leads in the No. 1 spot at around \$64 billion, followed by the Netherlands at 63, and then, if China is included with Hong Kong, they occupy the third slot at 59, with the United States at 50.

So, the reason I bring this up is that, if the first, second, and fourth position of foreign direct investment is made up of Western entities, and there's even more beyond that, is our future and overall strategic positioning in Africa tied to a more concerted arrangement with our European allies? Can you comment on that?

AMBASSADOR SHINN: Yes, I would certainly agree that the United States is much stronger in Africa if it works closely with our European allies across the board. Now we're going to compete on commercial issues, and even on some of those investment questions there may be some competition. Certainly, there's competition on trade and there will be competition for winning of contracts from governments in Africa or organizations in Africa. But, by and large, this is an area for U.S.-European cooperation.

Not just Europe, I would put in countries like Japan and Canada, Australia, and others. They also have important roles in Africa. If we try to go alone in Africa, we're just hurting ourselves and we're minimizing our ability to have influence in the continent. There are too many countries in Africa where the Europeans particularly have more influence than the United States does.

While I fully agree with that, I would point out that all of these numbers on foreign direct investment are fuzzy. One has to be a little careful of them. I think the numbers that you cited are certainly in the ballpark, certainly close, but no one really knows for sure, and particularly the Chinese numbers. The Chinese numbers actually may be somewhat higher than that because there's a lot of investment that goes through places like the British Virgin Islands and the Cayman Islands, and who knows what the origin of it really is?

COMMISSIONER BERGEAS: Maybe I can ask, Ms. Sun, could you describe, as you understand it right now, what is America's foreign policy toward the continent? And has it substantially changed in the last number of years?

MS. SUN: Thank you, Commissioner.

What is American foreign policy towards the continent? I believe Steve probably has a better answer than I do, since I'm primarily a China expert. But, in my view, I think the U.S. engagement in Africa has been focused on the sustainable development of the African countries' economy, not creating an overwhelmingly large foreign debt for the African economy.

We're trying to get African governments toward a governance structure that is based on democratic values, based on labor values, and, also, protects the governors', the good governors' accountability of the African government structure; and also, the civil society engagement as supported by state government and the USAID to facilitate the healthy growth of Africa's civil society. And the investigative journalism, for example, has been a key pillar of the U.S. engagement in Africa.

COMMISSIONER BERGEAS: So, it remains, in your opinion, relatively unchanged?

MS. SUN: I think it has been relatively unchanged. But the issue in comparison with China here is the level of efforts and the level of resources that the Chinese are devoting to the same type of engagement, but in a very different direction.

COMMISSIONER BERGEAS: All right. And quickly, the last question for Mr. Feldstein: back in the '80s and '90s, there were all sorts of conspiracy theories that floated

around Africa that HIV was manufactured by American labs. Given the exporting of technology, as well as China's investment in African media, if things were to go very poor in terms of COVID-19's impact on the continent, do you anticipate that there would be a state-sponsored narrative or series of messages that would be put out that would be adverse to U.S. interests by COVID-19?

MR. FELDSTEIN: Thanks for the question.

Well, we already know around the world that state-sponsored disinformation by Chinese authorities is something that's happening with regard to COVID-19 and its origins. So, in my mind, there would be little doubt that, given China's strategic interests in Africa, its longstanding engagement, and the sort of amplification of these types of information and communication, that this would be something to anticipate as well.

I mean, what's interesting right now, I think, as was pointed out earlier, is that, actually, when it comes to China's public engagement with regard to the coronavirus, it's actually really on its back foot, that the resounding media narrative, at least at the moment, is one that's very negative in terms of perceived Chinese attitudes towards Africans, particularly in Guangzhou.

So, it remains to be seen kind of to what extent that would happen, but I think it's certainly in the realm of the possible.

VICE CHAIRMAN BARTHOLOMEW: Mr. Feldstein, any comment on Commissioner Borgeas' question about the change in policy or if our policy is essentially the same?

MR. FELDSTEIN: Yes, I do have a comment on that. So, I would say, when it comes to the general aim in terms of where our resources are being allocated, the work that's being done in our USAID missions, within our embassies, and so forth, that that, more or less, seems to be continuing as it has with some changes, but it hasn't been significantly different. It hasn't ramped up. There aren't kind of special initiatives the way there was in the last Administration, but I would say it represents a sea-shift.

However, what I do think represents a shift is the rhetoric in the high-level policy priorities of the current Administration. I think, for many Africans, there's a perception that the current Administration is viewing Africa within the lens of strategic competition, particularly with regard to China, and it's less about Africa as its own strategic partner with the United States.

In fact, I was in Ethiopia in February when Secretary Mike Pompeo came and visited at the very same time and gave a speech at the African Union. And the critique I got from a round of different senior officials was that it was all about China and what China was doing in Africa. It wasn't about actual partnership with Ethiopia itself.

VICE CHAIRMAN BARTHOLOMEW: Wonderful. Thank you.

All right. We'll move to Commissioner Wortzel. And after him, it will be Commissioner Wessel, and then, Commissioner Talent.

COMMISSIONER WORTZEL: Thank you very much. I really appreciate all the witnesses that took the time to prepare testimony and are taking the time to appear. It was excellent testimony.

Ambassador Shinn, if I might, I'm going to direct this to you, but Mr. Feldstein may also have some comments. You mentioned in your closing remarks the importance that security reform and military training might play in countries that have good human rights practices. What countries would you restrict military assistance or IMET training in because of their human rights practices?

And kind of a linked question, and to give you my rationale, I mean, I think we did ourselves harm for too long for the wrong reasons by restricting forms of military training with

both Thailand and Indonesia. So, I guess the question that comes to me is, Is it possible that IMET training or other forms of security reform could help improve human rights practices, at least in countries in Africa that have functioning governments, that are not failed states?

AMBASSADOR SHINN: Sure. Thank you for the question.

There obviously are countries in Africa that I think U.S. military training would be ill-advised for. They not only tend to be the most authoritarian governments, but they tend to be those with the poorest human rights records. And without giving you a long, long list, just by way of example, Zimbabwe I think would fit in that category, Equatorial Guinea, Togo. There are a number of others. And as far as I know, we're not doing training there, which is appropriate.

There are a lot of countries, though, that are sort of on the margin where their human rights practices are not great, but maybe they're tolerable, and those are the hard ones. Those are the ones that are often most threatened, particularly those in the Sahel region of Africa, where the need is greatest.

And I think the United States has shown over the years that its military training is particularly good and has worked well for the most part. And it does oftentimes include a human rights component, at least in terms of interaction with the military. So that there is an element of the U.S. training that actually tries to encourage better human rights practices with the military that they're interacting with.

VICE CHAIRMAN BARTHOLOMEW: Any other witnesses want to respond to that question?

COMMISSIONER WORTZEL: Thank you.

Mr. Feldstein, I don't know if you have anything add.

MR. FELDSTEIN: Yes. No, I do. Thank you. Especially in my last position when I was the DRL desk, I thought about these issues a lot and I fought over them a lot.

No, I think a couple of things. I mean, first of all, I agree with Ambassador Shinn that there are countries with egregious human rights records. I would also, frankly, put in Chad, Cameroon, and some of these other ones where there's documented abuses. I don't think it makes sense, and I think there is very little evidence that shows that IMET, in and of itself, will move a country that has underlying repressive instincts into one that is respecting human rights.

I think IMET can be important as a signal, as something that's used in conjunction with foreign military sales or a partner government where you're trying to nudge them or encourage them in the right direction. So, for example, in Nigeria, where there are significant problems, but also it's a longstanding partner with a significant terrorist threat, that's where you would try to work the two in conjunction. But IMET, in and of itself, to a country that has a poor record, I think does very little.

COMMISSIONER WORTZEL: Well, thank you.

My only experience in Africa per se is in Morocco, which is North Africa. But, as a military attache in Beijing, that was essentially the region that I dealt with from a liaison standpoint, and really enjoyed good relations with the attaches there.

Thanks a lot.

VICE CHAIRMAN BARTHOLOMEW: We'll just take a moment to note that there is not unanimity in terms of what was effective or not effective with Indonesia, for example, the terrible human rights abuses. So, every time Dr. Wortzel raises IMET, I always feel like we need to stand up and say, wait a minute, there's been a pretty bad history along the way.

CHAIRMAN CLEVELAND: I'm on Carolyn's team on this one.

VICE CHAIRMAN BARTHOLOMEW: Yes. So, with the forbearance of the people I had mentioned before, since Commissioner Lee has got to leave us at 10:30 for a meeting, I'd like to just move to her and see if she has any questions.

COMMISSIONER LEE: Thank you, Vice Chair Bartholomew. I appreciate the opportunity.

So, I did have a question for Mr. Feldstein. And I was interested in your comments about the Chinese surveillance instruments having both economic and political goals. I wondered if you could talk a little bit more about your concern that the virus creates an opportunity for long-lasting surveillance measures and technology; that because people are so concerned about the health crisis, that they might be willing to suspend some of their concerns about privacy or other things. And you mentioned South Africa, in particular. But I would just be interested if there are more details on other countries that you have.

MR. FELDSTEIN: Sure. Thank you for the question.

I have a lot of details for countries that are not in Africa. I don't have that many details for other countries in Africa, particularly because there aren't that many examples to choose from. I think it's been a bit of a laggard in terms of adopting these techniques, which may be a good thing. It also has had less of a coronavirus impact thus far. So, it hasn't been as much of a need.

I mean, a couple of countries that I would mention in Africa, just to sort of think about. Ghana is a country with strong democratic institutions which is actually using a contact tracing app. Ghana is also a place where there's a lot of Chinese investment and there is kind of a bit of a tussle when it comes to relative influence between the U.S. and other countries there.

And you could sort of see that, if they started using Chinese technology with kind of built-in surveillance capabilities as part of their contact tracing, it could be hard in the future for that to suddenly disappear. Once you sort of allow for the government to get better insight into personal data and what individuals are doing, then you start to create a bit more of a problem.

Two other countries I would mention, Nigeria and Kenya. They're not countries at the moment -- Kenya is starting to develop a contact tracing app I think. There's a long history of security force abuses there; likewise, in Nigeria. Currently, when it comes to the coronavirus pandemic, there's a lot of violence that's been associated. I think both countries lead the world in terms of violence against citizens as a result of quarantines.

And so, if and as technology is used to surveil citizens, particularly if the coronavirus pandemic gets worse, one could only image that surveillance implications as a result could also be something that correspondingly might increase and may not go away, even after, let's hope, the pandemic ends.

COMMISSIONER LEE: Thank you, Mr. Feldstein.

I have another question for Ms. Sun. Ms. Sun, you talked about the contrast between U.S. aid to Africa and Chinese aid in terms of the strings attached or the conditionality. And you see two very different things. Of course, there is, as you mentioned, Chinese political conditionality around issues like Taiwan, Hong Kong, and Xinjiang. And on the other hand, the U.S. aid tends to have a lot of other conditionality, whether it's with labor rights, human rights, democracy issues.

Do you have any thoughts or recommendations for the U.S. Congress in terms of how to make the U.S. aid more compelling and attractive, given that we're not going to remove those strings. Those strings are important to us for a lot of different reasons. But are there other ways in which the U.S. can be more effective in counterbalancing China?

MS. SUN: Thank you, Commissioner.

I think the question here is, How do African governments perceive and receive these very different sets of practices in terms of the aid efforts from China and the United States? And I have to say, a lot of African elites, on the elite level, they find the Chinese approach, this no conditionality attached in terms of governance practice and governance structure, to be quite appealing. So, I have to say that in this case the strength of the U.S. effort has to lie with the other side, with the society; that we have to enable the African civil society, the NGOs, the investigative journalists to explore and to understand what is happening between the African elites and the Chinese elites.

So, I think in this case the best stewardship will have to come from the society instead of directly from the African elites because they simply find the Chinese approach to be convenient and expedient.

Thank you.

COMMISSIONER LEE: Thank you very much. I appreciate your answer.

Thank you, Vice Chair.

VICE CHAIRMAN BARTHOLOMEW: All right. So, we'll move to Commissioner Wessel, and after him, Commissioner Talent and Commissioner Lewis.

COMMISSIONER WESSEL: Thank you all for your testimony.

Ambassador Shinn, good to see you again, even though it's been many years, and I appreciate seeing you returning and meeting you, Mr. Feldstein.

And I expect I may have another round of questions later, if we have the time.

I'm trying to understand, during all the discussion we've had so far, there is yet to be a mention of the Administration's U.S.-Kenya Free Trade Agreement. And I'm wondering how you see that fitting into a response, an expansion of U.S. interest and activity in the region. How are the African leaders, to the extent you know, looking at it? Is it simply part of what would be viewed as a competitive strategy? Or is it being viewed, because it includes a docking provision to allow other countries to join later, is it actually being viewed as a serious effort for the U.S. to engage in Africa long term?

Ambassador, do you want to take that on first?

AMBASSADOR SHINN: Sure. I'll do what I can with it, and there's not a great deal I can say about it because I haven't heard that much response from either Kenyans, on the one hand, or other Africans on the other. I suspect that's because I haven't seen much by way of detail on that. I'm not sure it's gone that far yet in terms of what it really means.

I think, certainly from the Kenyan perspective, it's welcomed and it's a positive step. The big question is, What does it mean for the rest of Africa, if anything? There are 54 countries in Africa. This is one country, albeit an important one. But does this portend additional bilateral agreements with other African countries or is this just one country that's going to be focused upon, and maybe one or two later on, but that will be the end of it? If it's the latter, if it's just Kenya plus one or two later on, then, quite frankly, that's not going to have a major impact on the continent.

And you also have the African Continental Free Trade Agreement coming up. I'm not quite sure how it plays into that. This is not really my area of expertise. But it seems to me like it might be coming into conflict with that.

COMMISSIONER WESSEL: Ms. Sun, do you have any thoughts?

MS. SUN: Yes. Thank you, Commissioner, for the question.

I cannot comment specifically about this U.S.-Kenya FTA, but, as a China expert, what I

have noticed is that, in terms of the Chinese discourse and discussion about U.S. economic engagement with Africa, AGOA is the example that has been cited much more by the Chinese Africa experts.

And when they observe the effectiveness and the effect of the AGOA, and compare the U.S. effort to what China has been doing during the same period of time, I think the conclusion that the Chinese experts have reached is that the Chinese engagement in terms of the trade has been much more effective.

COMMISSIONER WESSEL: Mr. Feldstein, any thoughts?

MR. FELDSTEIN: Yes. I would just echo the point about AGOA being the mechanism I'm familiar with that I dealt with and participated in when I was in government. I can't comment much on the FTA itself, but I could say that I thought AGOA was something that was important, that was an important symbol that African governments cared a lot about.

And even when we were contemplating certain governments that potentially would be on a warning list because of human rights and other democracy issues that we would then put on the warning list for AGOA, they pushed back; they cared. They wanted politically to be in AGOA, and economically, many also received benefits. So, I think, from that end, at least that mechanism is important.

COMMISSIONER WESSEL: Okay. Thank you.

Mr. Feldstein, a quick question, I think, and we may come back to it later. In terms of Huawei, ZTE, and other Chinese entities, China Mobile, et cetera, doing work on the continent, are they gaining access to the data as well, as they have in many other countries, or is there strict data localization requirements? Do you know?

MR. FELDSTEIN: I haven't been able to find definitive information. I have heard a lot of rumors, a lot of speculation about that. It's not only in Africa that people question to what extent are Huawei- and ZTE-built telecom networks siphoning data to the Chinese government. I think it's really difficult to say at the moment.

I can say this, though, that in terms of your question, do the right frameworks exist in terms of protecting data; is there legislation in place; are governments aware and cognizant of this issue? I think that's direly deficient in Africa at the moment. Save for a few of the more developed countries, South Africa, and so on, my guess would be that most don't have laws on the books addressing these issues. And that could be something to work on in terms of U.S. engagement, to kind of build up that protection as a way to kind of be a bulwark against exactly what you talked about.

COMMISSIONER WESSEL: Thank you.

VICE CHAIRMAN BARTHOLOMEW: Ms. Sun, I think you wanted to comment on it, too?

MS. SUN: Yes, just one data point that I think would be helpful for this specific issue, which is that, in 2018 and 2019, there was a series of investigations into the transfer of African Union data back to Shanghai. And the computer system of the African Union, it was a part of an aid package that the Chinese government provided to the African Union in terms of its construction in Addis Ababa. And Huawei was the primary contractor to provide the computer system to the African Union.

So, this has raised a question as to, well, what kind of data the Chinese companies have been shipping back to China from Africa in their infrastructure, digital infrastructure development. And I have looked into this issue, conducted field research in China about what is the Chinese explanation for this. The interesting issue is that African Union officials refuse to

comment on this, but the Chinese side has been, more or less, more vocal about what they have done. And their explanation is that the data from the African Union needs to be backed up regularly. And the server for this data backup is conveniently located in Shanghai.

Thank you.

COMMISSIONER WESSEL: Thank you.

VICE CHAIRMAN BARTHOLOMEW: It's a very interesting explanation, isn't it?

For my colleagues who haven't worked on these issues for a long time, just to explain that AGOA is the African Growth and Opportunity Act, which was legislation passed by Congress, I can't remember how many years ago, which set up a framework for encouraging American investment in Africa.

All right. We're going to move to Senator Talent and, then, Senator Lewis -- Congress? -- gosh, Commissioner Lewis, and Commissioner Kamphausen is after that.

Thank you.

COMMISSIONER TALENT: Thank you, Commissioner Bartholomew.

And thanks to the witnesses.

Ambassador Shinn, I want to take advantage of your 37 years' experience in American foreign affairs to get at your opinion about what Congress ought to do to empower and encourage the State Department to play a leading role, a command role really, in coordinating the elements of national power in Africa, in particular.

So, I'll just set it up for you this way, and then, just ask you to take the question wherever you think it ought to go. If I were a member of the Foreign Affairs Committee and had you in for coffee, and I said, "Look, the competition with China is going to be the dominant strategic objective of American foreign policy probably for decades," which I think is true and I think is accepted across the political spectrum in Washington, that one of the things Congress needs to do is to adjust the national security apparatus from its Cold War positions to outfit it for that competition. Africa is going to be an important arena for us where we're going to have a lot of goals, and it's going to be an arena where the civilian elements of national influence are going to determine the outcome, not hard power, but health aid, development aid, you know, discourse power, as Beijing says, right? And I would like to see the State Department empowered and encouraged to play the kind of role there that AFRICOM plays with regard to all the services in the Department of Defense.

So, what would you say to Congress that we need to do? And I'm certain funding increases are going to be a huge part of it. We need many multiples of funding for this effort; I agree with that. But what institutionally do we need to do to give assurances to people like me that, hey, the State Department is going to pick this ball up and run with it? Just tell us what you think, based on your experience, if you would.

AMBASSADOR SHINN: Sure. And, of course, you're right, funding does have a lot to do with it and that's the starting point, but particularly in terms of staffing, properly staffing, American embassies throughout Africa. And some of them are, I think, adequately staffed; some are not.

But if you look at the staffing at most embassies in Africa, historically and today, they're not State Department personnel. They're from all different other organizations, and that's a good indication of sort of where the priority is.

Probably the most important thing that Congress could do would simply be to give Africa a higher priority. Africa has always occupied the lowest rung of the U.S. foreign policy totem pole throughout every Administration since the end of World War II. There's no exception to

that.

Now that's basically the Executive Branch that has to make the decision to increase the priority it gives to Africa, I agree. But there's a lot of that Congress can do in order to encourage the Executive Branch to pay more attention to Africa.

That's why I suggested as one of my recommendations to encourage more STAFFDELS and CODELS to Africa. Frankly, there used to be a lot more in the 1960s and the '70s than there are today. This has really dropped off in terms of congressional interest.

The hearings, I think, if you count them up, have probably dropped off over the last 20 years or so. All of that kind of activity gives more attention to the State Department.

I'm sure there are some organizational issues within the State Department that could be improved. Clearly, you need to have a leadership at the top that takes Africa seriously. And I'm just not sure that we've had that much attention to it in recent years. The organizational side, though, is not going to make a huge difference, in my view.

COMMISSIONER TALENT: Sure.

AMBASSADOR SHINN: It's basically making Africa a higher priority on the civilian level, and then, asking and funding the State Department to do its job in the field.

COMMISSIONER TALENT: Mr. Feldstein, do you have any comments on that? You don't have 40 years of experience, but you have very recent experience.

And I guess what I'm aiming at, and believe me, what I said about funding, that's not a throwaway. I mean, I think we need to have much greater funding across the board for the civilian elements of national input.

But, as a Congressman who's a Senator, how can I have assurance that, if we provide that funding, we're going to get the kind of consistent institutional attention and effectiveness out of the Department? This isn't something I've talked about with former Secretaries of State on the Defense Policy Board, and this sort of thing. Do you have any comments that you would like to add on that?

MR. FELDSTEIN: Yes. I mean, I would like to align my comments with what Ambassador Shinn said. I think that resources are part of the equation, but that the prioritization, both from the congressional side, but also internally from the White House and from senior State Department leadership is critical. It's something that traditionally has lacked. When I was working in the last Administration, at times active policy would break through, particularly when President Obama or others would visit. In this Administration, I think there has not been a presidential visit and there's not much interest in one.

And so, to that extent, everything kind of flows down from the rhetoric and the policy priority. If there isn't attention being paid, if the inter-agency isn't considering what to do when it comes to civilian engagement, then ambassadors get their cues from that; the Department gets its cues from that. As a result, attention will lag and we'll focus elsewhere.

So, that, to me, is kind of where the starting point would be in terms of how to rebalance that. I mean, actually, with AFRICOM, what's interesting is that my sense is that AFRICOM itself is also diminishing in terms of its own footprint and engagement on the continent. So, what we're seeing is not sort of one versus the other, but kind of an overall reduction to some degree of engagement in Africa, at least at the current moment.

COMMISSIONER TALENT: Yes, and I would agree with that. I think the pressure on AFRICOM and on the Department to shift forces to INDOPACOM is intense because of the needs there. So, I would agree.

Okay. Well, thank you for your opinion.

And thank you, Madam Chairman.

VICE CHAIRMAN BARTHOLOMEW: Ms. Sun, anything you wanted to add to the comments?

MS. SUN: No.

VICE CHAIRMAN BARTHOLOMEW: Okay. We're going to move to Commissioner Lewis. Then, it will be Commissioner Kamphausen, and then, Commissioner Fiedler.

COMMISSIONER LEWIS: I would like to thank this very distinguished and knowledgeable panel for helping us learn about the influence and involvement of China in Africa. But I would like to ask a question about pushback.

Where do you see pushback against Chinese influence in the African countries and what are the sources of the pushback? And what role does corruption play in this pushback? How can we join with other countries like France and Israel in pushing back against Chinese influence in the African countries? This is a question for all three panelists.

AMBASSADOR SHINN: Let me try first. In terms of pushback, there clearly are areas where I think China oversteps itself. We're seeing that playing out to some extent in how they are handling the blowback from the racism that we've seen in Guangzhou against Africans just in the last several weeks over COVID-19. And I think China learned fairly quickly that they didn't handle that very well initially.

And we even had pushback from African government officials, which is really rare for government officials to challenge China on something. It's not unusual for civil society to do it.

So, China does make mistakes in Africa. In my view, it's better for the Africans to point those mistakes out than for the United States to do it, unless we do it very subtly. That's why I suggested the idea of a hearing on debt, international handling of debt to Africa, because that subtly makes the point that the U.S. is holding very little debt and China is holding a lot of debt.

But I think one has to be very careful in how we step into these disputes and let the Africans, by and large, come to their conclusion as to what China is doing that is excessive and what is not. China is very tough on some of these four domestic issues, like the South China Sea and Hong Kong, the handling of the Uyghurs. They push very hard on the Africans on these issues, and the Africans often go along, but they don't like it. And they probably would say something if the U.S. did something like this, but, with China, they tend to give them a free pass. But that is going to catch up with China at some point.

COMMISSIONER LEWIS: And what is the role of corruption in the pushback?

AMBASSADOR SHINN: Yes, a good point. The problem is that there are a lot of African countries that are also corrupt, and in many cases it's China pushing on an open door. So, that's a real problem.

There are other countries, like Botswana or Seychelles and Mauritius, et cetera, that do not have a corruption problem. And I think that Chinese corruption doesn't work very well there.

But, unfortunately, you have just too many African countries where it's also a problem, and it's easier for China to use that technique. These are often private Chinese companies that are doing this, but they can be state-owned companies, too. This is an issue I think, eventually, too, corruption will catch up with them.

COMMISSIONER LEWIS: Thank you.

Do the other panelists have any thoughts on these questions?

MS. SUN: Thank you, Commissioner. If I may?

So, in terms of the African pushbacks, most of the pushbacks that we have seen have manifested on the economic side because China currently is the largest foreign creditor to

African external debts. It holds around 20 or more percent of the African external debt.

So, in the cases, for example, in Kenya's railway from Mombasa to Nairobi, and also Ethiopia's railway project financed by China from Addis Ababa to Djibouti, these countries inevitably run into debt repayment issues with China. And these are occasions where we see the African discontent started to rupture: did China set these debt traps for us to step in? And did our elite willingly work with China to trap our country in these foreign debts?

So, in terms of the resolution, what we have seen is that these African governments have renegotiated their debts with China for either the loan repayment terms or the grace period. So, that's where we see most of the rupture.

A lot of pushback also occurs during the political transition periods in African countries. And we've seen the criticism from, for example, political contenders of the incumbent governments in Africa accusing them for corruption, of corrupted deals with China.

And last, but not least, like Ambassador Shinn pointed out, there is Chinese racism against Africans, against African migrants living in China. It has started to rupture more and more frequently and raising almost a weakening moment back in Africa on how China truly sees Africans and how China truly treats Africans.

Thank you.

COMMISSIONER LEWIS: Thank you very much.

Mr. Feldstein, do you have any thoughts on this subject?

MR. FELDSTEIN: Yes, I do. I want to just spotlight one case that I think kind of is both an interesting example of where there can be some room to maneuver, but also where the challenges are inherent, which is Ethiopia. You actually are seeing with Abiy, the Prime Minister, a kind of pushback and a bit of a rebalancing away from the traditional embrace of China. I think even the government has access to a World Bank loan or an IMF loan for the first time in decades.

And so, you are seeing at least a little bit of a political movement, I would say, to kind of diversify its relationships, economically particularly, to other countries. So, I think that is an example where there is an opportunity for the U.S. to step in in a variety of ways -- economically in terms of financial packages, bilaterally in terms of political engagement, and so forth. But, from what I've heard thus far, there's a feeling that it hasn't quite delivered yet; that there hasn't been what was hoped for from Abiy in terms of the U.S. really coming in with these types of resources. That hasn't quite happened. And so, to me, that's where there can be a real moment to counteract and push back against the Chinese, when you have these political opportunities to really take advantage of them.

I mean, that being said, in Ethiopia, the Chinese, it's not just debt trap diplomacy; Chinese businesses are everywhere. They have expanded the airport. They have built the railways, the metro system. You know, the light rail system in place is built by the Chinese, the roads.

So, even if there is a pushback by the U.S. in terms of investment, it's not going to be something where you're going to see a complete shift, given the kind of comprehensiveness of Chinese engagement.

COMMISSIONER LEWIS: What role do --

VICE CHAIRMAN BARTHOLOMEW: Okay. Thank you.

No, Commissioner Lewis, we're going to have to move on to the other Commissioners.

So, Commissioner Kamphausen, Fiedler, and then, Borochoff.

COMMISSIONER KAMPHAUSEN: Good morning. Thanks to our panelists and to our

hearing Co-Chairs.

I apologize, I have some intermittent background noise here. So, I'll just ask one question for Ms. Sun, and then, mute and not have a follow-up.

Yun, you talk about three high-level political aspirations of China vis-a-vis Africa writ large. The first, attempting to build blocks within the international system or international bodies, U.N. organizations. Second, to end support for Taiwan across the continent. And then, third, to engage in elite capture. And my question is really on this third point.

If I understood your written testimony correctly, you've seen a transformation in China's goals vis-a-vis the elite capture approach, where, in contrast to the '50s and '60s, where you had Chinese support for the leaders of liberation movements in Africa, the impetus now is to engage with political leaders in Africa for the purpose of supporting, endorsing and lifting up, if you will, the China model.

In this respect, Chinese engagement with African elites appears to be sort of agnostic of their political orientation, political party on the ideological continuum. And so, I'd be interested in if I've captured your intent accurately, and then, if there's any thoughts that you have.

And after Yun finishes, I will yield back to the Chair. Thanks.

MS. SUN: Thank you, Commissioner, for your very insightful question.

I would describe China's political engagement or China's political intent toward Africa into three stages. So, before the reform and opening up, we know there was a lot of revolutionary component to it, the export of revolution from China as the center of the leadership of the international communist movement.

Then, during the early stage -- and I guess it's still lingering into today -- of the reform and opening up, a lot of the relationship with Africa has been transactional. It's that I'll provide you with these type benefits and we require your support of us on issues from Taiwan to Hong Kong, to the South China Sea. So, there is a big transitional component to it.

But what we are seeing more and more actively is this Chinese effort or the Chinese call for the exchange of governance and developing experiences with Africa. And the Chinese have portrayed this as a two-way communication that is not just China teaching Africa how to manage their economy and how to manage their domestic political structure; it's also the Africans providing their experiences and advice to China, while, in reality, we know this has been mostly a one-way street.

Although you could argue that Africans have seen this more as a PR campaign, it's really admiring the Chinese system. But I think the Chinese intent is that, while China has a China model, state capitalism that has worked in China, and according to conversations that I have had with Chinese officials who work on Africa, if there are more countries, more developing countries in the world that can emulate the Chinese experience, that will provide the most forceful and direct support to not only the legitimacy of the Chinese political system, but even the desirability of the Chinese political system.

So, I think this component has become more and more transparent in the Chinese statement of its policy towards not only Africa, but towards the world. We could look at Xi Jinping's statement at the 19th Party Congress where he talked about this China path to development and providing the Chinese wisdom of political and economic development to the rest of the world. So, I would say Africa is not only the testing ground, but also the most significant experiment for China in this regard.

Thank you.

VICE CHAIRMAN BARTHOLOMEW: Wonderful.

Okay. Commissioner Fiedler, Commissioner Borochoff, and then, I'll ask a few questions.

COMMISSIONER FIEDLER: Thank you.

Can you hear me? Yes.

About 10 years ago, maybe longer, the staff of the Commission did a study, gathered information on what became known as the Queensway Group, a Chinese construct that was funded to the tune of about \$4.5 billion that operated in Angola, Zimbabwe, Venezuela, and North Korea, which we tagged pretty much as an administrative state security operation to suborn the leadership of, say, Angola and Zimbabwe.

The sophistication of that operation, I mean the Santos family, The New York Times recently did an expose on the daughter. She still has a relationship with China Sonangol, which is an Angolan joint venture with this group in Hong Kong.

So, the question of suborning the elites is real and sophisticated and, apparently, in conflict with some of the Ministry of Foreign Affairs folks. So, there was some open conflict between state security and foreign affairs.

I'd like to have some comments on the sophistication of the corruption, the suborning of leadership of African countries, and the impact on Chinese foreign policy.

(No response.)

Nobody? Ms. Sun?

MS. SUN: Thank you, Commissioner.

I don't have a lot to add, but I think from the Chinese bureaucratic point of view, the discrepancy, the most notable discrepancy, or the internal conflicts of the Chinese policy towards Africa has been between the political apparatus, the foreign political policy and the foreign economic policy, to the extent that the Ministry of Commerce and the Foreign Ministry accuse each other for undermining China's top priority, their relationship with Africa.

And I think for the economic policy apparatus in China, the top priority of China's goal in Africa is economic development. It's about the resources and the markets that Africa has to offer.

And in the process of chasing these resources, they inevitably create problems; for example, corruptions, while working with corrupted officials on the ground in order to maximize China's national interest. And these incidents and these events have created massive problems for the foreign political policy apparatus to clean up. So, this is the most notable internal conflicts in China about its Africa policy.

AMBASSADOR SHINN: I would just add, I haven't really thought much about the Queensway Group in recent years. It was quite a big issue, as you say, 5-10 years ago and a lot of ink has been spilled over it, particularly in connection with Angola.

Because I haven't heard much about it in the last several years, I guess I thought it had pretty much disappeared, but perhaps not. Perhaps it's alive and well.

COMMISSIONER FIEDLER: Very much alive and well.

AMBASSADOR SHINN: I thought at the time it had a very strong connection with Hong Kong and I didn't know what the links were going back to Beijing. There are many links, obviously, between Hong Kong and Beijing. So, that's not a surprise.

COMMISSIONER FIEDLER: Just so that you understand, it was two relatively unknown women were lent \$4.5 billion by the Bank of China to establish a business, their lucky day.

Let me ask a slightly different question. The anti-colonial movement in Africa was

essentially led by the trade union in country after country after country. The Chinese model, we've been talking authoritarian government. What do you know about the relationships between the ACFTU, the party union structure in China, and African trade unions?

AMBASSADOR SHINN: That's an interesting question. Yun may be able to offer more on that than I can. But I'm not aware of much interaction, quite frankly, unless there is interaction with some of the African government trade unions. It's very important to make a distinction in Africa whether you're talking about free trade unions or government trade unions. And there may be some connection between the Chinese union and African government unions, but I would be very surprised if there's any collaboration or interaction with free trade unions, as you find in places like Kenya and South Africa.

My experience in South Africa particularly has been that the trade unions have real problems with China, particularly when it comes to things like textile manufacturing and the importation of Chinese textiles, shutting down South African textile companies. And I ran into the same thing in Nigeria with trade unions. They have no sympathy whatsoever vis-a-vis China. But the government trade unions may have some interaction with China's organization.

MS. SUN: So, within the Chinese government structure, within the aid budget, there is aid money allocated for exchange programs between the Chinese government trade union and African government-led or government-managed trade union. And they have sent delegations to China to exchange experiences on how to better manage the workers or the trade unions.

But, on the primary level between the free trade unions in African countries, there have actually been reports of conflicts between them, between the African workers and the Chinese management or the Chinese investors. And the occasional eruption of this type of even violent protest against the Chinese ambassadors has been a hotspot for the African media to report on.

VICE CHAIRMAN BARTHOLOMEW: Okay. Sorry, we're going to have to move on to Commissioner Borochoff.

I'm going to say to all of my colleagues, I don't think we're going to have time for a second round. So, if our witnesses are amenable to responding to some questions for the record, that would be helpful on our end.

All right. Commissioner Borochoff?

COMMISSIONER BOROCHOFF: Thank you.

Both Ms. Sun and Mr. Feldstein commented about facial recognition a little bit and their concerns therein. You know, in business today, we know that businesses, we're becoming, even in America, more aware of the use of big data in American business, to the point where it is occasionally even a human rights issue in our own country.

I'm very, very interested in the comments that you both made. And, Ms. Sun, you might go first. What is your concern about the use of facial recognition and how do you relate that, and what did you mean when you said it could create a social credit system?

Go ahead.

MS. SUN: Thank you, Commissioner.

So, if I can use, for example, the COVID-19 as an example, what we have seen out of, for example, The Star, which was one of the leading newspapers in South Africa commenting about China's big data system and the Chinese digital surveillance system using people's cell phones to track where people have been and what people or what groups they have come into interaction with. Using the comments from the South African leading newspaper, Africa needs to learn from China about the experience of using big data and information technology to deal with COVID-19.

So, Africa has a very high penetration rate of mobile phone technology, and African governments should use this mobile data from the cell phone to help inspect and to track the people who have come across or have come into contact with people infected with COVID-19. So, I think this is a sterling example of how the Chinese big data or the surveillance system has been admired and inspired the desire to emulate from the African side.

And what this could create is a system where the African governments also learn of the convenience and, also, the usefulness of tracking people. And Mr. Feldstein just talked about how this could be used to track political dissidents, to track what people have been doing or people have been saying about a government. And I think this is a primary concern from even a case like COVID-19, that the Chinese facial recognition and the Chinese surveillance system could become quite applicable or even popular with African governments.

COMMISSIONER BOROCHOFF: Thank you.

MR. FELDSTEIN: Yes, I would echo what Ms. Yun said. I can think, actually, of a couple of examples where facial recognition surveillance and political suppression has occurred in the last year. There was a big Wall Street Journal story that broke last year about facial recognition provided by Huawei to Uganda, to President Museveni, in order to target and potentially persecute political opponents. This is the same type of facial recognition system that Huawei had already established in Algeria, as well as in Zambia, also countries dealing with significant political persecution issues as well.

And so, you can see very quickly there that in particular situations where you have an underlying repressive regime that is looking for ways to counteract activists, particularly activists who organize online, who have widespread protest networks that they use, that this is a means to kind of push back, to find other capabilities that their security forces can use in order to suppress dissent.

And it really borrows some tactics that we've seen around the world, with China obviously being the kind of model of how that's being implemented. But, you know, you look at Egypt, you look at Pakistan, you look at what's starting to emerge in India. This is a worldwide phenomenon that I think more and more is coming to certain countries in Africa who have the requisite level of force or capacity to take advantage of these tools.

COMMISSIONER BOROCHOFF: Thank you. And I guess, in the interest of time, I'll yield the rest of mine.

VICE CHAIRMAN BARTHOLOMEW: Thank you very much.

Yes, again, thank you to all of our witnesses. This is interesting, an interesting discussion.

This might be unfair because we asked you to focus on sort of the 10,000-foot view, but I'd like to bring it down and bring it to the benefits for the African people themselves, right? So, when you talk about AGOA, one of the points of AGOA was the opportunity piece of it, not just the growth, which meant income generation, skills building, you know, small businesses in Africa that can benefit from investment by the United States and investment, hopefully, by other countries.

Given the way that I understand China's model generally, is there any opportunity that is coming down at the ground level that people are having? My understanding is that a lot of the time most of the Chinese projects and businesses use Chinese management. So, it means that Africans are not getting experience in management skills. We've, of course, heard for years that Chinese workers are brought in to work on a lot of these projects that are going on.

Ambassador Shinn, you mentioned textiles in South Africa. I mean, years ago people

were concerned about the displacement of local production because of cheap Chinese goods that were flooding the market.

So, I'd like your observations on the Chinese model of doing business, and is it helping grow skills and opportunities for people, not just the elites? That's one piece.

And then, I'll just take the prerogative of the Chair. Ambassador Shinn, also, you mentioned agriculture, and I'm particularly interested in, given the famine that looks like it's going to be sweeping east Africa, particularly because of the locusts that are taking place, is there going to be a displacement of food that should be going to local people that's going to be shipped to China because of those agricultural projects?

All right. We'll start. Mr. Feldstein, do you want to start?

MR. FELDSTEIN: Sure. Yes. No, I'm happy to.

So, what I was thinking is sort of this: I mean, I think there's sort of a puzzle when it comes to the China model because, on the one hand, it very much plays into and allows elites to exploit investment for ways that really don't benefit the large majority of populations, particularly when it comes to kind of grandiose projects with a lot of corruption and leakage, and so forth.

On the other hand, I think there are real consumer benefits that have resulted from China's engagement with different countries. And you can think about it from the consumer benefits that come from mobile phones or building a telecom network. So, yes, on the one hand, you might have surveillance back doors that are built into these networks. Yes, that might allow for security forces to snoop and spy on different citizens.

But, on the other hand, you actually have connectivity, which is still a challenge in many countries on the continent. You actually have cheap cell phones that citizens can use to conduct their daily business, to do mobile payments, and so forth. And these are real tangible things that citizens look at and say, well, you know, I may not like the Chinese, they might be very transactional in terms of how they do business, they might take advantage of our structures. On the other hand, they're the only ones providing the base technology I need to actually enter into and participate in the modern economy, and I also appreciate that.

And that's where I think the dilemma lies; that there are enough benefits that accrue, in addition to many of the negatives that we've talked about, that for the ordinary citizen ends up being a bit of a wash, if not a little more of a push towards the benefits that they get from this Chinese engagement.

VICE CHAIRMAN BARTHOLOMEW: Ms. Sun? And then, we will finish up the panel with Ambassador Shinn.

MS. SUN: Thank you, Chairwoman.

I think for the Chinese rising interest in Africa, we are seeing this interest shifting towards labor in terms of industries, meaning that China also realizes that, with the Chinese domestic price for labor being on the increase, the previous labor-intensive export already into the Chinese economic growth model is no longer applicable or sustainable.

So, the Chinese have been looking for places to shift their supply chain, to try to shift some of the previously located-in-China labor-intensive industry to Southeast Asia, and then, to Africa. Africa is identified as a prime partner for what the Chinese call the industrial capacity cooperation, which means that the Chinese do want to shift some of their industries to Africa.

But the problem is, one, for most of the African exports to China, the overwhelming majority of them do consist of natural resources. So, we haven't seen the trickling-down effect of this shifting of the supply chain to Africa to bring the African economy back to a more

industrial level.

And secondly, the problem for this model is that the Chinese make the argument that, for African countries to develop their industries, they need to first have infrastructure. They need to have roads. They need to have bridges, and they need to have electrical power. And that goes back to the Chinese convenient argument that, well, that's why we're investing so heavily in the infrastructure development in Africa, which inevitably creates that issue for the African governments.

So, these are the two sides of the same argument.

VICE CHAIRMAN BARTHOLOMEW: Thank you.

Ambassador Shinn?

AMBASSADOR SHINN: Yes. Specifically on your question of Chinese workers/Chinese managers in Africa, you have to break that down into two categories really. One is foreign direct investment and how that plays out, how Chinese foreign direct investment plays out in terms of managers and workers. And then, on the other hand, the contract laborers for the big, state-owned infrastructure projects. Most of the criticism that you hear applies to the state-owned construction companies that are bringing Chinese laborers in. And that continues and that still is a problem area, although I think increasingly African governments have learned to negotiate better terms and more African labor with those projects. So, I don't think it's as big a problem today as it was 10 years ago.

If you look at the foreign direct investment efforts of Chinese companies, many of them are actually doing a relatively good job of at least trying to get African employees hired. The managers will tend to be Chinese; that's true. And sometimes there's not very good skill transfer going on. But there are a lot of micro-studies now on individual foreign direct investments in Africa by Chinese companies, and some of them show a fairly good record by China on hiring locals and even in some cases skill transfer.

On the agricultural question, that's an interesting one and it certainly deserves a lot of close watch. But, up until now, and at least looking into the short term, I don't see a problem with African agricultural goods going to China at a time of famine in at least northeast Africa.

Ninety-six percent of all African exports to China today are, as I said earlier, oil, minerals, and hardwood timber. That leaves 4 percent for everything else. Now, admittedly, most of that "everything else" is agricultural, but a lot of that would be cash crops. It's tobacco. It's some coffee, some tea -- that's food -- but not your grains, not your food that you really need for sustenance in Africa. And I don't see that changing much over the next several years, even with famine in parts of Africa. If you look 10-20 years out, that may be another issue and it merits watching. But, so far, it just has not been a major issue.

VICE CHAIRMAN BARTHOLOMEW: Wonderful. Thank you.

Mr. Feldstein, anything more to add? No? If you don't need to, then that's fine.

Thank you to all of our witnesses. This was a very interesting panel and very helpful.

One of the things that we are hearing from a lot of our colleagues and clients on Capitol Hill is increasing interest in China's activities in Africa. So, this is very helpful to us, as we report to and advise the Congress. So, thank you very much.

With that, we're going to take a 10-minute break. So, we'll start the second panel five minutes later than it was supposed to be. We will come back here at 11:25 and start again. Thank you again to our panelists. We really appreciate your interest and your participation.

(Whereupon, the above-entitled matter went off the record at 11:15 a.m. and resumed at 11:25 a.m.)

PANEL II INTRODUCTION BY COMMISSIONER ANDREAS BORGEAS

COMMISSIONER BORGEAS: Welcome back to the United States-China Economic Security Review Commissions. Today's hearing is on China's Strategic Aims in Africa.

We are starting our second panel. And as you can tell, this is a virtual hearing given our circumstances that came about from COVID-19.

I would like to introduce our second panel, which will explore China's economic activities across Africa. First we will hear from Emily de La Bruyere, principal at Horizon Advisory.

Ms. de La Bruyere's research focuses on understanding the implications of China's rise for public and private sector actors across East Asia.

Earlier this year she testified before the Senate Banking Committee on Chinese corporate activities and transportation in infrastructure. Today she will discuss China's desire for Africa's commodities and resources. She has not testified before the Commission, but we are eager to hear her insights today. Welcome Ms. de La Bruyere, we are looking forward to your testimony.

Next we will hear from Scott Morris, director of the U.S. Development Policy Initiative, co-director of Sustainable Development Finance and Senior Fellow at the Center for Global Development.

Mr. Morris previously served as Deputy Assistant Secretary for Development, Finance and Debt at the U.S. Treasury Department during the Obama administration.

Mr. Morris will provide an overview of China's financing model and investment in sub-Saharan Africa's infrastructure. He has not testified before the Commission, but we are eager to hear his insights as well.

And then finally we will hear from Aubrey Hruby, senior fellow at the Atlantic Council's Africa Center. Ms. Hruby is also co-founder of Insider and the Africa Expert Network, AXN, and is the former managing director of the Whitaker Group, an Africa-focused advisory firm.

Ms. Hruby will testify on China's activities in Africa's e-commerce sector, investment in African media markets in efforts to shape standards for next-generation technologies. She has not testified before the Commission, but we are certainly eager to hear her insights as well.

Thank you all very much for your testimony today. I'd like to remind you to keep your remarks to seven minutes. And Ms. de La Bruyere, we will begin with you.

OPENING STATEMENT OF EMILY DE LA BRUYÈRE, PRINCIPAL, HORIZON ADVISORY

MS. DE LA BRUYERE: Thank you. Thank you, Commissioners, Staff of the Commission for this opportunity.

China's positioning in Africa revolves around resources, markets and standards. That position propels a larger, global, geopolitical agenda for asymmetric control.

The first and most immediate implications for the U.S. are that increasingly we come to depend for critical inputs on resources whose supply is governed, whether directly or indirectly, by Beijing. Those inputs are particularly relevant to emerging and advanced technologies.

Second, and more subversively, Africa's assimilation into China's standards regime propels China's larger ambition to set global strategies, to define the rules of the future world.

China's positioning in Africa, and its international posture writ large, hinge on a decades-old Chinese strategic theory called two markets, two resources. Two markets, two resources separates the domestic from the international.

The idea is that China's resources are to be protected while foreign ones are siphoned. China's markets are to be insulated while international ones are penetrated.

This might sound intuitive. In fact, it represents a total redefinition of globalization.

Effectively, two markets, two resources means that China secures a role for itself in the international division of labor without allowing its own labor to be divided. China creates a world dependent on it without surrendering independence.

Beijing is able to do this, is able to propel two markets, two resources, is able to turn assumptions about globalization and division of labor on their head, because of its scale and because of its centralization. China is able to control its enormous market and commercial actors, is able to insulate those, and also to ensure that they follow national strategy.

This allows it to subvert an international ecosystem that's built off of fragmented actors who answer to short-term rewards and are desperate for access to China's market.

The result is one-sided integration. Beijing claims asymmetric global leverage, the ability to obtain without sharing and to shape without being shaped. Two markets, two resources is a global approach. Africa provides a testbed and a foothold for it.

China calculates that if it can govern Africa's resources, markets and standards, it can propel its ambition to control their global equivalents. And Africa is a relatively easy target. It is developing, it is largely ignored by the rest of the international community, and it needs the kind of economic engagement that China offers.

Africa has rich, relatively consolidated mineral and energy reserves. Beijing positions not just to access, but also to govern these. The result is the U.S. and the rest of the world increasingly depends on critical inputs that are increasingly governed by China, and these inputs are particularly relevant in advanced and emerging technologies.

Take, for example, new energy vehicles. New energy vehicles are a priority in Chinese industrial planning ranging from Made in China 2025 to China Standards 2035. And new energy vehicles tend to be made with cobalt-based lithium ion batteries. The DRC is the world's largest producer of cobalt. Since 2007 a consortium of Chinese SOEs has moved in at pace to consume and to control the DRC's cobalt.

The other side of a lithium ion battery, the negative side, is made of graphite. China is the world's largest producer and exporter of graphite. But that's not enough. China also deliberately harvests Africa's graphite, especially from Mozambique and Madagascar. It does

this not because it needs the graphite, but so that it can lock in its influence over international supply.

Beijing applies the same playbook across resources. It's gradually cementing influence over a basket of goods, including platinum, including cobalt, including graphite, including rare earths, that are essential for everything from mobile telephones to aero engine superalloys to electrodes for medical equipment.

We have already seen Beijing use its rare earth dominance for coercive ends. Two markets, two resources and resource control in Africa allows it to extend that playbook. And it allows it to extend that playbook to cover supplies that exist outside of China's national borders.

But resource control is just the first order threat of two markets, two resources. Standards constitute an even greater one. China deploys a national strategy premised on setting the rules for the future world. Africa is home to rapidly developing markets. Those can, A, of course absorb China's excess capacity, but they're also at a relatively impressionable stage.

China seeks to ensure that as the African continent develops, it does so according to Chinese standards, whether that's in fintech, in telecommunications, in rail gauges, in commercial systems. And thanks to Africa's size and rate of growth, choices of standards on that continent are likely to influence global ones.

China already uses its relationships with African countries to resolve multilateral disputes in its favor in the United Nations. If those African countries now adopt Chinese standards for, say, fintech, Beijing can apply the same approach to exporting its digital currency regime internationally.

The present COVID-19 crisis underlines the risks of the two markets, two resources strategy. We are obviously dependent on China for ventilators, for PPE, and for pharmaceuticals. China is also setting the standards for COVID-19 treatment and relief.

Now, take that dependence and that influence, and apply that across sectors to non-crisis environments. How does, say, the U.S. implement the Green New Deal, if China controls cobalt and graphite and platinum and rare earths, and if China sets the standards for energy-efficient technologies?

The answer, of course, is that America's Green New Deal operates according to Chinese rules on Chinese systems. Beijing is also accelerating its two markets, two resources strategy in light of COVID-19, in Africa and globally.

China sees today's dislocation as a window of opportunity. Congress should account in its relief efforts for this reality. We have long needed a responsive, competitive, and holistic strategy vis-a-vis China, one that accounts for positioning in Africa but also deals globally. We need that even more urgently now. Thank you.

**PREPARED STATEMENT OF EMILY DE LA BRUYÈRE, PRINCIPAL, HORIZON
ADVISORY**

May 8, 2020

Emily de La Bruyère, principal and research director, Horizon Advisory

**“Testimony before the U.S.-China Economic and Security Review Commission”
China’s Strategic Aims in Africa¹**

Introduction

Thank you to the Commissioners and staff of the US-China Economic and Security Review Commission for the opportunity to testify before you today. I lead research at Horizon Advisory, a firm dedicated to parsing China’s international strategies and analyzing their commercial and security implications. We leverage unprecedented open-source empirics on China’s strategic discourse and resource allocations to support private sector and government decision-makers.

My remarks today will outline Beijing’s strategic ambitions with respect to Africa’s markets and resources; the manner in which those serve the Chinese Communist Party’s (CCP’s) larger geopolitical agenda; and implications for US security and economic strength. I will focus on China’s application of “Two Markets, Two Resources” to Africa. Beijing seeks asymmetrically to access and shape foreign markets and resources while protecting its own. In so doing, it acquires one-sided, enduring advantage and leverage. On the African continent, this means that Beijing works not just to grab, but rather to *control* resource reserves, markets, industrial supply chains, and standards. Beijing translates control over Africa’s markets, resources, and standards to influence over the world’s.

Already, China’s positioning in Africa threatens American industrial capacity, autonomy, and competitive strength: Beijing’s consolidating control over Africa’s mineral and energy resources is likely to leave the US dependent – albeit indirectly – on Beijing for critical inputs with few other suppliers. More subversively, Beijing’s ultimate ambition for Two Markets, Two Resources and for Africa is to set global standards. These threaten to create a world in which advanced technological domains, the geo-economic systems that they shape, and America’s role within them, operate on China’s terms.

I caution that Beijing is likely to accelerate its ambition in the face of COVID-19, a global crisis that the CCP has diagnosed as a window of strategic opportunity. In conclusion, I offer a series of thematic policy recommendations for Congress. Immediate actions that align with these suggestions include:

- Initiating a prioritization logic defining US strategic goals and relative standing, vis-à-vis China, across geographic and functional domains of competition with Beijing, able to inform US public and private investment in Africa and beyond.
- Guaranteeing that costs are imposed on Beijing in the narrative domain of competition. China regularly overplays its hand in relations with Africa and disregards international norms as it expands its commercial interests. Congress should task US diplomatic, intelligence, and defense agencies to seize opportunities to complicate China’s efforts where they clearly violate human rights norms and corruption standards.

¹ I would like to thank Zachary Shevin for his research assistance and feedback on this testimony.

- Broadening discourse about US portfolio planning – defense and otherwise – to compete with the CCP. China’s global ambitions demand a comprehensive strategic response. Reflexively increasing budget shares for directly responsive geographic security missions and/or basic research risks playing into Beijing’s asymmetric approach, in Africa and elsewhere. The COVID-19 crisis should accelerate the invigoration of the US strategic approach to China. Such a reorientation should be informed by the prioritization logic and narrative recommendations cited above.

Thank you for this opportunity to contribute to today’s timely and important dialogue alongside an august crew of expert witnesses.

China's Strategic Aims & Evolving Economic Activity in Africa

Beijing sees investment in the African continent as a means to propel its larger national strategy. “It is no mere rhetoric that China needs Africa,” wrote Zhang Hongming (张宏明), Deputy Director of the Chinese Academy of Social Sciences’s African Studies Institute, in 2017. “Africa has political, economic, and even strategic resources that China uses in order more effectively to expand its interests – thus turning operations in Africa into a strategic outer line for China’s geopolitical strategy of great power relations.”²

The Chinese Communist Party’s (CCP’s) interests revolve around three, key, economic³ priorities:

- Africa’s energy and mineral resources,
- China’s market share in African goods and services, and
- Chinese standards for Africa’s rapidly developing foundational systems – of trade, infrastructure, industry, and politics.⁴

China’s strategic vision for Africa is a function of both the continent’s natural endowments⁵ and its particular stage of development. Beijing sees in Africa’s relatively underdeveloped economic, industrial, and governance environments the chance to acquire, at low cost, strategic footholds with the potential for high returns. “Most African countries,” explains Zang, “are in the initial stage of industrialization, with abundant natural and human resources, coupled with unresolved industrial and market demand. Huge development space creates huge opportunities.”⁶

Access to Africa’s markets and resources propels China’s economic growth model. Beijing’s industrial program requires raw materials from abroad. It also requires markets abroad able to absorb China’s excess goods and capacity, therefore both fueling the PRC’s industrial machine and developing dependence. Beijing in turn uses such dependence – this is a mutually-reinforcing process – to ensure continued access to global resources and markets.

² 张宏明 [Zhang Hongming]. 中国对非洲战略运筹研究 [China's Strategic Operations Research on Africa]. 西亚非洲 [West Asia and Africa], 2017.

³ Or at least those are the “priority demands” in what Zhong describes as “normal situations.” Under “abnormal situations,” when China faces emergent threats or opportunities, the CCP uses Africa to strengthen its international image and multilateral standing. Zhong cites attacks on China’s human rights abuses in the last decade of the 20th century: “At that time, China made the most of its diplomatic resources in Africa, obtaining international support from African countries.” More recently, he notes, “African countries have expressed their approval for and support of China’s position in the South China Sea issue.” (张宏明 [Zhang Hongming]. 中国在非洲利益层次分析 [An Analysis of China's Interest Level in Africa]. 西亚非洲 [West Asia and Africa], 2016.)

⁴ Ibid.

⁵ The vast area of Africa contains unique mineral resources and enjoys the reputation of the world's ‘treasure chest of mineral resources,’” wrote Yao Guimei of the Chinese Academy of Social Sciences in 2003. (姚桂梅 [Yao Guimei]. 关于开发利用非洲矿产资源的战略思考 [Strategic Consideration on Exploitation and Utilization of African Mineral Resources]. 西亚非洲 [West Africa], 2003.)

⁶ 张宏明 [Zhang Hongming]. 中国在非洲利益层次分析 [An Analysis of China's Interest Level in Africa]. 西亚非洲 [West Asia and Africa], 2016.

But Beijing is not simply buying up Africa’s resources or shipping off labor to the continent. In Africa as globally, China deploys a more nuanced strategy premised on unilateral influence as well as access. It is not enough to use Africa’s resources. The CCP also aims to govern them, therefore the global supply – and the industries built on it. Similarly, while the PRC values the immediate returns derived from Africa’s developing markets and industry, those are first-order ambitions. At the next level, the CCP works to determine the supply chains, systems, and standards – whether rail gauges or fintech – according to which the African continent develops.

Two Markets, Two Resources

The strategic effort to influence foreign markets and resources – and to use those to enhance the power of the CCP’s own – is embedded in a decades-old Chinese principle of “Two Markets, Two Resources” (两个市场两种资源). First made official strategy in the late 1990s, “Two Markets, Two Resources” refers to the delineation between domestic and international markets and resources.⁷ Its intellectual lineage dates back to the CCP’s founding economic leaders. The Chinese market is to be insulated and the global one penetrated; domestic resources are to be protected and foreign ones siphoned. **This is one-sided integration.** It promises asymmetric leverage over a globalized system, the ability to obtain without sharing and shape without being shaped. Two Markets, Two Resources relies on Beijing’s centralized control over its market and commercial players. The CCP can insulate and guide those according to national strategy where the rest of the global ecosystem operates in a fragmented fashion according to short-term interests.⁸

With this bid to influence global systems – to control global markets and resources – Beijing positions to circumvent the inherent vulnerabilities of its economic model. The CCP’s industrial program fails when prices for imports rise, its export markets dry up, or a challenger with lower costs improves on its approach. But if Beijing can shape global markets, it can protect against that. If Beijing can shape global standards, it can set the terms according to which the international economic system operates so that its dominance becomes self-fulfilling.

Though seldom discussed in Western sources, the call to leverage “Two markets, Two Resources” is near-ubiquitous in China’s strategic planning. It appears across the Strategic Emerging Industries (战略性新兴产业) Initiative, Made in China 2025 (中国制造 2025), and the lineage of five year plans. The much-hyped Belt and Road (一带一路) Initiative (BRI) is explicitly framed as a tool in the global proliferation of Two Markets, Two Resources approach. Africa is a testbed.

As Yao Guimei of the Chinese Academy of Social Sciences wrote in 2003, “the development and use of African mineral resources is a major strategy to solve the safety and long-term stable supply of China’s mineral resources under the guidance of the Central Government’s principle of ‘using Two Resources and opening Two Markets.’ Those principles are an important part of

⁷ Emily de La Bruyère and Nathan Picarsic, *Viral Moment: China’s Post-COVID Planning*, Horizon Advisory, March 15, 2020, <https://www.horizonadvisory.org/news/coronavirus-series-report-launch-viral-moment-chinas-post-covid-planning>

⁸ Beijing describes its approach as “State-led, enterprise-driven.”

implementing China’s global resource strategy. Therefore, we must attach great importance to it and take the initiative to attack.”⁹ He is explicit about what this entails:

China is objectively in a vortex of fierce competition for international resources. In this case, if we do not consider China’s economic development of global resources, if we are only satisfied with the random purchase of mineral products on the international market, we will have to pay higher prices for imported mineral products on the international market. That price will be readily controlled by others. It is a better policy to go to African countries for exploration, to establish independent mining companies, and to gradually set up our own global mineral resources supply guarantee system. Only by actively governing the allocation of international resources and breaking the control of Western countries over the world’s strategic resources can we ensure the sustained and stable development of China’s social economy.¹⁰

In other words, the idea is not just to trade or purchase Africa’s resources. Doing so would make Beijing vulnerable to an international market outside of its control. Rather, China is to invest in governance over African resource reserves and their production, in doing so to establish Beijing-controlled “global supply chains and production bases.”¹¹ The ultimate goal is to leapfrog the US-led international system. Zhang writes of Beijing’s interests in Africa that “this is a political game between China and Western powers.”¹²

International industry, especially advanced technology, hinges on access to critical mineral and energy inputs. Many of those have consolidated supply in Africa. Influence over that supply promises outsized influence on the international industry built on top of it. Africa accounts for approximately 10 percent of global oil production. It accounts for a supermajority of global cobalt production. A single African territory accounts for nearly all of global platinum capacity. This resource endowment provides unique opportunity, latent potential, and – with geopolitical risk discounted – an absolute, low-hanging, market inefficiency. In rare earths, Beijing’s near monopoly of global supply and processing, a function of natural endowments and regulatory arbitrage, grant economic and security leverage. If Beijing’s is able to secure sufficient dependence through engagement with select African states, the PRC may be able to apply its rare earths playbook to their resources – to critical reserves outside of its borders. Beijing seeks to do so for defensive reasons; for supply chain and resource security. But it also seeks offensive ends: Pricing and market-making power over producers and consumers of critical supplies.

And thanks to Africa’s scale, choices of systems and standards on the continent promise to affect global systems and standards. At present, Beijing uses the support of African countries in the United Nations to resolve multilateral disputes in its favor. If those countries adopt China’s

⁹ 姚桂梅 [Yao Guimei]. 关于开发利用非洲矿产资源的战略思考 [Strategic Consideration on Exploitation and Utilization of African Mineral Resources]. 西亚非洲 [West Africa], 2003.

¹⁰ 姚桂梅 [Yao Guimei]. 关于开发利用非洲矿产资源的战略思考 [Strategic Consideration on Exploitation and Utilization of African Mineral Resources]. 西亚非洲 [West Africa], 2003.

¹¹ Ibid.

¹² 张宏明 [Zhang Hongming]. 中国在非洲利益层次分析 [An Analysis of China's Interest Level in Africa]. 西亚非洲 [West Asia and Africa], 2016.

fintech standards, Beijing might take the same approach to ensuring global adoption of its digital currency regime. The US ability to produce new-energy vehicles already hinges on access to resources that Beijing increasingly controls. Tomorrow, that new energy vehicle risks having to be produced according to technological and environmental standards that Beijing sets, sold according to systems and rules defined by the CCP.

Harvesting the African Continent's Resources

Beijing's bid for asymmetric control – and the implications for the US – are particularly evident as they apply to Africa's energy and mineral resources. China's particular priorities, as reflected in investment and import patterns as well as long-standing strategic discourse,¹³ include oil and natural gas, iron ore, copper, cobalt, niobium, aluminum, uranium, manganese, and platinum.

Beijing develops access to Africa's resources through a two-step approach. First, China establishes trade relations of asymmetric dependence. The PRC is currently the top export market for African countries including Angola, Congo, the Democratic Republic of the Congo (DRC), Eritrea, Mauritania, and Sudan. It is the top supplier of imports to Ethiopia and Sudan.

Second, China leverages those asymmetric relationships and the influence that comes from them to de-risk investment and build infrastructure that ensures continued resource access and control – across the commodity value chain.¹⁴ A web of direct and indirect investment vehicles have allowed Beijing to claim refineries in Algeria, Kenya, Nigeria, South Africa, and Uganda, as well as solar, hydro, and wind power projects in Angola, Congo, Egypt, Ethiopia, Guinea, Kenya, Malawi, Morocco, South Africa, Tunisia, Uganda, Zambia, and Zimbabwe. Through similar investments in transportation systems and operations – across port, rail, pipe, and road projects – Beijing extends its control to the movement of resources both in Africa and internationally. China has built and invested in port operations and infrastructures in Angola, Cameroon, Cape Verde, Congo, Djibouti, Egypt, Guinea, Kenya, Nigeria, Mozambique, Sierra Leone, South Africa, Sudan, Tanzania, and Togo; in rail projects in Chad, Egypt, Kenya, Sudan, and Uganda; and in road projects in Ghana and Uganda, among others.

Beijing implements its economic strategy in Africa through a combination of government and ostensibly private actors, many of them claiming commercial mandates. State-owned enterprises (SOEs), sovereign investment funds, and policy banks play a major role. So do non SOEs, in many cases backed by Chinese state subsidies, export credit programs, and government investment and partners. There is no clear delineation of responsibility. As is true elsewhere Beijing is increasingly opening the playing field to State-directed but not State-owned companies. That said, investments that involve direct control of resources – mining and

¹³ As early as 2003, Yao Guimei of the Africa Institute at Chinese Academy of Social Sciences outlined a prioritization plan for the “exploitation and utilization of African mineral resources” focused on oil, iron ore, manganese, copper, cobalt, bauxite, gold, platinum, and diamonds. (姚桂梅 [Yao Guimei]. 关于开发利用非洲矿产资源的战略思考 [Strategic Consideration on Exploitation and Utilization of African Mineral Resources]. 西亚非洲 [West Africa], 2003.)

¹⁴ As Zhang Hongming writes, “China's way of obtaining African resources is a combination of trade and then investment.” (张宏明 [Zhang Hongming]. 中国在非洲利益层次分析 [An Analysis of China's Interest Level in Africa]. 西亚非洲 [West Asia and Africa], 2016.)

processing for example – remain largely under the purview of State-owned enterprises, while ostensibly private Chinese companies expand their presence in Africa’s less tangible infrastructure: Transportation, renewable energies, telecommunications. Where commodities trade hands, Beijing prefers to maintain direct access. Where strategic value is derived from capacity cooperation and standard proliferation, the Chinese State is content to remain on the sidelines and rely on its “State led, Enterprise driven” model.

Beijing’s approaches to oil in Angola, cobalt in the DRC, and platinum in South Africa underline the nature of its resource acquisition strategy: How the PRC prioritizes commodities and country targets, as well as how it approaches the market and implications for global supply.

Oil and the Angola Model

China relies heavily, and increasingly, on oil from abroad. The PRC first became a net importer of oil in 1993. China’s oil imports have grown steadily since, alongside the country’s economic rise. In 2019, China imported more oil than any other single country, ever. Faced with intensifying dependence on foreign oil, Beijing has sought diversification: While Middle Eastern producers and Russia consistently provide the bulk of Beijing’s imports, Brazil now figures prominently as well. So does Angola.

China has ensured access to, and growing control over, Angola’s oil through a loans-for-oil scheme paired with investment in Angola’s infrastructure – investment for which those loans paved the way. Between 2004 and 2007, China’s Export-Import (EXIM) Bank provided Angola with more than 7.5 billion USD of loans according to China’s loans-for-oil model, described in Chinese discourse as the “Angola Model.”¹⁵ Those lines of credit expanded the two countries’ trading relationship and China’s local influence. They also coincided with growing Chinese direct investment in Angola’s oil infrastructure. In 2004, State-owned Sinopec launched its production rights grab of Angolan oil blocks.¹⁶ Later in the decade, Beijing’s State-owned enterprises accelerated the play.¹⁷

These moves have fostered dependence. The PRC is Angola’s top export market. Angolan officials have expressed concerns about their reliance on China. They have called for diversification of the country’s economy and trading partners. But dependence risks being a self-fulfilling prophesy. China accounts for over half of Angola’s exports. The inertia of that reliance has proved difficult to escape.

Cobalt, Platinum, and the Question of Control over Emerging Domains

In Angola, China invests in a notable, but not dominant, source of a determinative resource. China’s investments in the DRC’s cobalt and South Africa’s platinum reveal a different play: Beijing cements access to dominant global reserves, therefore developing market control of the resources on which its industrial ambitions rest and leverage over the technological value chains built on top of them. Beijing’s domestic reserves and industry already make it the world’s

¹⁵ 姚桂梅 [Yao Guimei]. 中国对非洲投资合作的主要模式及挑战 [The main models and challenges of China’s investment and cooperation in Africa], 2013.

¹⁶ It secured a winning bid on Angola’s Block 3/80 and partnered with Angola’s Sonangol and other international oil companies in other production blocks, including initial stakes in Blocks 15, 17, and 18.

¹⁷ In 2009 and 2010, respectively, Sinopec and CNOOC expanded its role in Angola’s Blocks 18 and 32.

leading producer of rare earth elements and graphite. Combining those resources with cobalt and platinum creates a basket of goods essential to everything from mobile phones to new energy vehicle batteries to aeroengine superalloys to electrodes for medical equipment.

Cobalt is a critical input for emerging battery and energy storage systems. It is also a critical input for alloys required for extreme heat resistant applications, like aero-engine turbines. Cobalt is mined at non-trivial levels in Australia, Canada, China, and Russia. But the DRC dominates production: It generates the majority of the world's cobalt annually and holds the majority of the world's proven cobalt reserves.

The DRC's cobalt resource endowment is often compared to that of Saudi Arabia. As in Saudi Arabia, China has deliberately cultivated a durable relationship, backstopped by government and private sector relationships and dependencies. China's EXIM Bank spearheaded the relationship with the DRC: As early as 2000, the policy bank's concessional loans underwrote telecommunications cooperation between China and the DRC. In 2007, China's EXIM Bank provided the financial backing for China's big DRC cobalt bet: That year, a consortium of Chinese firms, led by State-owned China Railway Engineering Corporation (CREC), landed rights to mines in Katanga, DRC. The agreement was initially valued at 9 billion USD. Through this deal, and the Chinese-owned production supported by it, China's annual cobalt exports from the DRC rose from an annual value of 300 million USD prior to the deal to an annual value of over 1 billion USD by 2010. The trend lines decreased slightly thereafter, but have risen sharply since 2017.

China's domestic supply allows it to produce a small share of its annual cobalt consumption – about 3 percent of its annual consumption of cobalt ores and concentrates; 11 percent of cobalt intermediate products. Beijing's investments in the DRC have effectively extended that domestic production base, drastically increasing the cobalt production volume that China de facto controls. The production capacity that China has invested directly into the DRC is equivalent to over 10 percent of China's annual consumption of cobalt ores and concentrates and over 20 percent of intermediate products. These figures are poised to grow as Beijing cements its positioning in the DRC. China thus bolsters supply chain security in emerging industries, like new energy vehicles, directly targeted in its competitive economic planning (e.g., the Strategic Emerging Industries Initiative, Made in China 2025, China Standards 2035). More offensively, the CCP develops outsize influence over those industry chains' global markets and pricing.

The direct implications of this asymmetric control and access are difficult to measure because there are other sources of global cobalt, but none as consolidated as the DRC's. The effects, and potential risks, of Beijing's playbook are clearer in the case of South Africa and platinum. Like cobalt, platinum is critical to a diverse range of advanced and emerging industries, including fertilizer production, fuel efficiency, and various electronics products. And South Africa dominates the global platinum market: Its reserves account for more than 90 percent of the world's totals. Beijing has carefully honed a relationship with South Africa premised on access to that platinum – and South Africa's rare metals more broadly. Already, that relationship allows China to claim more than 20 percent of South Africa's platinum exports. That figure may increase as Beijing continues to cement its access and appetite.

China's big investment in South Africa's rare metal production is the Bushveld Complex. As with the Sicomines project in the DRC, China seized the Bushveld Complex through a consortium of private and public Chinese actors in 2010. A government-backed financier— in this case, the China Development Bank (CDB) — underwrote the endeavor. The Jinchuan Group and the China-Africa Development Fund, itself a vehicle of the CDB, serve as the owners and operating partners of Wesizwe Platinum, the business that oversees the China-invested deposits at the Bushveld Complex. In the ten years since investing in the Bushveld Complex, China's share of South Africa's platinum exports has increased from 8 percent in 2010 to over 20 percent in 2018. The UK and Japan are the only global players to import more. The US imports less than four percent of South Africa's platinum.

South Africa's platinum fuels Beijing's competitive industrial strategy and risk stymying a competitive response. 60 percent of the platinum propelling Beijing's industrial apparatus comes from South Africa. More broadly, almost 90 percent of China's imports from South Africa are from extractive industries and various metals. These include other platinum group metals (e.g., rhodium, palladium), gold, molybdenum, and more common mineral ores and concentrates. And China's State plans — ranging from Made in China 2025 to China Standards 2035, the Strategic Emerging Industries Initiative to regular five-year plans — prioritize areas like fertilizers, electronics, and fuel-efficient vehicles that rely on platinum. Those plans call explicitly for “leapfrogs” (跨越) of foreign, especially US, industrial capacity. Such leapfrogs take place at all levels of the industrial chain; Beijing defines them as a combination of insulated domestic supply chains and asymmetric leverage over foreign ones. To defend against China's industrial offensive requires not just innovative and industrial capacity but also raw materials. Beijing uses its positioning in Africa to acquire asymmetric influence over the necessary raw materials.

Trend lines suggest that such influence over South Africa's resources will continue to grow. Beijing's multi-front positioning in the country all but locks in those trends. China's total trade volume with South Africa, according to UN Comtrade statistics, exceeds 20 billion USD annually. Only the EU bloc matches that scope. Once South Africa's largest market, the United States trails China (and Germany) in terms of both import and export relations, in some years by a factor of two. Xi Jinping visited South Africa in 2013, 2015, and 2018. The last time a US President visited South Africa was Nelson Mandela's memorial service seven years ago. That was two years after China accelerated its trade relations — and platinum exports — with South Africa. In November 2019, China's military cooperation with South Africa reached new heights: The two countries' navies, as well as Russia's, held a joint naval exercise in South African waters. The US has not exported significant military equipment to South Africa for eight years. The last US-South Africa joint exercise on par with China's was in 2017.

In platinum and elsewhere, Beijing's positioning in African resource markets is likely to leave the US dependent — albeit indirectly — on Beijing for critical inputs with few other suppliers. This is precisely the intention. China's strategy focuses on claiming preferential access to targeted points of supply. The Sicomines project in Angola and Wesizwe operation in the DRC offer prime examples in Africa's mining ecosystem. These examples create resource and supply chain dependence in increasingly important emerging domains for Beijing. What danger does that entail? Beijing may use preferential access to concentrated sources of global resources to expand its rare earths playbook — the security and coercive leverage that Beijing claims through its

dominance in rare earth element mining and processing.¹⁸ Of course, Beijing's influence over global resources – whether the rare earths over which it enjoys direct control or the cobalt and platinum where China increasingly enjoys indirect control and market shaping influence – does not necessarily diminish their global availability. Global commodity markets have continued to flow, prosper, and, in many cases, witness production increases and capacity surpluses alongside China's increased investment into production hubs. But the present calm obscures real risks.

First, as China slowly increases its ownership – or supply relationships akin to ownership – over commodities necessary for critical technologies, it acquires the ability to restrict access in cases of supply shocks or to coerce for non-market, geopolitical reasons (e.g., as a punitive response to recognition of Taiwan or as a means of horizontal escalation amid a security crisis). That ability is largely asymmetric vis-à-vis the United States: How to match it or respond without parallel control of the private sector? More broadly and perhaps subversively, influence over resource production and processing – amplified by the asymmetry of its State-driven system and military-civil fusion strategy¹⁹ – grants China the potential to influence global market pricing. On the production side, increasing PRC ownership and long-term supply contracts begin to award cartel-like strength. And unlike OPEC's influence in oil, China also claims leverage through its role as a key consumer.

Second, these advantages extend along the industries built on the raw inputs that Beijing controls. China can use access to and influence over commodities to ensure that its producers – like those making mobile phone batteries from cobalt or automotive catalytic converters from platinum and palladium – benefit from advantageous economics that support their march up value chains. US consumers may profit in the short-term from the low-cost products that Chinese producers offers. This is, after all, the efficient division of labor that globalization was meant to yield. But China's players all along this value chain are a distortive presence. They are subsidized by a central government that ignores its commitments in trade agreements. They benefit from avoiding common labor and wage standards. Moreover, as China's champions seize market share, they most often do so at the expense of US competitors or those from states allied or partnered with the US.

Again, these are hidden risks. During periods of economic growth and geopolitical stability, they carry low probability of impact. But the COVID-19 crisis – the absolute breakdown of critical medical device and equipment supply chains that it quickly surfaced – demonstrates that these risks merit evaluation, Congressional attention, and thoughtful remedy.

The Impact of COVID-19

This conversation is particularly important right now – as a COVID-19 environment makes this a virtual testimony and Beijing positions to make global dislocation a strategic boon. China accelerates its investments in Africa at times of global economic crisis or slowdown. “Since 2008, with the general downturn in global economic development, China's investment in Africa

¹⁸ Keith Bradsher “Amid Tension, China Blocks Vital Exports to Japan,” *The New York Times*, September 22, 2010, <https://www.nytimes.com/2010/09/23/business/global/23rare.html>.

¹⁹ Emily de La Bruyère and Nathan Picarsic, “Beijing's Innovation Strategy: Threat-informed Acquisition for an Era of Great Power Competition,” Naval Postgraduate School Acquisition Research Symposium, <https://event.nps.edu/conf/app/researchsymposium/home#!/page/148>.

has bucked the trend and expanded steadily,” wrote Yao Guimei in 2015.²⁰ Xu Man, also of the Chinese Academy of Social Sciences, explains that that inverse trend was the product of decline in commodity prices and low foreign competition.²¹ To that, their colleague Pu Yingji adds the value of moments of global distraction: “The Nine Eleven incident in 2001 and the global financial crisis in 2008 provided strategic opportunities for the rapid development of China-Africa cooperation, which received no significant attention.”²²

As COVID-19 wreaks global havoc, international capital is once more in short supply. Commodity prices are dropping. And the world is certainly distracted. Beijing’s strategic planning is explicit about the opportunity that these trends present. It is already updating the playbook that it used in 2008.²³ The effects are likely to be felt in Africa.

²⁰ 姚桂梅 [Yao Guimei]. 中国在非洲投资的新挑战及战略筹划 [New Challenges and Strategic Planning for Chinese Investment in Africa]. 国际经济合作 [International Economic Cooperation], 2015.

²¹ [Xu Man]. 中国的引领作用与国际对非经贸合作的新特点 [China's Leading Role and New Features of International Economic and Trade Cooperation with Africa]. 国际经济合作 [International Economic Cooperation], 2018.

²² 朴英姬 [Pu Yung Ji]. 深化中国对非投资合作的新动力与新思路 [New impetus and new ideas to deepen China's investment cooperation with Africa]. 西亚非洲 [West Africa], 2019.

²³ Emily de La Bruyère and Nathan Picarsic, *Viral Moment: China's Post-COVID Planning*, Horizon Advisory, March 15, 2020, <https://www.horizonadvisory.org/news/coronavirus-series-report-launch-viral-moment-chinas-post-covid-planning>

Recommendations for Congress

China's Africa strategy propels its global strategy. Beijing positions in Africa according to the larger “Go Out” agenda, deploying the "Two Markets, Two Resources" strategy to attack holistically and comprehensively across sectors and geographies. Africa offers the supplies and markets necessary for the Made in China 2025 phase of China's plan. It also offers a testbed and strategic node for the emerging China Standards 2035 phase.²⁴ The US response needs to understand the nuances of these strategies. It also needs to understand – and match – their scope.

That does not mean that Washington should attempt to compete directly, matching investments one-for-one on the African continent. China's tack is evolutionary and adaptive, designed asymmetrically to subvert symmetric competition. Beijing's position across Africa today is the result of deliberate planning and investment into the "State led, Enterprise driven" model. Instead, the United States Congress should develop – either on its own or through collaboration with the Executive – a prioritization logic to guide strategic resource allocations along the entire set of geographic and functional domains of competition with Beijing. This logic would define and rank US interests spanning geographic and functional domains. Within those prioritized domains, it would first assess relative standing between the US and China. It would second outline the relationships between levers of power and potential future balances in those domains, identifying in the process areas of vulnerability, existing strength, low cost, and high cost. Congress can initiate short-suspense studies, 60 days, to be conducted by Executive agencies and/or Federal boards and commissions to inform this exercise. The effort should generate a public, unclassified product able to be shared with the private sector. The framework would influence resource allocations made by the private sector as much as those made by OPIC, as well as the State and Defense Departments’ aid and security cooperation tools.²⁵

Such a practical guide must be paired with strong, consistent narrative. The US government should make clear to African – and other third party – audiences that it will work with the private sector to guarantee first that it has not forgotten its relationships with and interests in African countries; second that shared values and human rights will not be ignored for the sake of economic profit. Congress can play a role in informing – and amplifying – that narrative. Congress can also provide the narrative with teeth: Accounting standards, SEC oversight, and compliance with the Foreign Corrupt Practices Act (FCPA) are examples of areas where Congressional inquiry can make these rhetorical priorities tangible for private sector actors.

And whenever Beijing’s behavior contradicts local and international norms and values, narrative opportunities should be seized. In many cases, those opportunities are best seized by US allies and partners. The US should have the institutional apparatus ready to support them. The US should also have the institutional apparatus and personnel ready to seize opportunities itself

²⁴ Emily de La Bruyère and Nathan Picarsic, *China Standards 2035: Beijing's Platform Geopolitics and Standardization Work in 2020*, Horizon Advisory, April 14, 2020. <https://www.horizonadvisory.org/china-standards-2035-first-report>.

²⁵ The legislative proposal advanced by Senator Mark Warner in S.29 and Representative Dutch Ruppersberger in H.R.618 to establish an “Office of Critical Technologies and Security” in the 116th Congress offers an admirable starting point for such an endeavor. More recently, Senator Tom Cotton’s proposal for a comprehensive post-COVID-19 funding package provides another framework in which such an effort could be adopted.

where necessary and of common interest. Congress can require that budget submissions and force posture statements produced by Executive agencies and military services and combatant commands address progress on this front according to a set of pre-determined metrics.

In the process, the US and its partners should take advantage of Beijing's weaknesses in Africa. China is not invincible. There are vulnerabilities that US strategy should play on – and of which Beijing is acutely aware, making them all the riper for strategic exploitation. The CCP is concerned about growing anti-China sentiment in Africa, spurred by concerns over debt trap diplomacy, accusations of neo-colonialism, and desires for transparency and democratic principles, as well as for protected investment environments. The CCP is also concerned about growing resentment with respect to its encroachment on the prospects of African companies, labor markets, trade balances, and sustainable economic development writ large.²⁶ Many of these sensitivities are particularly acute right now in light of the racism that Africans have faced in China during COVID-19.

Finally, while Beijing's priorities in Africa might revolve around what is traditionally labeled the economic domain, this is not a purely economic competition. Beijing's military-civil fusion strategy explicitly combines security and commercial ambitions.²⁷ Beijing's positioning poses security threats just as much as commercial ones.²⁸ US Department of Defense force planning should recognize the security threats that Beijing's economic moves create — and that those, as much as Beijing's larger strategy, are global and holistic. Proper reckoning with that reality would demand new constructs for the US-China competition. This is not a limited geographic or functional contest. Disaggregating along those terms – whether replicating the European Deterrence Initiative for the Indo-Pacific or investing in basic research to win technology competitions that we misunderstand – risks expending resources without commensurate gain in strategic positioning.

Congress should fund, as a part of its COVID-19 recovery measures, a new, supra, bureaucratic entity tasked with designing and implementing a comprehensive, competitive strategic response to China's global offensive. That entity should report directly to the President, but otherwise be independent from the National Security Council and existing bureaucratic structures. It should be small – smaller, for example, than the White House Office of Science and Technology Policy. The strategy that this entity generates must account for Beijing's aims in Africa. It must protect against the threats inherent in China's growing resource dominance while seizing opportunities that China's approach offers.

²⁶ 姚桂梅 [Yao Guimei]. 中国在非洲投资的新挑战及战略筹划 [New Challenges and Strategic Planning for Chinese Investment in Africa]. 国际经济合作 [International Economic Cooperation], 2015.

²⁷ Emily de La Bruyère and Nathan Picarsic, "The Reach of China's Military-Civil Fusion: Coronavirus and the Risks of Supply Chain Crises," *Real Clear Defense*, March 4, 2020, https://www.realcleardefense.com/articles/2020/03/04/the_reach_of_chinas_military-civil_fusion_coronavirus_and_supply_chain_crises_115092.html.

²⁸ See forthcoming analysis from Horizon Advisory of China's LOGINK logistics management platform at www.chinastandards2035.com.

OPENING STATEMENT OF SCOTT MORRIS, DIRECTOR, US DEVELOPMENT POLICY INITIATIVE, CO-DIRECTOR, SUSTAINABLE DEVELOPMENT FINANCE, AND SENIOR FELLOW, CENTER FOR GLOBAL DEVELOPMENT

COMMISSIONER BERGEAS: Thank you very much, Ms. de La Bruyere. Our next speaker will be Mr. Scott Morris. Mr. Morris, floor is yours.

MR. MORRIS: Thank you, Commissioners. And I appreciate the opportunity to testify before the Commission this morning. Even as we grapple with the deep challenges posed by the coronavirus in the United States, it's important to consider the global context.

The unique challenges facing the poorest countries ultimately represent vulnerabilities for all of us. And when it comes to an international response, the question of China's role is unavoidable.

Given its origins, the pandemic has already put China in the spotlight. In some ways China's political leadership has embraced this visibility through high-profile humanitarian assistance. But the pandemic also amounts to a highly visible reckoning for China's political leaders.

I want to address one aspect of this reckoning in my testimony: what the pandemic and its attendant economic effects mean for China's program of overseas investment, particularly in sub-Saharan Africa. The region contains the largest concentration of low-income countries in the world, and as such, is most vulnerable to the twin health and economic effects of this current crisis.

Sub-Saharan Africa has also received a great deal of inward investment from China over the past decade, much of it in the form of government-to-government lending. Perhaps no one would have predicted a systemic debt crisis triggered by a global pandemic in 2020. But a program of lending so seemingly indifferent to underlying borrower vulnerabilities was bound to face a reckoning of some sort.

Research we conducted at the Center for Global Development in 2018 pointed to the debt risk posed by China's Belt and Road Initiative, and subsequent analysis by the World Bank and other leading scholars has reinforced our initial assessment. And China's lending model has been exacerbating and even driving debt risks in some low-income countries here.

Prior to the current crisis, the debt position of many African countries had already deteriorated. By the end of 2019 more than half of these countries were either in debt distress or high risk of debt distress.

These risks are a function of higher levels of lending, but importantly also a function of lending terms. In new research we demonstrate that harder terms from China, in the form of higher interest rates, shorter repayment periods, shorter grace periods, have contributed to the current debt risk.

With lending at a scale that rivals the World Bank in China, China's lending terms have undermine longstanding frameworks for sustainable financing espoused by the Bank, the IMF, and other government lenders that adhere to Paris Club and OECD standards.

But what interest does China have in lending to risky countries and governments, given the higher probability that these loans will not be repaid on the agreed terms?

I believe the significant motivating factor relates to China's tied financing model, which ensures that Chinese financing supports Chinese domestic firms abroad.

It's helpful to consider Chinese procurement practices in relations to those of the World Bank. When the Bank works with a client country partner, it brings standards on procurement

for the project based on transparent international competitive bidding, sometimes with preferences for local firms.

This well-established approach aims to achieve high-quality projects, free of corruption and at the lowest price. Contrast this with Chinese lending.

Under a tied financing model the offer of a loan comes with a Chinese construction firm in hand. Typically there is little evidence of, or process for, competitive bidding arrangements, even among Chinese firms, let alone on a global basis. Lack of transparency makes this system particularly vulnerable to corruption. It also raises the risk the project costs will be inflated.

Of course, China's model also greatly limits the ability of competitive U.S. firms to participate in some of the largest infrastructure projects under development globally today.

It is striking that Chinese officials have sought to frame the Belt and Road Initiative as a multilateral project, welcoming participation from all countries. But at a basic level, non-Chinese firms simply do not have the ability to participate, due to the restrictive stance of Chinese lenders.

So, how do we respond to Chinese lending to Africa, particularly now? The recent G20 agreement on a debt standstill was a modest positive step in helping poor countries manage their debt burdens during the pandemic. It also represented a new opportunity when it comes to coordinated policy between China and the West.

China, as the largest of the G20 creditors, agreed to a standstill in payments due to its lenders and signed off on a new degree of transparency around its lending.

These are early days, and we could certainly -- we could certainly be disappointed by delivery on the G20 commitments. More difficult decisions lay ahead when it comes to dealing with the current debt crisis.

It is increasingly likely that wide scale debt reductions will be needed, beyond a simple standstill, applied to many low- and middle-income countries. Again, China will bear a significant amount of the burden of any major relief initiative.

Already over a hundred countries have approached the IMF for assistance, and many of them count China among their major creditors. As much as Chinese officials might want to approach each of these countries on a case-by-case basis, wrapping debt restructurings in the traditional cloak of foreign policy, there is no precedent for China or any other government to address a systemic crisis in this way, and the prospects for a successful go it alone strategy remain remote.

The U.S. can capitalize on these dynamics by lowering the political rhetoric and taking a pragmatic approach to crisis management. Fortunately, the U.S. Government has nothing like the level of exposure to debt risk that China currently faces, reflecting a U.S. foreign aid strategy that greatly favors grant-based aid over lending.

But like China today, the U.S. bore much of the pain of the last major debt relief initiative, reflecting a legacy of robust lending programs from an earlier era. Treating China as a partner in a new round of debt relief, and setting clear expectations that China will behave as such, is the right approach for now.

Financial and economic risks emanating from this crisis will mean less lending capacity from China for some time. And as overseas lending is highly dollar dependent and thus relies on China's reserves, which will be more stress during this crisis period, there is also the direct effect of this crisis on the balance sheets of the Chinese government's large external lenders. Large scale write-offs may become inevitable whether they are coordinated with other creditors or not.

Over time it is less plausible that China's role in global development finance will simply

disappear, nor will demand for this financing go away. For the United States, policies aimed at China's overseas financing, particularly in Africa, should continue to be a priority in the post-crisis period focusing on the problems I've outlined in my testimony.

It will be important to keep the pressure on sustainable lending -- on a sustainable lending agenda as we work through this difficult time and emerge in a post-crisis period. I very much hope the Commission will maintain its commitment to this critical work. Thank you.

**PREPARED STATEMENT OF SCOTT MORRIS, DIRECTOR, US DEVELOPMENT
POLICY INITIATIVE, CO-DIRECTOR, SUSTAINABLE DEVELOPMENT FINANCE,
AND SENIOR FELLOW, CENTER FOR GLOBAL DEVELOPMENT**

Testimony before the U.S.-China Economic and Security Review Commission

“China in Africa”

Scott A. Morris

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Center for Global Development

May 8, 2020

Thank you for the opportunity to address the Commission at this difficult moment. Even as we in the United States continue to grapple with the deep challenges posed by the Coronavirus pandemic, it is important to consider the global context in which this crisis unfolds. In the months ahead, it will be critical for US policy to be well coordinated with other governments and international institutions to defeat a virus that does not respect national borders, and in turn to address the economic effects across economies that have become mutually dependent through many decades of integration. The unique challenges this crisis poses for the poorest countries, which lack basic health and social safety net capacity, ultimately represent vulnerabilities for all of us. And when it comes to an international response, the question of China’s role is unavoidable.

Given its origins, the pandemic has already put China in the spotlight. In some ways, China’s political leadership has embraced this visibility through high profile humanitarian assistance measures, along with a surge in global leadership rhetoric. But the pandemic also amounts to a highly visible reckoning for China’s political leaders, one that they would surely wish to avoid if they could.

I will address one aspect of this reckoning in my testimony: what the pandemic and its attendant economic effects mean for China’s program of overseas investment, particularly in Sub-Saharan Africa. The region contains the largest concentration of low-income countries in the world and as such is most vulnerable to the twin health and economic effects of the current crisis.

Sub-Saharan Africa has also received a great deal of inward investment from China over the past decade, much of it in the form of government-to-government lending. For the Chinese government, the past decade has been a favorable period for lending to developing countries

globally, which has served China well with the rollout of the Belt and Road initiative and a rapid expansion of financing activities generally. But this massive scale up in lending always carried risks. Perhaps no one would have predicted a systemic debt crisis triggered by a global pandemic in 2020. But a program of lending so seemingly indifferent to underlying borrower vulnerabilities was bound to face a reckoning. China's reckoning is now happening amidst the chaos of a global pandemic.

Africa's Debt Picture and China's Role

Early research we conducted at the Center for Global Development in 2017 and 2018 pointed to debt risks posed by China's Belt and Road initiative for vulnerable countries. Subsequent analysis by the World Bank and other leading scholars has reinforced our initial assessment that China's lending model has been exacerbating and even driving debt risks in low-income countries in recent years.

Extreme cases like Djibouti suggest a willingness on China's part to be the dominant external creditor to a highly vulnerable country. Djibouti's external debt is now 150% of national income, which is extraordinarily high for a poor country, and a large majority of this debt is owed to China. More typical cases like Ethiopia and Kenya demonstrate China's rise as a leading lender alongside multilateral institutions and commercial lenders. International Monetary Fund (IMF) analysis points to China's outsized role in the most debt vulnerable countries—whereas China has emerged as a leading creditor to low-income countries in general, it is a dominant creditor to the highest risk of these countries.

Prior to the current crisis, the debt position of low-income countries had already deteriorated. By the end of 2019, more than half of these countries were either in debt distress or at high risk of debt distress. These risks are a function of higher levels of lending, but importantly, also a function of lending terms. In new research published by the Center for Global Development, we demonstrate that harder terms from China in the form of higher interest rates, shorter grace periods and shorter repayment periods, have contributed to debt risks.

Although the Chinese government does not lend on strictly commercial terms, which would imply even higher interest rates and shorter maturities for most of these borrowers, China's terms are markedly harder than the World Bank's, which establishes terms with sensitivity to the vulnerabilities of their client governments. With lending at a scale that rivals the World Bank in Africa, China's lending terms (along with a growing share of commercial creditors) have undermined longstanding frameworks for sustainable financing espoused by the Bank, the IMF, and other government lenders that adhere to Paris Club and OECD standards and norms.

China's Procurement Model

So, what interest does China have in lending to “risky” countries and governments, given the higher probability that these loans will not be repaid on the agreed terms? Here, it is important to understand the central role that China’s “tied” financing plays as a motivating factor for lending decisions, as well as the effects of this model on the borrowing countries themselves—increasing debt risks, potentially inflating the cost of projects, and creating vulnerability to corruption.

It is helpful to consider Chinese procurement practices in relation to the other leading source of development finance globally, the World Bank. When the Bank works with a client country partner, say the government of Rwanda, to finance a road project, it brings standards on procurement for the project based on transparent, international competitive bidding, sometimes with preferences for local firms. As a condition for World Bank financing, Rwanda’s government is required to provide for an open tender, clearly specified to promote competitive bidding among domestic and international firms to guard against corruption through a transparent and predictable process. This well-established approach aims to achieve high quality projects and the lowest price. It also aims to improve the overall quality of the government’s procurement systems.

Contrast this with the Chinese model. Under a tied financing model, the offer of a loan from China Development Bank or China Exim Bank comes with a Chinese construction firm in hand. Typically, there is little evidence of, or process for, competitive bidding arrangements even among Chinese firms, let alone on a global basis. Lack of transparency makes this system particularly vulnerable to corrupt practices. It also raises the risk that projects costs will be inflated—a virtue of competitive procurement is that it forces bidders to price competitively in order to win the contract. This model speaks to the motivation for China’s overseas lending, even in situations where default risks are high. The country’s overseas lending, to a significant degree, seeks to employ domestic economic capacity abroad. And while recent regulatory shifts within China have sought to exercise greater prudential oversight, Chinese government lending institutions have historically been bailed out, suggesting that lax lending practices are tolerated in order to support Chinese firms in other markets.

Of course, China’s tied financing model also greatly limits the ability of competitive US firms to participate in some of the largest infrastructure projects under development globally today. It is striking that Chinese officials have sought to frame the Belt and Road initiative as a global project, welcoming participation from all countries. But at a basic level, non-Chinese firms simply do not have the ability to participate due to the restrictive stance of Chinese lenders.

Evidence of Growth and Other Effects

Recognizing these problems, it is nonetheless important to have a clear picture of China's investments and their impact on African economies. Based on available evidence, I believe the economic impact of China's lending program is not as negative as some would suggest and certainly not as wholly positive as Chinese officials claim. Cross-country studies point to growth effects from China's infrastructure investments, consistent with general findings about the linkages between infrastructure and economic growth. These studies introduce a more nuanced view of Chinese financed projects, demonstrating that so-called "white elephant" projects that fail to deliver any benefit are not the norm. In general, evidence suggests that in many countries, the economic growth effects of Chinese-financed projects are not dissimilar to those of other lenders.

At the same time, systemic studies like these also point to unique problems associated with Chinese infrastructure lending. World Bank modeling suggests that the debt burdens associated with Belt and Road will outweigh the growth effects for certain developing countries. And other studies identify the ways in which China's model lends itself to corruption. For example, one well known study observes that Chinese-backed projects heavily favor the home districts of African policy leaders, attributing a 164% increase in funding from China for leaders' home districts during the years they are in office. No such effect is observed from institutions like the World Bank.

Glimmers of New Coordination

So, how to respond to China's lending to Africa, particularly now? I have long promoted a US approach that relies on multilateral disciplines along with a clearly articulated and detailed bilateral negotiating agenda, more akin to a trade negotiation. Unfortunately, when it comes to the Belt and Road initiative and China's overseas lending more generally, US policy seems satisfied with broad brush criticism in hopes that developing country governments will be convinced to decline China's investments. That has never been a realistic strategy. Resource-constrained countries will always seek external financing where it is available to them. The better path is to seek stronger disciplines on Chinese practices, particularly in the areas I have highlighted in my testimony. And on this front, the current crisis presents an opportunity.

The April 2020 announcement from G20 finance ministers and central bank governors for a debt "standstill" marked a modest positive step in helping low income countries managing their debt burdens during the pandemic. But it also represented a landmark step when it comes to coordinated policy between China and the West. China, as the largest of the G20 creditors, agreed to a standstill in payments due to its lenders and signed off on a new degree of transparency around this lending. Namely, any country seeking a standstill would be required to report the full extent of its obligations to external creditors. This basic level of transparency

has been lacking to date and stands as an obstacle to effective debt management practices globally.

These are early days, and we could certainly be disappointed by delivery on the G20 commitments. Much more difficult decisions lay ahead when it comes to dealing with the current debt crisis. It is increasingly likely that widescale debt reductions will be needed beyond a simple standstill, applied to many low- and middle-income countries. Again, China will bear a significant amount of the burden of any major debt relief initiative. The April decision to take an initial step under the G20 umbrella and in coordination with the IMF and World Bank bodes well, but it does not guarantee that China will stay on this path.

Ultimately, the Chinese government will need to see a coordinated approach, including new commitments to external disciplines on procurement and sustainable lending policies, as in its own interest, not simply as a concession to other countries. The good news is that this case will be much easier to make by advocates within the Chinese government as they are forced to deal with the fallout of a decade-long lending spree. It simply will not be feasible to maintain a go-it-alone strategy as the leading creditor amidst a global debt crisis. Already, over 100 countries have approached the IMF for assistance, and many of them count China among their major creditors. As much as Chinese officials might want to approach each of these countries on a case-by-case basis, wrapping debt restructurings in the traditional cloak of foreign policy, there is no precedent for China or any other government to address a systemic crisis in this way, and the prospects for a successful go-it-alone strategy seem remote.

The United States can capitalize on these dynamics by lowering the political rhetoric and taking a pragmatic approach to crisis management. Fortunately, the US government has nothing like the level of exposure to debt risks that China currently faces, reflecting a US foreign aid strategy that greatly favors grant-based aid over lending. But like China today, the United States bore much of the pain of the last major debt relief initiative for poor countries, reflecting a legacy of robust lending programs from an earlier era. We learned from that experience alongside other countries and worked in a coordinated fashion to achieve landmark debt relief initiatives in 1990s and early 2000s. Treating China as a partner in a new round of debt relief and setting clear expectations that China will behave as such is the right approach for now.

Retrenchment and the Post-Crisis Period

No matter how Chinese policymakers respond to calls for debt relief action, it is likely we will see a major retrenchment in China's overseas lending over the medium term. Even before the current crisis hit, China had begun to pull back on its lending programs. Economic activity of any sort is severely constrained now, and the larger financial and economic risks emanating from the crisis will mean less lending capacity from China for some time. China's overseas lending is highly dollar dependent and thus relies on China's reserves, which will be more stressed during this crisis period. There is also the direct effect of this crisis on the balance sheets of the

Chinese government's large external lenders. Large scale write offs may become inevitable, even if not part of a coordinated international program. This will greatly limit the capacity of these institutions to expand future lending.

Over time, it is less plausible that China's role in global development finance will simply disappear. Perhaps the outsized role that China played during the 2010s will adjust to something more modest. But for the United States, policies aimed at China's overseas financing, particularly in Africa, should continue to be a priority in the post-crisis period. The current period presents an opportunity for progress but with no guarantees. It will be important to keep the pressure on the sustainable lending agenda as we work through this difficult time and emerge in a post-crisis period. I very much hope the Commission will maintain its commitment to this critical work. Thank you.

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OPENING STATEMENT OF AUBREY HRUBY, SENIOR FELLOW, AFRICA CENTER, ATLANTIC COUNCIL

MS. HRUBY: Thank you much. Thank you, Commissioner, and all of those watching today. It's a pleasure to testify before the Commission.

I wanted to start with an overarching framework for thinking about the Chinese commercial footprint and the evolution it has had in African markets since the kind of initial push around 2000.

And you can see the first wave of Chinese investment being in the kind of state-owned enterprise realm where a lot of state owned enterprises, mainly in the construction and infrastructure space, were involved in construction projects across the continent. Of course there were the mining companies as well. Some of them were there before the coming out in 2000 doing extractive mining.

And so that first wave was really focused on infrastructure, EPC contracting, the large concentration of Chinese expertise in transport, infrastructure particularly, so ports, roads, rail.

And then the second wave of Chinese investment really started to come in the realm of manufacturing. So local manufacturing, you saw a lot of little manufacturers come on to the continent. And Howard French and others have really described that well in their work.

But then you had the telecom infrastructure providers, the Huawei's, the ZTEs, coming on the back of the physical infrastructure providers of the transport.

And so that second wave is in kind of full-fledged operation now where you have Huawei and ZTE having built at least 70 percent of the continent's 4G network and operating in 40-plus countries, and so the telecom infrastructure space is well developed.

And then on that came also the smartphone manufacturers. The phone manufacturers in general, doing light manufacturing of phones and other electronics.

And now we have a new wave coming that's not to completion yet, but it's the early phase of Chinese interaction with digital economy. And so when I say digital economy I'm speaking about things like the media industry, entertainment industry, venture capital, the startup community. That's writ large the digital economy.

And we're starting to see more Chinese interest in that space. First you saw a wave of media investment across the continent, not only directly Chinese media, which is -- you can see on televisions across the continent, so you can see CGTN and other Chinese stations, but also investing in, Chinese investment into African media holdings. You saw that with StarTimes and some of the other investments in, for example, newspapers in South Africa.

And you begin to see early stages of Chinese interests into the venture space. So, African venture capital and the startup ecosystem attracted about a billion dollars last year.

Historically, most of that has been Western-tied of some sort, so Silicon Valley U.S. firms, African venture capital firms, or European venture capital firms.

For the first time last year you saw some Chinese investment into startups on the continent. And those startups mainly were in Nigeria, around mobility, so providing ride-hailing services, payment structures, and the effort to create kind of a super-app similar to WeChat.

And so you see early stages of Chinese interest in the venture space in African markets, mainly Nigeria. They pledged about \$100 million, maybe \$40 million was spent in terms of starting up ventures in Nigeria.

And now of course COVID has impacted that quite dramatically in terms of how they're operating. But that money was different in qualitative nature to how American venture capital

works, where it had a much longer time frame, kind of built in exits to other Chinese potential buyers for the entity. And it was not a Chinese fund investing in an African startup, it was Chinese folks working in Nigeria, who had the startup, who then got Chinese venture capital money into that startup.

So, a little bit of a different situation than an American venture capital company that invests generally behind founders that are living and working in this space.

There is a debate on whether they'd be Western founders or African founders, but there is still a structure that's more traditional to American or a Silicon Valley-type venture.

And so, it's still early days for the venture, but it is an area in which Chinese commercial interest is injecting in an area that was traditionally considered American, an area of American competitiveness and strength.

If you look at American waves of investment, we -- our early waves were in extractive industries as well, but also Coca-Cola, GE, some of these companies have been in African markets for over 100 years. And then there are those that have been in the markets for over 40 years. Like P&G and other household names.

What we've failed to do is kind of create the next wave of investment when it comes to American SMEs and starting out with things like Apple. And others have been not able to create products at the price point or the feature point that speak to an African market.

And so for example, when you look at the phone market, Transsion has essentially 70 percent of the phone market, period. If you drill down into smartphones, there are about 250 million smartphones on the continent, and 40 percent of that is Transsion, which is a Chinese maker of phones called mainly by the brand Tecno. And that's double even Samsung's market share, whereas Apple, if you look at the South African market, Apple iPhones have about four percent of the market.

And it's just a price point question. And if you look at Tecno phones, they've been designed to have about a \$100 or less price point. And with features, for example, cameras that can do better at distinguishing Black faces, all kinds of features that are designed for the African market. And so really we haven't seen American providers of those types of products being able to differentiate themselves and compete at those price points and with those features.

And those phones come in and build kind of this standardization question that we were talking about earlier, which is, if you have a Tecno phone it comes embedded with a lot of Chinese apps.

So it comes embedded already with the Boomplay, which is the kind of Chinese version of Spotify, if you will. And it comes embedded with other major apps. So if you talk about digital economy in the infrastructure, and the window to the world through which Africans are absorbing information, a lot of that window to the world is being structured by Chinese digital players.

And so, while it's not -- again, these things are rapidly unfolding, it's not yet solidified. You can see that there is a pretty significant competitive advantage among Chinese players in the telecom infrastructure space, the phone handset space, and now beginning to get more involved in the app infrastructure that is shaping how, in particular, young Africans are seeing the world.

So I'll stop there and then let -- answer any questions. I especially can also speak to questions earlier about trade, AGOA, and those types of topics that I know some of the Commissioners asked about earlier.

**PREPARED STATEMENT OF AUBREY HRUBY, SENIOR FELLOW, AFRICA
CENTER, ATLANTIC COUNCIL**

May 8, 2020

Aubrey Hruby, Senior Fellow at Atlantic Council

Testimony before the U.S.-China Economic and Security Review Commission

China in Africa: Recent Trends and New Developments

Distinguished members of the committee, Ambassadors, and fellow witnesses:

I would like to begin by thanking you for the opportunity to testify before you today.

My name is Aubrey Hruby. I am a Senior Fellow with the Africa Center at the Atlantic Council, and I have spent my career advising Fortune 500 companies and investors to design and implement successful investment and market entry strategies in over twenty African markets. I will devote my testimony to the following eight themes: 1) Jumia's dominance of the nascent African e-commerce industry; 2) how Chinese venture capital differs in nature from the Silicon Valley model; 3) that Chinese telecom infrastructure companies are well-established in the region; 4) how Chinese firms are creating new tech standards on the continent; 5) Chinese companies are entering the government policing/security market, and 6) how China is investing heavily in Africa's media space. Despite the rapid evolution and deepening of Chinese commercial interest in African markets, I still believe that the US has great potential in the media and digital economy space in the region.

Definitional note: The difference between e-commerce and digital economy

In providing this testimony, it is important to distinguish between e-commerce and digital economy. E-commerce has been defined by the OECD as "the sale or purchase of goods or services conducted over computer networks by methods specifically designed for the purpose of receiving or placing of orders."¹ While payment and delivery may be conducted offline, the transactional process is conducted through the internet. The digital economy, on the other hand, has a far broader definition, with no broad agreements on what it entails. For some it encompasses all activities that use digitized data, but for others that it is more narrowly defined by online stores, online services and internet-related ICT services.² I will refer to the broader digital economy as including telecom infrastructure, media industry, venture capital, and the startup ecosystem. The concern from a US policy perspective is the growing and evolving Chinese commercial footprint in the digital economy, not to the more limited e-commerce market.

Introduction

When National Security Advisor John Bolton unveiled the Trump administration's new Africa strategy in December 2018, there were only two countries that he mentioned more than ten times.

¹ "Addressing the Tax Challenges of the Digital Economy," *OECD*, September 14, 2014, http://www.oecd-ilibrary.org/taxation/addressing-the-tax-challenges-of-the-digital-economy/the-digital-economy-new-business-models-and-key-features_9789264218789-7-en;jsessionid=HBwCMTOU42yW8X3u0hUwd_g9.ip-10-240-5-45.

² "Measuring the Digital Economy," *International Monetary Fund*, April 5, 2018, <http://www.imf.org/en/Publications/Policy-Papers/Issues/2018/04/03/022818-measuring-the-digital-economy>.

One was the United States, and the other was China. (The most-mentioned African nation, South Sudan, was referenced four times.)

The administration's approach to Africa is inextricably linked to its perception of China as a strategic threat. China's challenge to American hegemony in Africa is primarily in the economic sphere: Chinese investment and trade are rapidly eclipsing those of American firms, as evidenced by a 40 percent annual growth rate in Chinese foreign direct investment and tens of billions in government loans and grants over the past decade. But there is a profound lack of understanding among US policy makers about how China actually operates in African markets. As a result, the current or future administrations could misdiagnose the true nature of the threat that China poses. My testimony here today will outline China's evolving technological footprint in Africa and how the United States can respond.

1) E-Commerce in African markets is currently dominated by Jumia and local firms. Alibaba has yet to start significant operations or make large investments on the continent.

The main player in Africa's nascent e-commerce business sector is Jumia. Dubbed the "Amazon of Africa," it has serviced 4.3 million users and 81 thousand active sellers in 14 African countries since its founding in 2012.³ Founded in Nigeria (with capital from the German Rocket Internet), Jumia had to find innovative solutions to fostering trust and addressing logistical constraints as it expanded across the continent. To do this, the company learned from the experiences of Alibaba—the e-commerce pioneer that created the sector in China 20 years ago. Alibaba had to overcome many of the same challenges that Jumia faces while creating and expanding the e-commerce sector in Africa. For example, to achieve scale and build trust in a cash-dominated marketplace, Alibaba created AliPay, the Chinese equivalent of Paypal, which established a way for consumers to pay for their services online. Jumia launched a similar payment system called JumiaPay in 2016, which allowed its customers to pay a small fee for the delivery of purchased goods on their platform. Jumia expanded on Alibaba's success by allowing customers to pay their driver upon the delivery with cash, allowing anyone who had access to the internet—even if they did not own a credit card—to use their services.

It is important to note, however, that while Jumia and African e-commerce companies learned from Alibaba's experiences,⁴ Alibaba has never directly worked with these companies to influence or assist them in solving these challenges. The global players, like Alibaba and Amazon, do not yet have significant operations on the continent.⁵ Rather, these companies are selling into the continent then using overseas shipping to deliver their goods. However, both companies are only serving people that have access to international credit cards—usually equated with middle- and upper-class Africans. Jumia is attempting to target a greater share of the growing African

³ "Why Jumia is Beating Amazon and Alibaba in Africa," *CNBC*, June 26, 2019, <http://www.cnbc.com/africa/videos/2019/06/26/why-jumia-is-beating-amazon-and-alibaba-in-africa/>.

⁴ Note that there was strong backlash against Jumia calling itself an African company as the founders and funding were European. Yomi Kazeem, "What makes Africa's largest e-commerce platform Africa?," *Quartz Africa*, March 19, 2019. <http://qz.com/africa/1572318/what-makes-jumia-an-african-startup/>.

⁵ *Ibid.*

discretionary spending. E-commerce companies with a focus on African markets, like Jumia, are simply learning from a proven model and adapting it to local market realities.

In 2019, Jumia announced its listing on the New York Stock Exchange (NYSE), becoming the first venture capital backed startup in Africa to go public on a major exchange.⁶ When Jumia's Kenya CEO Sam Chappatte was asked why the company listed in New York, he responded by saying that "we listed in a foreign market because that's the place where people understand the business model best."⁷ Following its debut on the NYSE in April 2019, the company's share soared by 75 percent on the first day, pegging the company a valuation at \$1.9 billion. But, to date, Jumia's performance on the NYSE has steadily declined. After its promising start, jumping from around \$25 to over \$40, the stock now sells for less than \$3 a share. The German venture builder Rocket Internet, which was birthed Jumia, sold its 11 percent stake in the company on the onset of COVID-19.⁸

While Jumia's performance has suffered over the past year, the COVID crisis and resultant lockdowns in African countries will certainly increase the speed in which people transition from offline to online purchases of food and other essentials. This use of physical money on the streets and in markets threatens the spread of the virus and the use of mobile money is growing as fees are reduced and demand increases. Mobile money, plus the incentive to have essentials delivered to homes, will boost e-commerce during COVID and fast-forward a move toward digital commerce.

2) Chinese venture capital is increasingly prominent and not always compatible with the Silicon Valley US model

Chinese firms and funds' approach to investing in the start-up space in African markets is becoming increasingly more prominent and is not always compatible with the more familiar Silicon Valley US model. The African venture capital (VC) industry really only matured into the beginnings of an industry five years ago. To date, it has been dominated by VC firms with deep US or European ties and a traditional Silicon Valley approach whereby funds invest in locally-operating, mostly-African owned tech startups operating in the digital economy.⁹ US Venture capital funding of African start-ups has increased over time; since 2015, funding of African VC tech deals has totaled over 4 billion for African startups across 674 deals.¹⁰ In 2019 alone, funding made up half of the total investment during this period, totaling \$2 billion across 250 deals.¹¹

In contrast, the first significant moves made by Chinese in the startup ecosystem in African markets in 2019 consisted of creating Chinese-owned operating companies. For example, in May 2019, Opera, a Chinese browser company, pledged to invest \$100 million in Africa's digital economy

⁶ Jake Bright, "Africa e-tailer Jumia reports first full-year results post NYSE IPO," *TechCrunch*, February 25, 2020, <http://techcrunch.com/2020/02/25/africa-e-tailer-jumia-reports-first-full-year-results-post-nyse-ipo/>.

⁷ "Jumia defends move to list at NY stock exchange," *The Star*, <http://www.the-star.co.ke/business/2019-04-16-jumia-defends-move-to-list-at-ny-stock-exchange/>.

⁸ "Rocket Internet has sold stake in ecommerce company Jumia," *VentureBurn*, April 7, 2020, <http://ventureburn.com/2020/04/rocket-internet-exits-jumia/>.

⁹ "2019 Africa Tech Venture Capital Report," *Partech*, January 2020.

¹⁰ *Ibid.*

¹¹ *Ibid.*

and most recently launched a bike hailing platform in Nigeria called ORide. The concern with growing Chinese interest and involvement in the digital economy, even at this early stage of development, is that Chinese venture money prioritizes market share dominance over profitability and returning capital to investors in the medium term. Accordingly, the Chinese invest with longer-time horizons, a greater tolerance for experimentation and losing money, and looser structures than Silicon Valley style VC funds.

Note, that in the immediate term, COVID-19 and the resultant recession in African markets has slowed venture capital investment into Africa from across the world, not just from Chinese firms.¹²

3) Chinese telecom infrastructure companies dominate the markets

Chinese telecom infrastructure providers such as Huawei and ZTE dominate the effort to build the backend of the continent's telecommunications infrastructure. Huawei Technologies and ZTE, whose largest shareholder is a Chinese state-owned firm, have established more than 40 third-generation telecom networks in more than 30 African countries.¹³ Additionally, according to Cobus van Staden, a senior China-Africa research at the Southern African Institute of International Affairs, Huawei has built roughly 70 percent of the continent's 4G network.¹⁴

Today, mobile devices have near-universal penetration in Africa's media markets,¹⁵ and increasingly, smartphones are becoming more accessible and affordable throughout the continent. It is estimated that a third, roughly 250 million Africans, own smartphones.¹⁶ Chinese firms are responsible for a large amount of cell phones manufacture then sold on the continent. Transsion, which does not operate in the United States or Europe, dominates the African smartphone space. It holds 40.6 percent unit share under its three brands (Tecno, Indinix, and iTel), ahead of second-place Samsung with roughly 19 percent.¹⁷ These Transsion brands also dominate the featured phone landscape with a combined 69.5 percent share. In 2018, the company sold 133 million phones across Africa, 70 percent of which are considered dumbphones, while 70 percent of the company's revenue came from smartphones.

¹² "Covid-19 *Coronavirus) Drives Sub-Saharan Africa Toward First Recession in 25 Years," *World Bank*, April 9, 2020, <http://www.worldbank.org/en/news/press-release/2020/04/09/covid-19-coronavirus-drives-sub-saharan-africa-toward-first-recession-in-25-years>.

¹³ Andrea Marshall, "China's might Telcom footprint in Africa," *New Security Learning*, <http://www.newsecuritylearning.com/index.php/archive/75-chinas-mighty-telecom-footprint-in-africa>.

¹⁴ Amy Mackinnon, "For Africa, Chinese-Built Internet is Better Than No Internet at All," *Foreign Policy*, March 19, 2019, <http://foreignpolicy.com/2019/03/19/for-africa-chinese-built-internet-is-better-than-no-internet-at-all/>.

¹⁵ "New study reveals African media consumption habits," *African Marketing Confederation*, June 3, 2016, <http://www.africanmc.org/index.php/daily-articles/item/433-new-study-reveals>.

¹⁶ "Africa embraces Huawei despite security concerns," *The East African*, December 24, 2019, <http://www.theeastafrican.co.ke/business/Africa-embraces-Huawei-despite-security-concerns/2560-4908166-15t6impz/index.html>.

¹⁷ "Africa's Smartphone Market Posts Growth, but Uncertainty Around Global COVID-19 Outbreak Casts Shadow over Short-Term Prospects," *IDC*, March 5, 2020, <http://www.idc.com/getdoc.jsp?containerId=prMETA46110420>.

In South Africa, meanwhile, Huawei accounts for 14.5 percent of phones sold, the second-highest share and significantly more than Apple's 4 percent.¹⁸ Chinese phone maker's success comes at their price point. While its competitor's products costs range from \$200 to over \$600, the Chinese companies sell their phones for less than \$100. On a continent where the urban middle class earns less than \$500 a month, Transsion, Huawei, and BBK (Oppo brand) have quickly dominated the smartphone market by providing low-cost alternatives. Their success is seen in the export numbers. Smartphones that cost under \$100 composed of half the total market share in Africa in Q4 in 2019.¹⁹ Supporting its expansion, Transsion recently raised \$6.5 billion through an initial public offering on the Shanghai Stock Exchange's STAR Market technology board.²⁰

Although much of Africa consume media through mobile devices, TV sales are growing among the middle class, and Chinese electronics companies are aggressively pursuing that market. Konka Group has set up a factory in Egypt to serve the regional market and has partnered with Jumia as a sales platform.²¹ In South Africa, Hisense, with investment from the China-Africa Development Fund, operates production facilities in Cape Town and is the leading player in the TV market with more than 22 percent market share.²² By dominating how media is delivered, Chinese companies are literally acting as the window to the world for millions of Africans.

It should be noted, briefly, that COVID-19 has caused temporary closures of factories in China, severely disrupting the supply chain of components used in the production of smartphones and televisions. This supply chain disruption combined with the lockdowns and spreading recession will have vast implications on smartphone and television sales to Africa in 2020.

4) Chinese dominance of telecom infrastructure and new security technologies are creating new standards for the industry

In 2015, China launched its 'Made in China' initiative, which aims to dominate cutting-edge technological industries. However, through this initiative, it is widely reported that Chinese companies have and continue to use African markets as a laboratory to test and improve its artificial intelligence products, including its surveillance technologies, potentially setting lasting technology standards in the process.²³ For example, in 2018, CloudWalk Technology signed a deal with the Zimbabwean government to provide a mass facial recognition program.²⁴ The company is at the cutting-edge, working toward solving problems in the current facial recognition software

¹⁸ "Huawei is beating Apple in South Africa – and is gaining on other competitors," *My Broadband*, August 3, 2019, <http://mybroadband.co.za/news/smartphones/270741-huawei-is-beating-apple-in-south-africa-and-is-gaining-on-other-competitors.html>

¹⁹ Yinka Adegoke, "The Chinese-made, sub-\$100 smartphone is Africa's fastest-growing handset."

²⁰ Jake Bright and Rita Liao, "Africa's top mobile phone seller Transsion to list in Chinese IPO," *TechCrunch*, August 7, 2019, <http://techcrunch.com/2019/08/07/africas-top-mobile-phone-seller-transsion-to-list-in-chinese-ipo/>.

²¹ "Huawei is beating Apple in South Africa – and is gaining on other competitors," *My Broadband*; "African E-Commerce Giants Jumia in Partnership with Konka," *Konka*, <http://www.konka.co.nz/news/JumiaPartner.php>.

²² Gareth Van Zyl, "Hisense mulls doubling SA staff as TV sales soar," *Fin25tech*, January 11, 2017, <http://www.fin24.com/Tech/Companies/hisense-mulls-doubling-sa-staff-as-tv-sales-soar-20170111>.

²³ Amy Hawkins, "Beijing's Big Brother Tech Needs African Faces," *Foreign Policy*, June 24, 2018, <http://foreignpolicy.com/2018/07/24/beijings-big-brother-tech-needs-african-faces/>.

²⁴ Shane Jie, "China exports facial ID technology to Zimbabwe," *Global Times*, April 12, 2018, <http://www.globaltimes.cn/content/1097747.shtml>.

that historically has had trouble identifying people with darker skin.²⁵ With Zimbabwe's weak human rights record, this technology may pose as a dangerous tool in the hands of the government, providing them the ability to establish surveillance infrastructure that may further limit the freedoms of its people, as it has done in China.

Chinese companies such as ZTE and Dahua are also setting the international standards at the United Nations International Telecommunications Union (ITU), similarly providing the infrastructure for facial recognition, video monitoring, and city and vehicle surveillance.²⁶ These standards have been ratified the ITU and are the commonly adopted policies by African nations.²⁷

Currently, eleven Sub-Saharan African nations are deploying Huawei's AI surveillance technologies.²⁸ They include Cote d'Ivoire, Ghana, Kenya, Uganda, Nigeria, Rwanda, South Africa, Zambia, and Zimbabwe. During the COVID crisis, China is greatly expanding its aid to African countries and may support countries with surveillance technologies that can support tracking and tracing that may have other uses beyond the pandemic.²⁹

5) Increasing Chinese security commercial interests in African markets

The recently launched African Youth Survey, which interviewed 4,200 African youths aged 18 to 24, finds that 80 percent of those surveyed view regular access to the internet as a human right.³⁰ However, as China's telecommunication infrastructure expands across the continent, there are concerns around privacy, data protection, and over dependence. Access to the internet, especially in autocratic countries where internet is often restricted or completely shut down during periods of protests and around elections.³¹ In 2019, these shutdowns increased 34 percent from the previous year and included countries that have never used that measure before. A report by Access Now, indicates that globally, in 2019, there were 36 incidents in nineteen countries of internet shutdowns lasting longer than seven days.³² Among these countries include eight African nations including Chad, Ethiopia, the Democratic Republic of the Congo, Eritrea, Mauritania, Sudan and Zimbabwe.

²⁵ Lynsey Chutel, "China is exporting facial recognition software to Africa, expanding its vast databased," *Quartz Africa*, May 25, 2018, <http://qz.com/africa/1287675/china-is-exporting-facial-recognition-to-africa-ensuring-ai-dominance-through-diversity/>.

²⁶ Anna Gross, Madhumita Murgia, Yuan Yang, "Chinese tech groups shaping UN facial recognition standards," *Foreign Policy*, December 1, 2019, <http://www.ft.com/content/c3555a3c-0d3e-11ea-b2d6-9bf4d1957a67>.

²⁷ Ibid.

²⁸ Abdi Latif Dahir, "Chinese firms are driving the rise of AI surveillance across Africa," *Quartz Africa*, September 18, 2019, <http://qz.com/africa/1711109/chinas-huawei-is-driving-ai-surveillance-tools-in-africa/>.

²⁹ Simnikiwe Mzekandaba, "Govt puts mobile tech at centre of COIV-19 mass screening, testing," *itweb*, March 31, 2020, <http://www.itweb.co.za/content/rxP3jqBmKaKMA2ye>.

³⁰ "Africa Youth Survey 2020," *Ichikowitz Foundation*, 2020: 60, <http://ichikowitzfoundation.com/wp-content/uploads/2020/02/African-Youth-Survey-2020.pdf>.

³¹ Yomi Kazeem, "Internet shutdowns in Africa were more frequent and lasted longer in 2019," February 27, 2020, <http://qz.com/africa/1808728/african-internet-shutdowns-were-more-frequent-in-2019/>.

³² Ibid.

Chad's shutdown was the longest in the world—blocking social media apps for 16 months starting in 2018.³³

Further, with the new Chinese-installed surveillance technology, the internet has provided African governments with an entirely new toolbox. A report from the Wall Street Journal indicates that Huawei technicians may have helped cybersecurity forces in Uganda and Zambia intercept the communication and track down political opponents.³⁴ This comes after Uganda purchased closed-circuit television cameras for \$126 million from Huawei ahead of the 2021 election.³⁵

As African countries expand their digital infrastructure, some countries have become increasingly dependent on Chinese companies for their installation and maintenance. The United States has warned that the technology of Huawei and ZTE presents a security risk along similar grounds—that it provides Beijing a backdoor to spy on African governments and its people. But, African network operators have few alternatives as US and European firms are not as active in the region and governments are quickly becoming dependent on Chinese ICT products and telecom infrastructure, especially given tight financial constraints they operate under and the financing terms which Chinese companies offer.³⁶

With Chinese companies facilitating soft loans for governments to purchase equipment, install it, and help manage the systems, companies like Huawei and ZTE have quickly penetrated the African market, making their continued services indispensable. In Kenya, for example, Huawei has installed 1,800 high definition (HD) cameras and 200 HD traffic surveillance systems across Nairobi.³⁷ However, Kenyan citizens have voiced their protest, concerned about where this data will be stored, who will have access to it, and its uses.³⁸ Further demonstrating the pushback that has resulted from the emergence of the surveillance technology, in 2018, China denied accusations that the servers installed in the Chinese-built African Union building were bugged to gain confidential information.³⁹

³³ Abdi Latif Dahir, "After a record 16-month ban, this president has unblocked social media access," July 16, 2019, <http://qz.com/africa/1667263/chads-idriss-deby-unblocks-social-media-after-record-shutdown/>.

³⁴ Joe Parkinson, Nicholas Bariyo, and Josh Chin, "Huawei Technicians Helped African Governments Spy on Political Opponents," *Wall Street Journal*, August 16, 2019, <http://www.wsj.com/articles/huawei-technicians-helped-african-governments-spy-on-political-opponents-11565793017>.

³⁵ Elias Biryabarema, "Uganda's cash-strapped cops spend \$126 million on CCTV from Huawei," *Reuters*, August 15, 2019, <http://www.reuters.com/article/us-uganda-crime/ugandas-cash-strapped-cops-spend-126-million-on-cctv-from-huawei-idUSKCN1V50RF>.

³⁶ Bianca Wright, "Made in China: Africa's ICT infrastructure backbone," *CIO*, March 22, 2020, <http://www.cio.com/article/3533435/made-in-china-africas-ict-infrastructure-backbone.html>.

³⁷ "Video Surveillance as the Foundation of "Safe City" in Kenya," *Huawei*, <http://www.huawei.com/en/industry-insights/technology/digital-transformation/video/video-surveillance-as-the-foundation-of-safe-city-in-kenya>

³⁸ Abdi Latif Dahir, "Kenya's plan to store its citizens' DNA is facing massive resistance," *Quartz Africa*, February 21, 2019, <http://qz.com/africa/1555938/kenya-biometric-data-id-not-with-mastercard-but-faces-opposition/>.

³⁹ Abdi Latif Dahir, "China "gifted" the African Union a headquarters building and then allegedly bugged it for state secrets," *Quartz Africa*, January 30, 2018, <http://qz.com/africa/1192493/china-spied-on-african-union-headquarters-for-five-years/>

China's efforts in maintaining their telecom infrastructure will likely not have been impacted by COVID-19. However, if the spread of the virus persists in Africa and global supply chains remain disrupted, the installation of new equipment may be affected.

6) China's investment in African media markets

China is also rapidly investing in the content and infrastructure for African television programming and digital content development. In 2012, China established CCTV Africa—renamed China Global Television Network (CGTN) Africa in 2016 and made a part of the Voice of China media group in 2018—an English-language news channel run by the Chinese state broadcaster. It was the first international investment in a \$6.6 billion global plan to strengthen China's global presence.⁴⁰ CGTN, with a large broadcasting subsidiary in Nairobi, lacks popular appeal in African markets. But it is offered nearly everywhere.⁴¹

In Kenya, China's Pan-Africa Network Group (PANG) won the right to be one of two broadcast distributors in 2015, when the country switched from analog to digital. Not a single U.S. company competed. There were rumors of corruption in the deal, and PANG is partially owned by StarTimes, a Beijing-based media and telecommunications firm with strong ties to the Chinese government. It has subsidiaries in more than 30 African countries and was selected as the sole contractor for the "10,000 villages" program, designed to bring digital TV services to more than 10,000 villages across 25 African countries and announced by Chinese President Xi Jinping at the Forum on China-Africa Cooperation in Johannesburg in 2015.^{42,43} StarTimes is the Chinese government's primary contractor in carrying out the 10,000 Village Project. As of July 2019, the company was in homes of 10 million subscribers in 30 African countries.⁴⁴

StarTimes, partially owned by the China Development Bank's China-Africa Development Fund, offers middle-class consumers a full range of services in the digital TV sector.⁴⁵ The company's big selling point is its affordability: The most basic digital cable package in Kenya costs just about \$2.50, compared with \$9.50 for the South African-owned DStv. No wonder that it has ten million

⁴⁰ Louisa Lim and Julia Bergin, "Inside China's audacious global propaganda campaign," *The Guardian*, December 7, 2018, <http://www.theguardian.com/news/2018/dec/07/china-plan-for-global-media-dominance-propaganda-xi-jinping>.

⁴¹ Bartholomäus Grill, "China Expands Media Dominance in Africa," *Spiegel*, June 14, 2019, <http://www.spiegel.de/international/world/china-expands-media-dominance-in-africa-a-1272274.html>.

⁴² Isaac Thuku Wahome, "No turning back on digital move, say Information Cabinet Secretary Fred Matiangi," *Standard Digital*, February 26, 2015, <http://www.standardmedia.co.ke/article/2000152904/no-turning-back-on-digital-move-says-information-cabinet-secretary-fred-matiangi>; Samwel Born Maina, "China TV firm has Kenyan partner," *Daily Nation*, February 18, 2015, <http://www.nation.co.ke/news/Pang-British-Virgin-Islands-Digital-Migration/1056-2628208-u72kx0z/index.html>; Jonathan Kaiman, "'China has conquered Kenya': Inside Beijing's new strategy to win African hearts and minds," *Los Angeles Times*, August 7, 2017, <http://www.latimes.com/world/asia/la-fg-china-africa-kenya-20170807-htmllstory.html>; "China's satellite TV project for 10,000 African villages benefits Africa," *People's Daily*, April 9, 2019, <http://en.people.cn/n3/2019/0409/c90000-9564916.html>.

⁴³ "China's satellite TV project for 10,000 African villages benefits Africa," *People's Daily*.

⁴⁴ Jenni Marsh, "How China is slowly expanding its power in Africa, one TV set at a time," *CNN*, July 24, 2019, <http://www.cnn.com/2019/07/23/business/startimes-china-africa-kenya-intl/index.html>.

⁴⁵ Areve Ofstad and Elling Tjønneland, "Zambia's looming debt crisis – is China to blame?," *CMI*, June 2019, <http://www.cmi.no/publications/file/6866-zambias-looming-debt-crisis-is-china-to-blame.pdf>

subscribers across the continent, with 1.4 million in Kenya alone. Even during the current global pandemic, following the closure of schools as a result of government efforts to mitigate the spread of COVID-19, the StarTime's Kenyan subsidiary has launched a homeschool programming.⁴⁶ It presents primary and high school students with the unique opportunity to continue their education thorough audio visual programming that will include live sessions by experienced teachers. Access to this program will come at no cost to subscribers in the month of April 2020.

China's media plays are not limited to expanding or operating its own companies, but also to investing in established African media companies. In South Africa, companies linked to China have a 20 percent stake in Independent Media, the country's second-largest media group, which includes 20 prominent newspapers. The outlet proved less than independent when it drew controversy by canceling a column that focused on the plight of Chinese Uighur Muslims in Xinjiang, a touchy subject for Beijing.⁴⁷

Incidents like this combined with the heavy subsidization of its own content and other investments indicate the seriousness with which China takes its penetration into African media, not merely as a commercial endeavor but also as an instrument of state policy. Some observers have argued that the Chinese government uses its media subsidiaries in Africa much as the Russian government uses RT in Europe; finding the cracks in Western media and filling them with alternative narratives deemed favorable to Chinese interests.⁴⁸

As it has been increasing its media presence on the continent, China is also shaping the careers of African journalists through high-level media cooperation initiatives⁴⁹ and new China-Africa press centers.⁵⁰ Each year about 1,000 African journalists participate in training programs in China with the aim to build deeper understanding and cultural ties with the country.⁵¹ This is a concerning practice given China's history of media coercion and censorship.⁵²

Conclusion: The US still has great potential in the media and digital economy space in African markets

⁴⁶ Molly Wasonga, "StarTimes Launches a Homeschooling Program For Students," *CIO*, April 6, 2020, <http://www.cio.co.ke/startimes-launches-a-home-schooling-program-for-students/>.

⁴⁷ Azard Essa, "China is Buying African Media's Silence," *Foreign Policy*, September 14, 2018, <http://foreignpolicy.com/2018/09/14/china-is-buying-african-medias-silence/>.

⁴⁸ Bartholomäus Grill, "China Expands Media Dominance in Africa," *Spiegel*.

⁴⁹ "The 4th Forum on China-Africa Media Cooperation Held in Beijing and Joint Statement on Further Deepening Exchanges and Cooperation Declared," *Forca Summit*, July 19, 2018, http://focacsummit.mfa.gov.cn/eng/pthd_1/t1578639.htm.

⁵⁰ Darrel Frost, "Even if you don't think you have a relationship with China, China has a big relationship with you," *Columbia Journalism Review*, June 20, 2019, http://www.cjr.org/special_report/china-foreign-journalists-oral-history.php.

⁵¹ "China is broadening its efforts to win over African audiences," *The Economist*, October 20, 2018, <http://www.economist.com/middle-east-and-africa/2018/10/20/china-is-broadening-its-efforts-to-win-over-african-audiences>.

⁵² Geoffrey York, "Why China is making a big push to control Africa's media," *The Globe and Mail*, September 11, 2013, <http://www.theglobeandmail.com/news/world/media-agenda-china-buys-newsrooms-influence-in-africa/article14269323/>.

Despite the influx of Chinese investment into the backend of the continent’s telecommunications infrastructure, venture start-ups, and the media space, the United States still has many assets to leverage and build upon.⁵³ For example, in 2016, CNN established a multiplatform bureau in Lagos to focus on its digital presence in Nigeria,⁵⁴ and Bloomberg launched an Africa edition to target the continent’s growing audience of business and financial professionals.⁵⁵ Netflix has been available continent wide since 2016 and in December 2018 announced it would begin investing in original series from Africa.⁵⁶ The COVID crisis has boosted Netflix subscriptions among more wealthy Africans.

However, US media investment growth in African markets has been relatively slow, and China’s rapidly increasing investment will certainly chip away at the incumbent advantage in the near term. There are several things the United States can do to keep its advantage. It could convene an Africa media and technology investment forum in 2021, for example, which would help identify and address the issues preventing greater U.S. investment in the media sector in Africa’s largest markets. The Administration could also appoint a member of a US media company to the President’s Advisory Council on Doing Business in Africa (PAC-DBIA) and could assign a senior Commerce Department official the task of liaising with top American media and tech companies—YouTube, Netflix, Amazon, WarnerMedia, Facebook, Google, and others—in order to develop a sectoral strategy for advancing opportunities in African markets. Tech giants such as Google and Facebook are already working to capitalize on Africa’s growing internet-connected population, and cheaper data and smartphones will intensify this trend.

By marrying soft power and commercial success, the United States can do much more than simply help the bottom line of American companies—it can win the next generation of hearts and minds in some of the world’s fastest-growing and youngest markets. The COVID crisis will naturally slow private sector interest in African markets in the short term, but the current or future administration should double-down on Prosper Africa efforts to encourage and support American commercial expansion into African markets.

⁵³ Aubrey Hruby, “Making the most of Prosper Africa; Leveraging US competitiveness in African markets,” March 27, 2020, <http://www.atlanticcouncil.org/in-depth-research-reports/report/making-the-most-of-prosper-africa-leveraging-us-competitiveness-in-african-markets/>.

⁵⁴ “CNN Goes Multi-platform in Nigeria,” *Warner Media*, July 14, 2016, <http://www.warnermediagroup.com/blog/posts/20160714-cnn-establishes-multi-platform-bureau-in-nigeria>

⁵⁵ “Bloomberg Launches Africa Edition of Bloomberg.com,” *Bloomberg*, November 15, 2016, <http://www.bloomberg.com/company/press/bloomberg-launches-africa-edition-bloomberg-com/>

⁵⁶ Yomi Kazeem, “Netflix is finally investing in original African content,” *Quartz Africa*, December 3, 2018, <http://qz.com/africa/1482172/netflix-will-commission-original-african-shows/>.

PANEL II QUESTION AND ANSWER

COMMISSIONER BERGEAS: Great. Thank you very much, Ms. Hruby.

This is an opportunity now for Commissioners to begin posing questions. Just as a reminder that each Commissioner will have five minutes.

I'm going to start off first and then move over to Chairman Cleveland. And as co-Chair Bartholomew indicated, we're going in reverse alphabetical order today so if we can, I can keep track of that, bear with me.

Maybe starting us off, Ms. de La Bruyere, you brought up some interesting points. Let me kind of preface from a political standpoint, as well as a communications standpoint, with the public and with members of Congress.

Some folks have asked, well, how do you differentiate an American-style global system compared to an emerging Chinese one? And my default answer is that the American system has, on one hand, company interests in profitability and market positioning. That might be an American -- a very simplistic way of appreciating the American corporate approach.

The Chinese adds a third leg to that stool by looking at the state's strategic objectives, which merges the state, which is why we call it state capitalism.

But my question, first to Ms. de La Bruyere, is you talked about the two market, two resources, and that bleeding into a standards regime and how the new globalization is coming out.

As we speak with members of Congress, or members of the public for that matter, do you have thoughts on how we can articulate what is needed by our policymakers, either at the executive level or at the legislative level, what are the crucial next steps for us to build a coherent strategy -- not just toward Africa, but we'll use Africa as an example -- but toward reestablishing the permanence of what we believe is a preferred style of globalization?

MS. DE LA BRUYERE: Absolutely. First, I think you diagnosed that perfectly. China defines its own approach as state-led and enterprise-driven.

It centralizes holistic, it's subsidized, and it serves an authoritarian, coercive agenda. So, this is an entirely different theme.

In terms of messaging it and narrative, one of the great dangers in what China is doing is it takes place in, like, the least exciting corridors of global affairs. People don't care about logistics standards. Nobody -- fintech doesn't register, except in very niche communities. And this is a new kind of power projection for which we're not framed.

And we certainly, like, haven't figured out how to scope the competition as something that is global, that fuses military and commercial. China has its military-civil fusion strategy, and that you can't just subdivide into geographic or functional areas, which means that the first challenge for the strategy and for the narrative is really just that. Like, needing a strategy and doing this in a way that we have not done, perhaps since the Cold War, and where we certainly can't lean entirely on a Cold War example.

That creates a prioritization logic of geographies, of functional domains, of areas of contestation. It accounts for our strengths and weaknesses, but also for China's, because there are big flaws in their approach.

And that also takes into account the competitive levers that are available to us and where. So, standards are a battlefield.

Like, accounting for China, particular its approach and definition of power, what is the assessment of how that battlefield currently stands, where are the domains in which its fought?

So that's industry groups. It's multilateral organizations. What existing power does the U.S. have on those, and to what degree has Beijing chipped away at that, and how can that be addressed?

Can we go in and double down and actually work in those, do we have to start from scratch and begin with new organizations where they've been totally co-opted, or new relationships where they've been totally co-opted.

And one of, I think, the most important things of this, is China's strategy is holistic and it's centralized. We need a strategy, we can't just respond one-to-one for what China does. And ours has to be governed by a body that's equal across the board. And that's probably going to have to be a new entity, one that exists independently, that is small and focused, that is working in both the narrative and the actual activity-crafting domains. And that has a new mandate to look at this in terms of being global.

COMMISSIONER BORGEAS: Thank you. Any of our two other panelists wish to quickly chime in, in the interest of time?

All right, we will move on to our fearless leader, Commissioner Cleveland. You've got to unmute, I think.

CHAIRMAN CLEVELAND: Oh, sorry. I really appreciate the testimony. It is probably some of the best I've heard on Africa in the past 20 years.

Mr. Morris, I'm going to focus on your testimony. Call me skeptical. It would not probably surprise you.

In the context of debt and debt relief, your colleagues and I worked hard in 2005 with Paris Club and the multilateral banks to provide well over \$200 billion in debt relief to 36 countries total, but 29 in Africa.

And in clearing their balance sheets one of the concerns at the time was moral hazard, that weak governments would see this as an opportunity to borrow again and unscrupulous lenders would step in and once again bring us back to a place of significant debt distress, which I think you outlined in your opening comments.

And so here we are with rising tides of red ink. This morning, one of the witness said that the estimates of Chinese lending is probably around \$150 billion. And there was a recent paper by NBER that suggests that over a long period of time they have studied thousands of loans that China has extended.

And they indicate that probably 50 percent of the loans that China has extended have not been reported to the banks or the IMF and are in fact hidden. So if you add that 50 percent to \$150 billion that we know of, that's a lot of cash in the system that's distorting policy choices, increasing risk and compromising debt sustainability analysis.

So that's the bad news. The good news is, you also identify in your testimony that this is the first time that the PRC has agreed to coordinate on debt with the G20 initiative on debt standstill.

And so, I'm interested in two pieces. Do you share the concern that there may be, in addition to the stated level of debt, of about \$150 billion, you think there is also hidden debt that has not been reported to the IMF and the banks?

And then the second piece of it is, in this, noting that they've agreed to, that any country that agrees to a debt standstill or suspension, that that country will have to report -- this was in your written testimony -- that country will have to report on the actual levels of obligations outstanding. So I'm curious on that point, who do they report to, how do they report, when and how is that navigated?

Do those questions make sense?

MR. MORRIS: Absolutely. No, thank you, Commissioner. I'm very glad you focused on this topic. I agree precisely with your characterization of these issues. Let me try to answer the two specific questions.

So on estimating with the levels of lending, the debt stock associated with China's lending, we only have estimates. And this is a notorious issue.

The Chinese government doesn't report on a consistent or comprehensive basis country-by-country. So we have sort of these leading estimates out there. You identified one that I think is a very strong set of estimates from Horn, Reinhart, and Trebesch.

In fact, we just published yesterday a further elaboration of their work, because as with any estimates, there's some disputes over how you go about this. It really is a difficult task.

They've published their work. The World Bank and the IMF offered some criticism of their estimates, because in some degree they were suggesting that these official bodies that are charged with collecting this data are greatly undercounting.

My sense of this is that they certainly directionally have it right, that we clearly are -- any official estimates we have are low. And the numbers are likely much higher, which only amplifies the degree of concern that we have about debt risk right now.

Now, I will say I have to share your skepticism. As much as I want to seize opportunity here and see the positive, there are real challenges to moving forward. Even on the question of transparency and reporting.

So you're right. The G20 stated this as the obligation of the borrowing countries, if they want to take advantage of a debt standstill, they have to report their data. To whom? Well, there is a system of collecting this information with the World Bank, the Debtor Reporting System.

But it has a lot of gaps and holes because it is depending on countries doing this voluntarily. I will say perhaps the silver lining of a crisis is it does give you the opportunity to get some things done that are hard to do in normal times.

So in this context, namely, you have a lot of countries going to the IMF for bailouts. There is a lot more rigor when the IMF gets involved in looking through the books, scouring the books to make sure they have a complete picture. So I frankly have more confidence that we will get a clearer picture from a bigger group of countries by virtue of those countries having to go to the IMF for programs.

And this action, the weight of the G20, and particularly China endorsing this protocol for better reporting because, to be blunt about it, China's creditor often suppresses efforts for better reporting by the borrowing countries. From a legal sense, they build into their contracts non-disclosure agreements. And that's a real barrier to making progress on this.

COMMISSIONER BERGEAS: Thank you, Mr. Morris. Ms. Hruby, did you have any comments on the question posed by Chairwoman Cleveland?

MS. HRUBY: I think Mr. Morris has covered it well.

COMMISSIONER BERGEAS: All right, thank you. Now, honoring our reverse alphabetical order, we are going to begin with Commissioner Wortzel followed by Commissioner Wessel and then Commissioner Talent.

Commissioner Wortzel, are you there?

COMMISSIONER WORTZEL: I think I am. Have you got me?

COMMISSIONER BERGEAS: We got you.

COMMISSIONER WORTZEL: Okay. This is for Ms. de La Bruyere but any of the panelists might want to comment on it.

Emily, liang ge shi chang, liang zhong zi yuan, two markets, two resources. I mean, to me it seems to go back to a 1990s strategy and the terminology itself. And originally it really meant to do complimentary things. Develop what you can do, get what you need from the outside.

And then sometime in the 2000s it looks like it really got to be more extractive and controlling, and it really talked about empowering domestic enterprises, state and private, whatever private there are, to go overseas and extract or develop resources and control resources, while still developing your own. And it can apply to steel, to agriculture, to minerals, to nuclear power.

So I think the question is, did somehow the United States, as a government, a Congress, miss that? And it kind of explains what happened to our own steel industry.

MS. DE LA BRUYERE: Yes. And this is also why it's so important right now, because two markets, two resources and China's larger strategy are evolutionary and adaptive, and they take opportunities as they come.

So, two markets, two resources picks up steam and gets more extractive with the early 2000s and China's accession to the WTO, because here is a new source of leverage and influence into the global system that can be asymmetrically used. And that's also, not so coincidentally, when China's standardization strategy is first promulgated.

You see it also pick up in aggression in '08-'09 and the financial crisis, which China treats as an opportunity. And yes, you missed both of those, yes, that's the demise of our steel industry. It's also the gradual chipping away of our infrastructure, whether that's real infrastructure like transportation or telecommunications and virtual infrastructures.

And that's what happens right now in this moment of crisis, one beat further if we don't recognize what China's been doing and what it's about to accelerate.

And China is explicitly talking about this in its COVID response strategy. Except this time it's not just about hollowing out industry, it's not just about claiming resources, it's about setting the virtual standards for the world, which are then going to connect to the physical standards to create absolute global control, which is not awesome.

The slightly more positive part of that is that this moment may be the watershed one we need to wake up and not miss it this time around and actually take the competitive response that we should have taken 20 years ago.

COMMISSIONER WORTZEL: Thank you. And if we have time, and any other panelists want to comment, I'll leave it there.

COMMISSIONER BORGEAS: Exactly. Ms. Hruby, would you like to chime in?

MS. HRUBY: I don't, thank you.

COMMISSIONER BORGEAS: All right. Please forgive the background noise, it's the fan on my computer, and that's unavoidable.

All right, moving on to Commissioner Wessel.

COMMISSIONER WESSEL: Thank you all for your testimony and to our Chair, our Vice Chair, and the Staff for a great hearing.

Emily, I appreciate your last comment, although it scares me to death, absolute total control. You know, help me understand this, and other witnesses as well.

We heard from Ambassador Shinn earlier that if one includes timber, 96, I believe, percent of all Africa's exports to China are in extractive areas. And that is probably the right term that China is seeking to extract power, wealth, opportunity from Africa, but is only providing benefits to the extent it enables that extraction. How do we push back on that?

It seems we've been asleep at the switch for a long period of time. Two to three years ago we saw with Huawei, where we began to wake up to their standards, strategy, at the ITU.

All of America, probably the world, has woken up as a result of COVID, as a result of changing patterns of supply, pharmaceutical, PPE, et cetera.

China is engaged in an all of government, all of society approach. What should our response be? What are the most effective tools?

Ms. Hruby, you talked about interests in trade as well. What can we do quickly to try and put the fingers in the dike and hopefully reverse course? Emily, do you want to start?

MS. DE LA BRUYERE: I would love to. Thank you. The first thing I want to say is what we don't do, and that's that we don't respond by just going one-to-one for China.

Just because China is investing in cobalt in the DRC doesn't mean we go there and we keep answering to them, because that's a losing strategy, and that is precisely what China wants us to do. And that's a vulnerability in our response mechanism that they're playing on.

So, then, what do we do? The first step is narrative because that's something we can do immediately and because that's an absolute necessity. We don't manage to respond successfully to China unless we have our private sector onboard and we have our allies onboard, because as you said, this is an all of society question and it's a question of scale. And the U.S. can rival China's scale but only if it does so with its network of allies and partners.

So, that's the first one. And that needs to really hammer home the nature of China's intent and of their motivation, and make that clear across the board because this is bad for everybody, what China is doing.

It serves their short-term interests but in the long run this is not going to help anybody out. And we have an alternative that, for all its flaws, is much more sustainable, and in the long-term, in everybody's interest.

And then from there, once you have that narrative and have -- you get those mechanisms going. So the first step is the government needs to work so that short-term incentives can align with the long-term, whether it's companies or allies and partners, that they can operate in a way that's not immediately detrimental, such that it serves their longer term priorities.

Actually, free trade agreements are a way to do this because the kind of language we have, or the legislation we can pass domestically about, say, like, technology transfer, the real concern about that is we can't extend that internationally. But you can use free trade agreements as a way to codify this with our allies and partners.

So that's, like, one example of how you do this in a multilateral frame, or with systems like NATO, and maybe ones that aren't traditionally used for this kind of a response, but that are still useful, have not been co-opted and have more teeth and room for movement than other ones.

And then private sector, again, suddenly COVID-19, we have more leverage over the private sector, perhaps right now, than it has in some time, so if relief efforts are seeking to mobilize the private sector or help the private sector make those also oriented around view.

MS. HRUBY: So, maybe I can jump in here.

COMMISSIONER BERGEAS: Yes. Please.

MS. HRUBY: Because I think the benefit of a hearing like this is you get to hear different views. And while I do believe there are some real challenges to the Chinese commercial footprint in African markets and how fast it's evolved, I don't know if I see a world of total domination.

Instead I see that African countries have greater choice than they've ever had in terms of partners, and their needs are enormous. Even in a post-COVID economic recovery space,

especially for the oil producers, the needs for investment are going to be astronomical, far beyond what China itself can invest. And it's clear that China's investments are also flatlining.

What I think the U.S. needs to do, and I've written a ton on this in my own writing for the Atlantic Council, is to really double down in our areas of competitiveness. We need to continue to be a world leader in media and entertainment.

Hollywood, Nollywood, those kind of partnerships shape the world view, the frame of mind of millions and millions of African young people. I believe that the movie Black Panther did more for us than, like, five trips by Pompeo could have, right?

So, these kind of things are our assets and we've been lazy about them. We've been lazy about them for years in terms of finding ways to collaborate.

Why isn't there a Hollywood-Nollywood taskforce that's looking for partnerships between the film industries in African markets and Hollywood? Our own Secretary of the Treasury made his career financing films.

And yet, some of the biggest constraints to African creative industries is a lack of finance, figuring out how to mobilize financing of the creative industries.

So things that align with the aspirations of Africa's youth -- which are a billion. They're going to be a billion young people, one in four workers globally.

So we can find ways to align with the aspiration of the youth, which is something that we've always done well. Through Silicon Valley, through entertainment, et cetera. It's just that we haven't had an active effort to mobilize interests.

We sit on a very large market. We have a developed market mindset, which doesn't always make American companies as readily accessible to the opportunities in African markets.

And we've lost our pioneer spirit to some extent. I was raised in Colorado, cowboys. There is this -- we needed the pioneer spirit again to go out into new markets, like we did in the post-war era. And you don't see that as much.

Now, Prosper Africa exists to try to mobilize new waves of American investment, but we haven't mobilized our ability to tell stories, to do marketing. We invented modern marketing and yet we don't market the opportunities internally well enough to American companies to see them. They tend to go to Mexico or the nearby proximate places.

So, we just haven't mobilized the things that we're good at. And there is a lot of areas of African need. If you think of a Venn diagram that intercepts (telephonic interference).

COMMISSIONER BORGEAS: Thank you.

MS. HRUBY: Thank you.

COMMISSIONER BORGEAS: All right, our next Commissioner question will be directed toward Commissioner Talent.

COMMISSIONER TALENT: Thank you, Andreas. That was an extremely dynamic exchange.

And does anybody, Mr. Chair, would anybody object if I asked unanimous consent to allow Emily a couple of minutes to respond?

I just thought that was a very revealing exchange, and I do have a question which may take up my five minutes, otherwise I would yield time. Does anybody object if --

COMMISSIONER BORGEAS: I don't object. I would also open it up to Mr. Morris, if he has some insights as well. Let's start the clock at a total of five. Emily, rebuttal.

COMMISSIONER TALENT: I'm not yielding my time, I want to be clear.

(Laughter.)

COMMISSIONER TALENT: Is there any --

MS. DE LA BRUYERE: Thank you. I'm going to start off my rebuttal by saying that I agree.

Hollywood is incredibly valuable, Silicon Valley. These are America's assets, but they are subverted. China has invested in Hollywood studios so that it could rewrite Hollywood scripts. And there are examples of this, of a villain who is originally Chinese being written -- rewritten to not be Chinese because that's not in Beijing's interest.

Similarly, Silicon Valley pings to China's weaponization of capital, weaponization of integration, risks fueling Beijing's asymmetric approach to innovation.

China invests in Silicon Valley's startups so that it can acquire the R&D that we put our resources into. It also invests in Silicon Valley's startups so that it can influence their development.

And this is precisely the two markets, two resources approach. So yes, 100 percent, we should double down on those.

But we should also double down on them in a competitive fashion because China is taking advantage of them in a competitive fashion. And we can't simply let our strengths go by the wayside and say it's because we're being lazy about them when they are being supported by our competitor.

COMMISSIONER BERGEAS: All right, well, thank you. Mr. Morris?

MR. MORRIS: You know, one thing I would add, it's just to emphasize, I think it is important to grapple with what the current crisis presents to China in particular in terms of the risk. I think historically people who have -- there has been the problem of overestimating the risk to the Chinese economy over time and predictions have collapsed, anything can happen.

All of that said, this crisis, as it is in the U.S. and other wealthy economies, represents a huge economic shock for the Chinese economy.

We've sort of already adjusted our mindset to somehow China has moved on from this pandemic, that they have recovered. They have not, certainly economically.

And I think if -- at best for them, this will be some kind of pause on their overseas activities. But what they are facing are very severe risks given the scale of investment they have in other countries, particularly in countries where the risks were high before the crisis.

COMMISSIONER TALENT: Right.

MR. MORRIS: We got used to the idea of China being this -- the leading creditor to the world, this dominant actor globally. That was over a period -- really a benign period in the global economy. It created a lot of space for them to do what they were able to achieve. It always carries risk.

They are now confronted with an unprecedented scale of economic risk. As, again, as all major economies are, but it presents particular vulnerabilities to them. And I think we should keep that in mind even as we try to think about the long-term of our response.

COMMISSIONER BERGEAS: Thank you. And if we could have the timekeeper reset for Commissioner Talent's question so he gets his full allotment. Commissioner Talent, back to you.

COMMISSIONER TALENT: Commissioner Chairman, I really appreciate that. And I will try to keep this within the five minutes, so I'm going to direct it at Mr. Morris.

With regard to this debt picture -- now, my understanding is that Beijing has lent money very aggressively and with distinctly different objects than international lending institutions and other countries have done.

So it's to capture markets, extract and dominate resource sectors, get diplomatic leverage.

And we're going to hear the next panel talk about -- to be able to give them opportunities for points of entry from a security standpoint, as they develop a globally expeditionary force.

So the downside for them always was -- and you just mentioned it so this is a good lead in -- that they're extended very heavily. And that a lot of these investments are not investments that you would make from an ROI point of view.

So here is my question. I want to do anything we can to help these African countries that are strained by the combination of this debt and the pandemic. But I absolutely don't want to do anything that's going to end up helping China.

So in other words, I don't want bail out the African countries if that's simply going to enable them to bail out the Chinese. I'm not an expert on debt, I'm not like you or a number of the other Commissioners, so how do we do this without relieving the Chinese of the downside of their strategy in lending money?

Does that make sense? Did I state that --

MR. MORRIS: No, absolutely, thank you, Commissioner. I think this is a real concern. I think it actually reflects concerns already, if not explicitly, stated.

They clearly are there among the other leading countries -- the G7 countries, basically, they are not interested in being generous on debt relief if China isn't fully onboard.

And this is -- going back to Commissioner Cleveland's comments, there is a lot of uncertainty about how this proceeds. I think it was a good step forward to see this coordinate action, coordinated action, by the G20, but it sort of anticipates what is needed in terms of deeper debt relief, particularly for the poorest countries.

None of that can help if China isn't fully onboard. China is the largest of these creditors, often larger than the World Bank, but certainly larger than all the other government creditors. The U.S. really isn't much of a player these days when it comes to direct lending to other governments.

I have to say, the signals that I see already cause me some concerns. So for example, the statements attributed to Ministry of Commerce in China suggesting, well, some loans, yes, we will be open to restructuring, but there is another class of loans that we won't.

These distinctions they're making don't have anything to do with the way the rest of the world looks at government lending. They are setting their own standards and rules for how we might go about this. That's not going to work.

So my fear is not so much that the U.S. and other countries will proceed with debt relief in a way that essentially will be, as you suggest, will be allowing money to flow back to China as a creditor. My greater fear, frankly, is that we will see that problem, and therefore we will get no agreement.

That really depends at the end of the day on China. I think it's a legitimate concern for other countries taking scarce aid money, providing it in this crisis, period, when we are facing deep challenges at home.

It's a legitimate concern as to how that money might flow within those countries. It should be flowing to address the pandemic itself and the economic effects.

So, all eyes on China, we'll see. I think there are certainly good actors within the system in China who at least are well-versed in how the international community would like to approach this, but I think there are competing forces. And it's not clear to me yet how this becomes resolved and sort of represents Chinese policy going forward.

COMMISSIONER TALENT: Okay, I appreciate that. In other words, we don't provide the debt relief if the result is that these countries are then going to repay China. I mean, that's no

relief for the countries, that's relief for China.

And I appreciate that very much. And thanks again to the witnesses, this is a great panel.
(Simultaneous speaking.)

COMMISSIONER TALENT: -- five seconds.

MS. HRUBY: If I could make a comment on the debt issue real quick because I --

COMMISSIONER BORGEAS: Please.

MS. HRUBY: -- think it's a choice between terrible choices.

So it's not that we're, like, making this discussion of, oh, help countries just so they can pay back China, no, we're going to talk about mass hunger, poverty. African countries are going to retract in their growth rate for the first time in 25 years, yet population growth is a mere -- is about 2.7 percent.

So the number of people living in abject poverty that are going to try to immigrate however they can, I mean, we are talking about deep human costs here. And so my view is, it's a choice between one terrible choice and another.

And really we, the money going back to pay China, I think what's going to have to happen, and China has already agreed with the G20, is that there are going to moratoriums on debt payments, whereby the money that's given in that period has to be used to address the (telephonic interference).

COMMISSIONER BORGEAS: Thank you. All right, moving on to Commissioner Lewis.

COMMISSIONER LEWIS: Thank you very much for the panel advising us about the economic interests of China in Africa.

I would like to ask them all a simple question. For us to have greater influence in Africa, it seemed to require that Chinese influence be less than it is now.

What are the Chinese vulnerabilities in Africa right now that the United States can take advantage of in trying to increase American influence in Africa? And that's a question for all three panelists.

MS. HRUBY: So, I can start. So, again, I don't necessarily agree with the premise that it's a zero sum game, that they have to lose out on influence for us to gain. I don't think that's the starting point at this.

I think there are many areas where we can really excel, education for one. Our education systems are the best in the world, at a tertiary level.

And now with the digital economy and with education tech soaring during COVID, we have an opportunity to help shape the minds of millions and millions of young people. And that's an opportunity that I think we have because we have well and strong brands in education.

So can we create educational partnerships whereby we don't have to give visas to the students, because in a COVID world they're not going to travel anyway? What are the platforms with which we can deliver American tertiary education with the kind of ethos and culture that comes with it, to millions of young Africans?

Likewise, I think there is a lot we can do in the entertainment space that create the continued ethos. People fell in love with the American dream, especially post-war, what it meant, the kind of coolness of it all.

I think there is so much to be done in that space that it's a great opportunity that we face. So, I don't think that China has to build one less bridge and we build one more bridge to get influence.

In fact, the roads, bridges, rail, that Chinese companies have built are taking Coca-Cola

over them. Making it cheaper for Coke to deliver in many countries. So in that sense I think that there is some symbiotic relationship.

The way -- the big area that I think is difficult is in the telecommunications and the data space and the kind of surveillance space. That's where I think the conflict, I think is more head-to-head in terms of value. There's (telephonic interference).

COMMISSIONER BORGEAS: Thank you. Any other folks wishing to comment? Mr. Morris.

MR. MORRIS: Yes. So, I mean, I think one aspect of this is there is a basic question of who is going to do a better job of helping countries through a crisis. Because the answer for me still, as it would have been, and has been historically, is the United States. We are the largest provider of humanitarian assistance in the world.

What's interesting though is that China seems to be putting more of a PR battle. It's very high, highly visible humanitarian gestures, not just to the poorest countries frankly, to wealthy countries too. That shouldn't detract from the underlying reality that we are, and should be, leading a lot of the efforts to help the most vulnerable countries during this crisis.

I think there are reasons why we may not be perceived that way. I think there are aspects of our policy that are misguided. I think a multilateral component of this is important. Our political leadership has chosen to engaged in a fight with key multilateral institutions. At this moment I think that's, it's not healthy for the crisis response globally. And then frankly, it's not good, exceptionally with the U.S.

So I do think the crisis itself is a bit of a test as to how the U.S. and China are perceived by the rest of the world.

COMMISSIONER BORGEAS: Thank you. Ms. Bruyere, do you have a last comment?

MS. DE LA BRUYERE: Yes. I would probably define it by two buckets of things. First, vulnerabilities and China's relationships to its targets. Because those 100 percent agree.

There are instances of restructuring or rejection or policy collapse on the part of the entities or mechanisms China is working with. So we should, A, be able to identify those, and also be able to encourage them. Because there are certainly tensions to be encourage like, as was just pointed out, the difference between China's rhetoric and reality. Chinese racism. Which is (telephonic interference).

Also, the tension between China's economic growth from this and the labor company, other economic growth in the part of the African country that targets.

And the second, and very quick, is (telephonic interference). It benefits from having a deliberate strategic response that has been going on for decades. But that response is not as dynamic or flexible as it could be. So where are there changes in which commodities are valuable or which areas are valuable, where we, because we can be more dynamic, might be able to take advantage of those and work around their present approach?

COMMISSIONER BORGEAS: Okay, thank you very much.

COMMISSIONER LEWIS: Is corruption an issue that can help us?

COMMISSIONER BORGEAS: I'm, Commissioner Lewis?

COMMISSIONER LEWIS: Can I ask another question? Is corruption an issue in China that we can take advantage of in our relations with the African countries?

COMMISSIONER BORGEAS: If --

COMMISSIONER LEWIS: I'd like Emily to answer that question.

COMMISSIONER BORGEAS: If it's okay, if we have time for a second round. I think we're pushing time right now, Commissioner Lewis.

COMMISSIONER LEWIS: Okay.

COMMISSIONER BORGEAS: I think we're going to need to move on to Commissioner Lee. But I would like to come back to that question because it is important. Commissioner Lee.

COMMISSIONER LEE: Thank you, Commissioner Borgeas. And thank you so much to the witnesses, to all three of you, for your excellent testimony and the really interesting and provocative conversation that we've had so far.

So I wanted to talk, I wanted to pick up on something Ms. de La Bruyere said about the Chinese government, that the strategy is both holistic and integrated. You know, and the United States is almost the opposite. We've certainly seen the downside of that during the pandemic, even something which shouldn't be so incredibly difficult to muster the production of personal protective equipment and ventilators has seemed very difficult for a wealthy industrialized country like ours.

But we've also seen that more broadly over the last couple of decades, not just during the pandemic, the lack of investment in infrastructure and lack of coordination, as you mentioned, between the private sector, the U.S. government, and our allies. But some of the things that we've talked about today, or in general, that the Chinese government does are savvy and strategic. And others violate international rules and norms.

And I think it's important to distinguish between those two things. There are some things that we could and should emulate, that we should be more foresightful, we should be more strategic, we should have more a whole of government approach to things. But there are other places where the Chinese government is really undermining international norms and violating international rules. So we have to be able to marshal international leverage to oppose effectively.

So starting with Ms. de La Bruyere, but I'm interested in the others' views as well, of the concerns that you've raised today, are there places where there are international rules and tools that we can and should be using? I know you mentioned trade agreements as one way of setting standards. But are the current international rules useful to us? And if not, should we be trying to change and strengthen those rules so that they can work not just for us but for the entire world? Thank you.

MS. DE LA BRUYERE: Thank you. Yes and yes. China goes against, in what it does, both the spirit and the law of the international system. In theory, we should be able to use that to compete. That is challenged by the fact that China has subverted, as we've already talked about, a lot of our multilateral systems and mechanisms.

So international trade law, that should be something that we can use in spades. In fact, often China manages to weaponize that against us. Because we take recourse in legal systems, pieces get bogged down, slowed down. In the meantime, China renames a company and keeps doing what it's been doing. And so we're fighting this whole thing in an imaginary world over here, and China is just keeping it. So there's like, you know, a two-step process, or two buckets of things, again.

First, wherever we can, we need to actually do that in a competitive way. So bog China down with fake cases. Take slews, and slews, and slews, because China is acting in a way that goes entirely against all of our legal systems.

And in the next bucket, look at where that's not possible. So which of our multilateral systems can no longer do what they're supposed to do anymore? And where that's the case, what's our alternative? Is there a different system that can be rejiggered and work for that, or do we need to come up with a new one entirely and have that be composed of a certain group of

players who we can trust, who have leverage, and who are going to be willing to maintain the norms and values for which we stand?

COMMISSIONER LEE: Thank you very much. I don't know, Aubrey, Ms. Hruby?

MS. HRUBY: Yes. So I would just interject with I think we have to beware of looking at China with a monolithic view. I think that framework got us in trouble during the Cold War several times in thinking about Communism as one thing with a centralized plan executing, like, an octopus out there.

I don't necessarily believe that's the case. I do think there are ties, obviously between state-owned enterprises, and there are in-company ties. But there are a lot of companies that are Chinese operating in Africa that feel left out by the system. There are small Chinese companies that are doing manufacturing and others that don't like their Embassy, because they don't get access, they don't feel like they get heard.

There's lots and lots of Chinese economic players that are not part of this master plan. They're out there seeking opportunity like pioneers looking for opportunity in new lands, and finally get in African markets. And so I do think it's a challenge to think of China, like, it's a challenge for us to adjust our thinking to be nuanced enough that we can recognize these different elements of the Chinese commercial footprint.

I do think we need to zero in, as this administration has been, on the telecommunications infrastructure piece and the security of data and privacy. None of us what to live in a world where we're socially monitored all the time. And I think COVID is giving excuse for that in many, many countries that are more inclined towards that kind of intrusion in personal life and personal freedom. That's what we need to be worried about, and that's where we need to keep our focus, in my view.

COMMISSIONER BORGEAS: Thank you.

VICE CHAIRMAN BARTHOLOMEW: Anything to add or, okay. Thank you.

COMMISSIONER BORGEAS: All right, moving on to Commissioner Kamphausen.

COMMISSIONER KAMPHAUSEN: Mr. Chair, in light of the lengthy earlier discussion and the background noise here where I am, let me yield my time back.

COMMISSIONER BORGEAS: Okay.

CHAIRMAN CLEVELAND: Commissioner Lewis to please mute, because we're getting a lot of background noise from him. So if we could ask him to mute, that would be helpful.

COMMISSIONER BORGEAS: Great. And moving on to Commissioner Fiedler.

COMMISSIONER FIEDLER: I want to take somewhat of a historical perspective here. I would posit that there was a vacuum in Africa that the United States didn't fill and the Chinese did, and that our history of multinational, our policies being driven by the interests of multinational extractive companies, mining companies historically in Africa, affect our thinking about Africa. And, also the Africans' thinking about us.

In other words, we have not demonstrated, it seems to me, on a policy level and a government level, any real interest in Africa ever, for that matter. And so our credibility is not all that great. And I also don't see how we fill this vacuum by market sort of capitalism where U.S. companies suddenly say, oh gee, there's a market there. There's a bunch of young people. Because that's fairly obvious, and they haven't reacted.

So I'm not as optimistic about confronting Chinese progress in Africa given U.S. company disinterest and U.S. government. And your rhetoric, all these things, is clearly designed to move people. But I don't have any money, okay, to invest. But I don't see it

happening. There are very large obstacles to it happening in the current world.

MS. HRUBY: I can comment. Thank you, Commissioner. I really appreciate an historical view. It speaks to my heart, because I try to think that way as well. It helps us take ourselves out of our narcissistic time, to some extent.

And so, you know, my view is you're right. And many times there was a vacuum. We, at the Atlantic Council, hosted the Foreign Minister of Angola. And he said why did we go with China and dig in? Because they were there after the war. They were there offering opportunities in terms of investment of infrastructure, and we needed to rebuild. There was no one else.

That was the kind of view that many of the countries took. So there was a vacuum at times, and American companies weren't there in new form. Again, many American companies have been there, Cargill, ADM, Coca-Cola, GE, P&G. Many of these companies have been there for decades and decades. It's the next wave that haven't been there, that aren't yet very global in their nature.

And I do think they see the opportunity, but often they see too much risk because of how their viewpoint of Africa has been shaped by global media, that it's been famine, it's been war, et cetera. They don't necessarily see the risk in real terms, so there's a misperception of risk, real risk, and misperception of risk. What U.S. government can do -- go ahead.

COMMISSIONER FIEDLER: Can I interrupt for a second? U.S. companies have been there for a long time. But it was the Chinese that started to build roads.

MS. HRUBY: Correct. But I would argue that ---
(Simultaneous speaking.)

COMMISSIONER FIEDLER: It helped form an economy. So I'm not particularly friendly to the Chinese, as folks know, but I'm talking about, if all these companies were so interested, I mean, they built roads from the mine to the port.

MS. HRUBY: Yes.

COMMISSIONER FIEDLER: Okay. So our short sightedness has been extreme over a long period of time. And I just don't see ---

MS. HRUBY: So I would argue that's because our economy is a service-based economy. We stopped building roads in our own country. Look at our own infrastructure. It's ---

COMMISSIONER FIEDLER: Yes. But we stopped building roads after we had a lot of them.

MS. HRUBY: We, for example, had infrastructure, but if you look at the 1880s railroad that was built transcontinentally, 100,000 Chinese laborers worked on that. We've always had external aspects of infrastructure. We've built a lot of our own infrastructure.

But then we became a service-based economy that is fundamentally not as competitive in infrastructure building. So I don't think we were ever going to step into the infrastructure gap. But there are many other gaps we could have stepped into from an opportunity perspective.

But let me say where we are today. Today, because of the perception of a Chinese competitive threat, we have far more resources to support American companies. If you look at the new Development Finance Corporation, it's double the size of OPIC, and it has new powers that are important for dealing with the real risk that companies face, not misperception of risk but the real risk that they face in the market. And so with these new tools, hopefully in this COVID world, we can --

(Telephonic interference.)

COMMISSIONER BERGEAS: Thank you. I appreciate the spirited debate. Mr. Morris, would you like to comment on any of Commissioner Fiedler's insights?

MR. MORRIS: Yes, I'll just be very brief. I'm sympathetic with him. I think what I would say, I agree. China has made a choice to effectively subsidize public infrastructure in other countries. We're never going to make that choice.

I mean, you know, I'm similarly skeptical of the idea that we will offer a better alternative in some states, which would come through, presumably, you know, massive public/private partnership kinds of arrangements. And, you know, the track record of that stuff just isn't that good, to be honest.

So to me, the U.S. agenda is more about creating the right disciplines around what China is doing, make sure that, you know, they are adhering to standards that we would expect, that we've established, the multilateral mechanism.

And, you know, again I'm just more skeptical about uses of our own money that try to provide the so-called alternative in the United States, namely a lot of the public infrastructure.

COMMISSIONER BERGEAS: Thank you. Commissioner Borochoff?

COMMISSIONER BOROCHOFF: Thank you very much. And I just want to say that this has been a tremendously exciting hearing for me. Because it hits dead on to things that I'm most interested in aside from the overall China issue.

First, let me say to Mr. Morris, I'm not going to have enough time to, I could make a 30-minute speech on all of these items myself. If it's okay, I'm going to ask a question of you later, maybe in writing if we don't get a chance to do it in person. With Ms. Bruyere and Ms. Hruby, I want to say that my perception is you're both saying the same thing and just coming at it from a completely different angle with the same end result.

In difficult times, one thing I can tell you as a business guy is that's where everybody makes the most money. And both of you are effectively saying that we have a challenger on a variety of planes, economic being the primary one at the moment. And that primary economic issue is being used as a weapon against us in other fields.

And I think you're both saying that, from a viewpoint of moving forward, marketing is our biggest opportunity, whether it's marketing to the entertainment industry and giving them some kind of value proposition, or whether it's creating this new small fleet of foot entity, Ms. Bruyere, that you mentioned.

Which both of those things, I sat there as a person with experience in taking ideas to market and got very excited, so I have a question for both of you. It's sort of the same overriding question, slightly different, trying to approach it from the viewpoint you both did.

Ms. Bruyere, I'm going to give you a great opportunity. I think you've put a lot of thought into this idea of having one new organization that's small and sort of a strike force to change the perception. So if you had an opportunity to do that, if you've thought about it, what would you call it? How many people would it entail, what would their top two charges be? I know it's involved in changing perceptions of us.

And then, Ms. Hruby, what is the value perception or the value proposition for a film maker? And are you thinking that this new international development corporation would help underwrite it in order to encourage them to go there? Whichever, go first, Ms. Bruyere.

MS. DE LA BRUYERE: Yes. So first of all, the role, like, who's in this entity? Part of the reason we have failed to address this competition is a disjuncture between our private sector and our government as well, of course, as the corresponding misalignment between our government and those of our allies. And the corollary of that is our failure to adapt for new trends in what competition, and power, and benefit entail in a modern world.

Just actually, I think, we are, much of what the two of us are saying, so aligned. It's that

the value system is just different. And whether that's in terms of standards and new type systems, or the goal of narrative, things have changed, and we haven't kept up. So I think that means you need entities from, say, the five new and old competitive domains that matter and that are most important for a network and standards-based world.

So you take one from tech, one from finance, one from physical infrastructure systems/resources, a legacy government player, and a narrative player. And maybe we'll give them six and add a military presence, because military/civil fusion is a thing. As for a name, I'm going to go with the Office of Competitive Strategies.

COMMISSIONER BOROCHOFF: Very interesting. Thank you. Ms. Hruby?

MS. HRUBY: Yes. So I really like the idea of having kind of a coordinating mechanism. I mean, Prosper Africa is supposed to do that. And so maybe it's a Prosper Africa budget that actually includes the ability to do things, mobilize capital domestically.

You know, USAID doesn't normally spend money domestically. So spending and having an actually active campaign, I know that the leadership there is thinking about such things. And we do have someone at the National Security Council whose job it is to follow Chinese competitiveness or us, competitiveness with China in Africa and the U.S. So we have some of these folks. I just don't know if they have the resources necessary.

And really, my view on the film and the Hollywood angle is that, you know, there is going to be a global audience. And that global audience doesn't look just like White people, not at all. That's not what the global audience looks like. And what the incentive is to collaborate, and you're seeing it already. Netflix is already launching an African kind of storytelling. So they're investing in some of it already as they're seeing their subscriptions grow on the Continent.

And why it's so important from a developmental lens for African countries, it's a non-rival good which means if a Nigerian film maker produces a film, it can be exported. You can watch it, you know, in Nigeria. And Americans can watch it. I can watch it, anyone can watch it here. But it also can be shown locally. It's a non-rival good.

So your export, your domestic market, and it can be done digitally during COVID and in a post-COVID world where constricted movement is a reality. Whereas tourism, the countries that depend no tourism really are going to suffer. So that's why I'm very bullish on the creative industries.

And it makes for cultural ties. If you look at the number of Nigerian musicians who are doing collaborations with American musicians today, just as a product of the market, Warner Music has invested recently, Apple subscriptions are going up. So the market is showing it and driving it. So I don't know if DFC is --

COMMISSIONER BERGEAS: Thank you.

MS. HRUBY: -- analytic there as in other sectors. Because it's already happening.

COMMISSIONER BERGEAS: Thank you very much. And moving on to our final set of questions from Chairwoman Bartholomew, Carolyn?

VICE CHAIRMAN BARTHOLOMEW: Yes, thank you very much. Thank you to our witnesses. It's really interesting, and I hope, somehow in my questions, I can tie together a couple of the issues that you have all raised.

Ms. Hruby, I actually really appreciate your enthusiasm and your creativity in terms of what is it that we have to offer that we could be selling, right, and would just note, if my colleagues haven't watched it, Netflix has done its first original African series called Queen Sono which is a crime series set in South Africa. It's really interesting. So Netflix at least made a step

in.

But, Ms. Hruby, I guess one of the things, you know, particularly when I heard you mention Angola, but it's not just in Angola, I mean, putting aside the perception that American companies have about Africa which is, you know, it's old, it's outdated, you said all of that.

But Angola also, in particular, I mean, it's not just that we didn't take advantage of opportunities. But it is things like the Foreign Corrupt Practices Act which, by the way, I am not advocating that we remove.

But China both doesn't have those kinds of restrictions, the Chinese government and Chinese companies don't have those kind of restrictions, and they also provide a cheaper alternative, you know, because of the subsidization of what they do.

So I'm not quite sure how our companies can position themselves when they are still working on a free market model, and China has the state-controlled model. That's one thing.

Mr. Morris, I'm going to tie this in also to something that Ms. Hruby said which is I want to follow-up on what Senator Talent asked about. You know, how do we, when you think about human costs of another debt crisis, which certainly looks like it's heading towards another debt crisis, it is not that the Chinese government is naive about that happening, right?

I mean, they have just presumed that we and others will be able to step into that void, because we have this concern about human costs that I'm not sure that they have. So I guess I'd just like some reflection on that.

I mean, they know what they're doing with all of this debt. And I am presuming that they are expecting that they are not going to have to pay the costs for it. So that's just one issue.

And then finally, for Ms. de La Bruyere, with your two markets, and two resources, and the whole sort of structure that you talked about, is there anything left of the global commons if China's model and value system takes over?

So it's sort of diverse. I would say any of you who want to pick apart any of the pieces of that, I'd appreciate it.

MS. HRUBY: Sure, thank you, Commissioner. I'll start on your question around FCPA. I would also add to that NGO scrutiny. And so, yes, American companies face a compliance risk that is much greater than other emerging market companies, not just Chinese, Indian companies operating there, Thai companies operating, et cetera.

So it's really hard, because I've worked as an advisor to many multinationals. I've worked with 30, 40 American multinationals in African markets. I can tell you that their general counsel is involved in commercial decisions in a way that they wouldn't be in other markets, if they were entering other markets.

And so we have created a beast. And obviously, the purpose of the FCPA is very important. But the fear of it and the fear of the costs create incredible calculation on the risk return of operating in these markets.

And I would add, in addition to FCPA, it's the fact that there are so many NGOs operating in Africa. It's got the most NGO per capita compared to India or other emerging markets. And so what happens is there's so much scrutiny that the companies feel they face that if there's one little thing that, like, the brand, the reputational risks will also be very great.

So I don't know how we address that. It's something that I'm glad we're vocalizing and that you're talking about in this Commission. Because it is a competitive burden that we carry in this race. And, you know, I do think there's ways to operate with, you know, without corruption and with the highest levels of standards without having the burden of FCPA concern looming over everything for major multinationals. So it is a concern, and it is something that we struggle

with from a competitive footing.

VICE CHAIRMAN BARTHOLOMEW: Mr. Morris, your thoughts on what ultimately happens with this giant amount of debt out there?

MR. MORRIS: Right, no. Thank you, Commissioner. It's a good question and, you know, I'm struck, your phrase that they know what they're doing. Because the question is do they, in the sense, as I said earlier, they haven't experienced this.

You know, they scaled up lending in a period where there was always a project or a country that was in trouble. And they would step in and restructure the loan, and not with transparency. It's often hard to understand their positions and terms.

But they haven't experienced this before in the way that a lot of us, you know, countries like the U.S. did go through a major round of debt relief across a large number of countries. This time around, frankly, it's going to be a larger number, probably double the number so-called HIPC countries.

So in part, I just don't think China has organized itself to where it's thinking to approach a situation like this. So, you know, maybe it's an overly sympathetic view to them, but I don't necessarily think they are approaching this with the mindset of how can we get away with being a free rider. The problem is, in effect, that is the effect of their behavior.

And, you know, it may be that the best way to think about their mindset is that they are acting as private creditors for that. You know, private creditors don't have a public obligation. It's not their jobs to worry about the health effects of a crisis.

You know, they have a contract, and they're going to enforce the contract they have with the borrower. That's very much China's mindset about this, that these are essentially commercial activities, and we're going to approach them that way. If a project or a country gets into trouble, we're going to restructure that debt. But don't ask us to take a meaningful haircut.

You know, these are the kinds of things that are creating challenges for the system and that, you know, China has not yet --- sort of flipped the script, be a responsible stakeholder as a government lender versus acting as a collector.

VICE CHAIRMAN BARTHOLOMEW: Thank you. And, Ms. de La Bruyere, could we have a quick answer, and maybe a bigger answer in writing? Because I know it's a big question.

MS. DE LA BRUYERE: Absolutely. I mean, the short answer is you nailed it. That's precisely why two markets, two resources works, because it competes for the global commons. And we see that as a collaborative, cooperative domain. And China sees it as a competitive one, so it weaponizes integration into the global commons, and that's the root of our global systems.

So we don't realize that that, and China competes for both existing global commons and the future ones. We don't realize that's where the battlefield is, so we're busy measuring different things. And we don't notice that the architecture for our world has been turned into a competition. And we end up cooperating with that, because we see these as cooperative areas.

And just very quickly, I'd say one of the really great examples of this is China is trying to export local standards for international logistics across domains which is literally the global commons, because that's movement in the maritime, in the air, in these common areas.

And that lets them set the rules for global exchange which is something that we see as cooperative. But if you can control global exchange, you define power in a globalized world.

VICE CHAIRMAN BARTHOLOMEW: And this, of course, is a big area in which we have had a competitive advantage. So thank you to all of our witnesses. I'll let Commissioner Borgeas close this panel.

COMMISSIONER BORGEAS: I want to thank all three of our panelists for taking time

out of their schedules and allowing us to have their insights and discourse, certainly engaging in this format through WebEx and other virtual meetings. I had some technical elements, so thank you for your patience. And, of course, thank you to the Commission staff and my colleagues.

We are now moving into the lunch hour. California time, it's 10 o'clock. It's 1 o'clock D.C. time, and so we're going to take probably about a 35 to 40 minute break. We'll be a few minutes late but then moving to our third panel which will be China's Military and Security presence in Africa. So we'll see you back here in about 35 to 40 minutes.

(Whereupon, the above-entitled matter went off the record at 1:00 p.m. and resumed at 1:38 p.m.)

PANEL III INTRODUCTION BY VICE CHAIRMAN CAROLYN BARTHOLOMEW

VICE CHAIRMAN BARTHOLOMEW: Welcome back, everybody, to the hearing of the U.S. China Economic and Security Review Commission. Thank you again to the Senate Recording Studio who is being so helpful to us and doing the live stream. Thank you to our staff, our team who put this hearing together. And at this time, I'm also going to thank Jameson Cunningham who is new to our staff but has been working the tech stuff for us as well as Congressional and communications. So thank you for all the work that you're doing.

Our final panel today will examine China's strategic goals for its military activities in Africa and the geopolitical consequences of its growing military and security presence across the Continent. We will start with Joshua Meservey, Senior Policy Analyst at the Heritage Foundation. He specializes in African geopolitics, counter-terrorism, and refugee policy.

Mr. Meservey served as a Peace Corps volunteer in Zambia before joining a refugee resettlement organization based out of Nairobi, Kenya. He later worked at the U.S. Army Special Operations Command and the Atlantic Council's Africa Center before joining the Heritage Foundation.

Mr. Meservey will discuss the strategic goals of China's military and security activities in Africa. He has not testified before the Commission before, but we're eager to hear his insights. Welcome, Mr. Meservey, we look forward to your testimony.

Next, we would like to welcome back Mr. Paul Nantulya, a research associate at the Africa Center for Strategic Studies at the National Defense University. Mr. Nantulya testified before the Commission in February on China's military power projection in Africa.

I have to note that this is the first time that I can recall that we actually had a witness come back twice within the course of a couple of months. He just is so interesting and so impressive. His expertise includes African security issues, Afro-East Asian partnerships, and China-Africa relations.

His forthcoming book manuscript examines the influence of traditional Chinese strategic culture on China's military strategy and statecraft in the Western Pacific. His testimony today will focus on China's efforts to establish itself as a preferred military partner for China's African militaries.

As I mentioned, he last testified before the Commission in February, and at that time he spoke about China's military power projection capabilities. Welcome back, Mr. Nantulya, we look forward to hearing from you.

And finally, we'll hear from Judd Devermont, Director of the Africa Program at the Center for Strategic and International Studies. Mr. Devermont is also a lecturer at The George Washington University's Elliott School of International Affairs. Prior to joining CSIS, he served as the national intelligence officer for Africa from 2015 to 2018. Mr. Devermont will share his expertise on Beijing's use of military and security assets to protect its economic interests in Africa.

He has not testified before the Commission, but we are also eager to hear his insights. Welcome, Mr. Devermont, we look forward to your testimony. Mr. Meservey, we will begin with you.

OPENING STATEMENT OF JOSHUA MESERVEY, SENIOR POLICY ANALYST, HERITAGE FOUNDATION

MR. MESERVEY: Distinguished members of the Commission, thanks very much for this wonderful opportunity to testify today. Chinese security cooperation with African countries began from the early days of modern China's independence.

Despite this long history however, Beijing's military ties with African countries have been relatively weak for the last 20 years compared to the intensity of its economic and diplomatic initiatives.

That has started to change, however, over the last decade, plus, we have witnessed a series of firsts for Chinese security activities in Africa. A few examples include Chinese Naval vessels joining the anti-piracy patrols in the Gulf of Aden in December of 2008, in 2012 Chinese combat troops joining the U.N. Peacekeeping mission in South Sudan, the overseas military base in Djibouti opening in 2017, and the inaugural China-Africa Defense and Security Forum kicking off in Beijing in 2018.

The flurry of activity is designed, as with everything the Chinese government does, to help the Chinese Communist Party prolong its rule. Since the CCP does not derive legitimacy from the consent of the Chinese people, it must justify its strangle hold on power by convincing them it is ably reading the country.

This manifest in the Chinese government security initiatives in Africa, which are designed to protect the large Chinese diaspora there, demonstrate to the Chinese people that the CCP is restoring China to its lost position of global prestige, portray the Chinese government as a responsible global actor to the international community, ensure African countries continue diplomatic support for key Chinese foreign policy goals, support the Chinese economy, gain experience for its military operating far afield and in unfamiliar climates and geographies, and finally displace U.S. influence.

A distinguishing feature of this engagement is its integrated approach. Beijing's military, diplomatic, and economic activities are mutually reinforcing. Consider South Sudan. During negotiations to expand the mandate of the peacekeeping operation there, to which China contributes troops, Beijing successfully lobbied to include the protection of civilian oil workers.

Chinese companies own major stakes in South Sudan's oil fields, and Beijing even asked to have its peacekeepers deploy to the those oil-producing areas. Furthermore, this new commitment by the U.N. to protect oil workers effectively aligned peacekeepers with the South Sudanese government, a Chinese ally.

One of the most gripping and interesting questions surrounding China-Africa military cooperation is whether it will include another permanent Chinese military base on the continent. My cautious analysis is that it seems unlikely in the short term, barring an irresistible opportunity for Beijing. But China is setting the conditions for establishing one in the medium to long-term wishes.

I was based in Djibouti as the result of a confluence of factors that currently does not exist anywhere else on the Continent. No other African country has such a strong combination of strategic relevance, a willingness to host foreign military bases, and deep ties to Beijing.

The Chinese government's growing security relationship with African countries may, in fact, be designed in part to obviate the need for a permanent base while simultaneously paving the way for building one if necessary.

Beijing's interests are currently well served through its strong relationship with African

countries that likely guarantee access for its forces in case of an emergency. In fact, China may already have a military base on Africa's Atlantic coast. Namibia's coastal town of Swakopmund hosts a Chinese satellite tracking station as part of its civilian space program.

Given China's commitment to dual use technology and its aggressive militarization of its space program, the Swakopmund station may be an asset of the PLA Strategic Support Force, the unit that oversees and integrates the PLA's cyberspace and networking efforts.

In parsing where Beijing might wish to put another base, we have to guess what purposes the Chinese government would want such a base to serve. If it wishes to simultaneously support as many of its interests as possible, Beijing would probably seek an economically important region with a large Chinese diaspora in countries that are relatively stable, friendly, strategically located, and with good port facilities that already have a strong Chinese presence.

In this scenario, Indian Ocean states in east and southern Africa would have much to recommend them, especially Tanzania and Namibia. Given China's dependence on shipborne trade, the Pacific and Indian Oceans are by far the most relevant bodies of water for Beijing's strategic calculations.

There are also large Chinese diaspora populations in Southern Africa, particularly in Angola, South Africa, and Zambia. South Africa has by far the largest stock of Chinese foreign direct investment on the Continent while nearby Zambia has the third largest stock. Angola, meanwhile, between 2000 and 2017, received more Chinese loans than any other African country while Zambia received the fourth most.

Beijing might try to establish another base to address a specific concern, such as its national security interests. This would likely mean a base somewhere on the Indian Ocean, given Chinese strategists worry over vulnerable sea lines of communication.

In this scenario, a base in Eritrea would, in combination with its Djibouti base, give China a commanding presence on the important Bab-el-Mandeb Strait. Or it could look to the Comoros Islands, sitting as they do where the Mozambique Channel opens into the broader Indian Ocean.

Despite the uncertainty of if, when, or where China might establish another base in Africa, it is certain that protecting U.S. interests in the face of an aggressive competitor requires an approach as determined and holistic as the CCP's efforts to reshape the global order.

To that end, I just very quickly recommend that the U.S. maintain and, where practical, enhance security cooperation with African states, speed up implementation of the Prosper Africa initiative, confidently advocate for American values and the benefits of partnering with the United States, focus on governments with which a mutually beneficial and strategic partnership is possible, provide technical expertise to help African countries get the best possible deals from Chinese investments, and encourage transparency from Beijing and its African borrowers on the terms and scale of Chinese lending.

Thank you again very much for this opportunity. And I look forward to your questions.

**PREPARED STATEMENT OF JOSHUA MESERVEY, SENIOR POLICY ANALYST,
HERITAGE FOUNDATION**

CONGRESSIONAL TESTIMONY

“China’s Strategic Aims in Africa”

Testimony before the
U.S.–China Economic and Security Review Commission

May 8, 2020

Joshua Meservey
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The Heritage Foundation

I want to start by thanking the Commissioners for this opportunity to testify today. The views I express in this testimony are my own and should not be construed as representing any official position of The Heritage Foundation.

A Long History

Chinese security cooperation with African countries began from the early days of modern China’s existence as an independent country. Chairman Mao Tse-tung even then recognized Africa as an important potential source of support for his ambitions to win recognition as the mainland’s official government from the rival Nationalist government in Taiwan, and to position China as the leader of the developing world in opposition to “imperialist” countries such as the U.S. and USSR.¹ Despite China’s deep impoverishment at the time, Mao supported

some African revolutionary groups with training, exchange visits, and materiel.

Those historic ties are an important facilitator today of Beijing’s relationship with many African countries. Chinese officials frequently tout Beijing’s support for African liberation movements—though they frequently exaggerate the extent, consistency, and sincerity of that support²—and some of its strongest military relationships are with those countries whose liberation struggle they aided.

Despite this long history, Beijing’s military ties with African countries have been relatively weak compared to the intensity of its economic and diplomatic initiatives. For about the past decade, however, the Chinese government has begun to noticeably

¹ U.S. Central Intelligence Agency, “China’s Role in Africa: Special Report Weekly Review,” Washington, D.C.: GPO, February 25, 1972, <https://www.cia.gov/library/readingroom/docs/CI-A-RDP08S02113R000100080001-0.pdf>.

² Joshua Meservey, “China’s Propaganda in Africa Hurts U.S. Interests—and the U.S. Must Counter It,” Heritage Foundation *Issue Brief* No. 4920, November 19, 2018, <https://www.heritage.org/sites/default/files/2018-11/IB4920.pdf>.

increase its military and security activities in Africa. Consider the following:

- Between 2005 and January 2020, Beijing increased the size of its troop contributions to U.N. peacekeeping operations (PKOs) from 1,059 to 2,544 personnel. Nearly all Chinese peacekeepers are deployed in Africa.³
- Three People’s Liberation Army Navy (PLAN) vessels joined the international anti-piracy patrols in the Gulf of Aden in December 2008, the first time in the modern era that Beijing deployed naval vessels in a military operation that far afield.⁴
- The Chinese government arranged the evacuation of nearly 36,000 Chinese

from Libya in 2011 in an operation unprecedented in scale for China.

- In 2012 and 2013, Beijing for the first time deployed combat troops to a PKO when it sent small infantry units to South Sudan and Mali, respectively.⁵
- In July 2013, Chinese Foreign Minister Wang Yi publicly announced that China would send “comprehensive security and peacekeeping troops” to Mali,⁶ signaling a shift away from China’s prohibition on sending combat troops to U.N. peacekeeping theaters to do anything other than protect Chinese nationals.
- In 2014, China sent an infantry battalion to the peacekeeping operation in South

³ “Troop and Police Contributors,” United Nations Peacekeeping, undated, https://peacekeeping.un.org/sites/default/files/3_country_and_mission_16.pdf (accessed April 22, 2020).

⁴ Alison A. Kaufman, “China’s Participation in Anti-Piracy Operations off the Horn of Africa: Drivers and Implications,” CNA, July 2009, https://www.cna.org/CNA_files/PDF/D0020834.A1.pdf (accessed May 5, 2020).

⁵ Beijing insisted the troops were not intended for combat, but were rather “guard troops.” The distinction appears to center on the different missions assigned to the troops. The combat-capable troops deployed to South Sudan and Mali in 2012 and 2013, respectively, were tasked with guarding other Chinese peacekeepers. The battalion China deployed to South Sudan in 2014 that it ballyhooed as the “first [Chinese] infantry to participate in a United Nations peacekeeping mission” appears to have been operating under the U.N. mandate that had a robust authorization to protect civilians. Thus, the Chinese troops were not just guarding other Chinese peacekeepers, but were also greenlighted to use force to protect non-Chinese peacekeepers and civilians. Beijing was likely so scrupulous with its language on this issue because allowing Chinese combat troops to participate in offensive operations during a PKO would have violated official stated policy at the time of the 2012 South Sudan deployment. It was only later, in July 2013, that Foreign Minister Wang Yi signaled a change to allow Chinese combat troops to participate in kinetic action beyond safeguarding

other Chinese, when he publicly declared that China would send “comprehensive security and peacekeeping troops” to Mali, language that seemed to indicate China’s official stated policy had changed to allow Chinese combat troops to fully participate in U.N. peacekeeping operations. For a Chinese state media article describing the 2014 infantry battalion, see “China to Send First Infantry Battalion for UN Peacekeeping,” *China Daily*, December 22, 2014, https://www.chinadaily.com.cn/china/2014-12/22/content_19142019.htm (accessed May 5, 2020). For Wang Yi’s remarks, see “Exploring the Path of Major-Country Diplomacy With Chinese Characteristics,” Ministry of Foreign Affairs of the People’s Republic of China, June 27, 2013, https://www.fmprc.gov.cn/mfa_eng/wjb_663304/wjbz_663308/2461_663310/t1053908.shtml (accessed May 5, 2020). For an examination of China’s 2012 deployment of combat-capable troops to UNMISS, see Daniel M. Hartnett, “China’s First Deployment of Combat Forces to a UN Peacekeeping Mission—South Sudan,” U.S.–China Economic and Security Review Commission, March 13, 2012, https://www.uscc.gov/sites/default/files/Research/MEMO-PLA-PKO_final_0.pdf (accessed May 5, 2020). For Beijing’s insistence the infantry component of its 2013 Mali deployment were not for combat, see “China to Send Security Force for Peacekeeping Mission in Mali,” *Xinhua*, June 28, 2013, <http://en.people.cn/90786/8303006.html> (accessed May 5, 2020).

⁶ Wang Yi, “Exploring the Path of Major-Country Diplomacy With Chinese Characteristics.”

Sudan,⁷ the first time it deployed combat troops with a mandate allowing them to protect non-Chinese nationals.

- China's second Africa policy paper, released in 2015, included a section on African peace and security nearly twice as long as the same section in its inaugural 2006 Africa policy paper.⁸
- In 2017, China opened its first overseas military base in Djibouti.⁹
- In August 2017, Beijing for the first time deployed a helicopter unit to a PKO when it sent one to Darfur, Sudan.
- In 2018, China hosted the inaugural China-Africa Defense and Security Forum in Beijing.
- In November 2019, in another first, China, Russia, and South Africa held a joint naval exercise off the South African coast.

The Why

The unprecedented flurry of Chinese security activity in Africa is designed, as with everything the Chinese government does, to help the Chinese Communist Party (CCP) maintain power. Since the CCP does not derive legitimacy from the consent of the Chinese people, it must justify its stranglehold on power by convincing them it is ably leading the country.

This need manifests in the Chinese government's security activities in Africa, which are designed to:

- **Protect the large Chinese diaspora in Africa.** There is no reliable count of how many Chinese live on the continent, but one of the most common estimates puts their number at around one million. Chinese nationals are spread throughout Africa, sometimes in remote locations, including in notoriously volatile countries such as South Sudan and the Democratic Republic of the Congo. The 2011 Libya evacuation will almost certainly not be the last such operation Beijing must carry out in Africa.
- **Demonstrate to the Chinese people that, under CCP rule, China is being restored to its lost position of global prestige and prominence.** The 2011 Libya evacuation not only probably saved Chinese lives, but it also became a source of national pride. Chinese commentators hastened to explain how the operation demonstrated China's development into a global power deserving of the world's respect.¹⁰
- **Portray the Chinese government as a responsible global actor willing to shoulder the burdens of maintaining a peaceful world order.** Beijing's current, intense disinformation

⁷ "China to Send First Infantry Battalion for UN Peacekeeping."

⁸ "China's African Policy," Ministry of Foreign Affairs of the People's Republic of China, November 20, 2006, <https://www.fmprc.gov.cn/zflt/eng/zgdfzcc/t481748.htm> (accessed May 5, 2020), and "Full Text: China's Second Africa Policy Paper," *China Daily*, December 5, 2015, http://www.chinadaily.com.cn/world/XiattendsParisclimateconference/2015-12/05/content_22632874.htm (accessed May 5, 2020).

⁹ This despite Beijing's assertion in a 1998 defense white paper that it does not establish bases on

foreign soil. "China Military Power," Defense Intelligence Agency, 2019, https://www.dia.mil/Portals/27/Documents/News/Military%20Power%20Publications/China_Military_Power_FINAL_5MB_20190103.pdf (accessed March 5, 2020).

¹⁰ Ding Ying, "Out of Libya," *Beijing Review*, March 6, 2011, http://www.bjreview.com/print/txt/2011-03/06/content_338897_3.htm (accessed May 5, 2020), and Shi Jiangtao, "Lessons to Learn from Libyan Evacuation," *South China Morning Post*, March 5, 2011, <https://www.scmp.com/article/739925/lessons-learn-libyan-evacuation> (accessed May 5, 2020).

campaign around the COVID-19 pandemic is a reflection of this preoccupation, and it manifests in its Africa policy as well. A theme of Chinese propaganda on the continent (and elsewhere) includes calls for reforming what Beijing sees as a global order dominated by the West, specifically the U.S., which, Beijing contends, is an undemocratic and unfair arrangement. The proper reforms will lead to a “multipolar” world and a “community of shared destiny” that is fairer and more just and which would, happily for Beijing, mean greater global influence for China.¹¹ A prerequisite to realizing this ambition is for the CCP to convince the world it is worthy to assume a more prominent position in global affairs.

- **Ensure African countries’ continued international diplomatic support.** African countries are among the most faithful supporters of Beijing’s international agenda, and China’s participation in security-related initiatives such as U.N. peacekeeping

operations, counterpiracy operations, and counterterrorism contributes to building the goodwill and sense of obligation that drives some of Africa’s support for Beijing’s foreign policy.

- **Support the Chinese economy.** China not only buys natural resources from Africa—it is the largest importer of sub-Saharan African minerals, for instance¹²—but the continent’s commanding position on maritime chokepoints such as the Bab el-Mandeb Strait makes it strategically important to China’s shipborne trade.¹³ Chinese security engagements may facilitate Chinese investment as well, as it signals to Chinese investors Beijing’s strong relationship with, and commitment to the security of, a particular country.¹⁴

Insecurity endangers the extensive Chinese investments on the continent as well. Chinese companies dominate South Sudan’s oil sector, for instance, and the civil war there stirred such concern in Beijing that it took an unprecedentedly

¹¹ At the inaugural Forum on China–Africa Cooperation in 2000, Chinese President Jiang Zemin spoke of the need for China and Africa to cooperate on “the establishment of an equitable and just new international political and economic order.” Beijing’s most recent Africa policy paper released in 2015 cheered the progress towards a “multi-polar world,” though it also lamented that the task was not yet finished. For Jiang’s remarks, see “China and Africa: Usher in the New Century Together—Speech by President Jiang Zemin of The People’s Republic of China at the Opening Ceremony of The Forum on China–Africa Cooperation,” Ministry of Foreign Affairs of the People’s Republic of China, undated, <https://www.fmprc.gov.cn/zflt/eng/zyzl/zyjh/t157712.htm> (accessed May 5, 2020). For China’s 2015 Africa policy paper, see “Full Text: China’s Second Africa Policy Paper.” For an excellent analysis of the CCP’s efforts to “reform” the global order, see Liza Tobin, “Xi’s Vision for Transforming Global Governance: A Strategic Challenge for Washington and Its Allies,” *Texas National Security Review*, Vol. 2, No. 1 (November 2018),

<https://tnsr.org/2018/11/xis-vision-fortransforming-global-governance-a-strategicchallenge-for-washington-and-its-allies/> (accessed May 5, 2020).

¹² Nellie Peyton and Richmond Tholley, “No Pot of Gold for Locals as China Mines Sierra Leone,” Reuters, August 22, 2019, <https://www.reuters.com/article/us-leone-mining-rights/no-pot-of-gold-for-locals-as-china-mines-sierra-leone-idUSKCN1VCOIM> (accessed May 5, 2020).

¹³Thirty percent of the world’s shipping transits the Bab el-Mandeb Strait. Katrina Manson, “Jostling for Djibouti,” *Financial Times*, April 1, 2016, <https://www.ft.com/content/8c33eefc-f6c1-11e5-803c-d27c7117d132> (accessed May 5, 2020).

¹⁴In Djibouti, for instance, Chinese investment has increased since the opening of the PLA base there. Li Ruohan, “Investors Feel more ‘Assured, Confident’ by Presence of China’s base in Djibouti,” *Global Times*, July 5, 2018, <http://www.globaltimes.cn/content/1109587.shtml> (accessed May 5, 2020).

active role in trying to mediate an agreement between the warring parties.¹⁵

Africa is an increasingly important market for Chinese arms as well. Between 2013 and 2017, the continent bought 21 percent of the arms exported by China, a 55 percent increase from 2008–2012. Beijing is capturing a growing share of African expenditures on weapons, from 16 percent of sub-Saharan African weapons acquisitions between 2008 and 2012, to 27 percent from 2013 to 2017.¹⁶ Not only do Chinese companies benefit from selling the weapons themselves, but the sales give them a lead position on providing servicing, training, and spare parts. The sales also make African militaries more interoperable with the Chinese military, and is yet another thread binding countries to China and its purposes.

- **Gain experience for its military operating far afield and in unfamiliar climates and geographies.** The People's Liberation Army (PLA)

conducts live-fire exercises in Djibouti to acquaint itself with its new operating environment, gain experience cooperating with African militaries, and hone its tactical skills.¹⁷ Its peacekeepers have operated on many parts of the continent, giving a cadre of Chinese servicemen operational experience and local knowledge, as well as the opportunity to gather intelligence on the tactics and materiel of other troop-contributing countries.¹⁸ The Chinese appear to be testing weapons as well, specifically a laser that on multiple occasions in 2018 it fired at U.S. airmen.¹⁹

- **Displace U.S. influence.** Even as Beijing has gained on or overtaken the U.S. in many measures of engagement with Africa, the U.S. remains many African countries' preferred partner in security cooperation. However, just as China has methodically targeted key nodes of American global influence elsewhere, its increased enthusiasm for security ties to African partners is likely designed in part to chip away at the great advantage

¹⁵Peter Fabricius, "Should China's New Approach to Africa be Labelled 'Non-Interference with Chinese Characteristics?'" Institute for Security Studies, November 6, 2014, <https://issafrica.org/iss-today/beijings-peace-making-efforts-in-south-sudan> (accessed May 5, 2020).

¹⁶Pieter D. Wezeman et al., "Trends in International Arms Transfers, 2017," SIPRI *Fact Sheet*, March 2018, https://www.sipri.org/sites/default/files/2018-03/fssipri_at2017_0.pdf (accessed May 5, 2020).

¹⁷Zhoa Lei and Zhou Jin, "Live-Fire Exercises Conducted by PLA Base in Djibouti," *China Daily*, November 25, 2017, https://www.chinadaily.com.cn/china/2017-11/25/content_34966883.htm (accessed May 5, 2020), and Mike Yeo, "Satellite Imagery Offers Clues to China's Intentions in Djibouti," *Defense News*, November 8, 2017, <https://www.defensenews.com/global/mideast-africa/2017/11/08/satellite-imagery-offers-clues-to-chinas-intentions-in-djibouti/> (accessed May 5, 2020).

¹⁸Mathieu Duchâtel, Richard Gowan, and Manuel Lafont Rapnouil, "Into Africa; China's Global Security Shift," European Council on Foreign Relations *Policy Brief*, June 2016, <https://www.ecfr.eu/page/-/Into Africa China%e2%80%99s global security shift PDF 1135.pdf> (accessed May 5, 2020).

¹⁹Chinese naval vessels and fishing boats have also fired similar lasers at U.S. and Australian military assets in the South China Seas. Aaron Mehta, "Two US Airmen Injured by Chinese Lasers in Djibouti, DoD Says," *Defense News*, May 3, 2018, <https://www.defensenews.com/air/2018/05/03/two-us-airmen-injured-by-chinese-lasers-in-djibouti/> (accessed May 5, 2020), and Euan Graham, "Australian Pilots Hit with Lasers during Indo-Pacific Exercise," Australian Strategic Policy Institute, May 28, 2019, <https://www.aspistrategist.org.au/australian-pilots-hit-with-lasers-during-indo-pacific-exercise/> (accessed May 5, 2020).

the U.S. military's extensive partnerships on the continent give it.

An Integrated Approach

A distinguishing feature of China's engagement strategy for Africa is its integrated approach. Beijing's military, diplomatic, and economic activities all reinforce one another. Even though Beijing's surge in military initiatives on the continent is relatively recent, there are already examples of how it uses those activities to enhance its diplomatic and economic engagements, and vice-versa.

Djibouti is one of the best examples. China owns Djiboutian debt equivalent to about 75 percent of Djibouti's GDP,²⁰ and in 2017 China Merchants Port, a Chinese state-owned enterprise (SOE), opened the Doraleh Multipurpose Port, the largest terminal in Djibouti port. China funds about 40 percent of the major infrastructure projects in Djibouti as well.²¹ The extensive economic and diplomatic ties with Djibouti that Beijing spent years cultivating paid off when the Djiboutian government allowed China to build the base, despite American concerns.²²

South Sudan is another instructive example. During negotiations to expand the mandate

of the peacekeeping operation there—known as the U.N. Mission in South Sudan (UNMISS)—Beijing successfully lobbied to include the protection of civilian oil workers. South Sudan once supplied about 5 percent of China's oil imports, and Chinese companies own major stakes in the country's oil fields that Beijing wants protected—it even asked to have its peacekeepers deployed to the oil-producing areas. Furthermore, the new commitment effectively aligned U.N. peacekeepers with the South Sudanese government,²³ a Chinese ally.

There are many examples of Beijing leveraging its economic activities in Africa to further its political goals, a task we should expect its military engagements to support. One of those examples is currently ongoing in Mozambique, where the Chinese government is paying for the construction of an airport that has little prospect of ever being economically viable, but which is in the heart of the ruling party's support base.²⁴

A core tactic within Beijing's integrated approach in Africa is to build relations with the most senior African officials possible, and use those relationships to facilitate activity that serves its foreign policy goals. The Chinese government has consistently,

²⁰John Hurley, Scott Morris, and Gailyn Portelance, "Examining the Debt Implications of the Belt and Road Initiative from a Policy Perspective," Center for Global Development, March 2018, <https://www.cgdev.org/sites/default/files/examining-debt-implications-belt-and-road-initiative-policy-perspective.pdf> (accessed May 5, 2020).

²¹Erica Downs, Jeffrey Becker, Patrick deGatego, "China's Military Support Facility in Djibouti: The Economic and Security Dimensions of China's First Overseas Base," CNA China Studies, July 2017, https://www.cna.org/CNA_files/PDF/DIM-2017-U-015308-Final2.pdf (accessed May 5, 2020).

²²Contrast this episode with Djibouti's rebuff of a basing request from Russia, which had far fewer

meaningful ties with Djibouti than did China. Manson, "Jostling for Djibouti."

²³To top it all off, American taxpayers picked up part of the bill, as the U.S. is the world's largest financial contributor to U.N. PKOs. Colum Lynch, "U.N. Peacekeepers to Protect China's Oil Interests in South Sudan," *Foreign Policy*, June 16, 2014, <https://foreignpolicy.com/2014/06/16/u-n-peacekeepers-to-protect-chinas-oil-interests-in-south-sudan/> (accessed May 5, 2020).

²⁴"Mozambique News Reports & Clippings, number 482," The Open University, April 20, 2020, <http://www.open.ac.uk/technology/mozambique/news-reports-clippings-2020> (accessed May 5, 2020).

over many years, heavily invested in relationship building. The most recent iteration of its triennial Forum on China-Africa Cooperation in 2018 gathered more African heads of states than did the U.N. General Assembly two weeks later.²⁵ Between 2008 and 2018, China's three most senior leaders collectively visited Africa 79 times to call on their counterparts there.²⁶ Since 1966, Chinese companies have built or renovated at least 186 government buildings across Africa,²⁷ many of which were partially or fully funded by the Chinese government.

Furthermore, Beijing attaches no conditions, such as Western-style demands for governance reforms or respect of human rights that some African rulers find so vexing, to its aid and lending. This inaptly named "non-interference" policy²⁸ results in African rulers often using aid from Beijing to disproportionately benefit their home regions,²⁹ fueling the patronage systems that help them maintain power.

Its military engagements have followed the same blueprint. Beijing has hosted or trained senior African military leaders for decades, including men such as Sam Nujoma of Namibia and Laurent-Désiré Kabila and his son, Joseph Kabila, of the Democratic

Republic of the Congo, who went on to lead their countries. The new China–Africa Defense and Security Forum that hosted nearly 100 senior African defense officials—including 15 chiefs of general staff and defense ministers³⁰—and which ran for two entire weeks, is consistent with Beijing's philosophy on cultivating senior Africa leadership with an array of blandishments. The Chinese government will certainly maintain those relationships, and make use of them if necessary.

Is Another Chinese Base Looming?

Chinese–African military cooperation seems destined to continue and to expand. It is hard to predict whether that cooperation will include another permanent Chinese military base in Africa. My cautious analysis is that it is unlikely in the short term, barring an irresistible, easy opportunity, but that Beijing is setting the conditions for establishing one in the medium to long-term if it wishes to.

China's base in Djibouti was the result of a confluence of factors that currently does not exist anywhere else on the continent. No other African country has such a strong combination of strategic relevance to China, a willingness to host foreign military bases, and deep ties to Beijing. The Chinese

²⁵Abdi Latif Dahir, "Twice as Many African Presidents Made it to China's Africa Summit than to the UN General Assembly," *Quartz*, October 5, 2018, <https://qz.com/africa/1414004/more-african-presidents-went-to-chinas-africa-forum-than-un-general-assembly/> (accessed May 5, 2020).

²⁶Kemi Lijadu, "Chinese Leaders Visit Africa More Often than You Think and not Always the Places You Expect," *Quartz*, July 26, 2018, <https://qz.com/africa/1335418/chinese-leaders-visit-africa-more-often-than-you-think-and-not-always-the-places-you-expect/> (accessed May 5, 2020).

²⁷Forthcoming report by the author.

²⁸Joshua Meservey, "The U.S. Should Call China's 'Non-Interference' Policy in Africa What It Is—A

Myth," Heritage Foundation *Issue Brief* No. 4878, July 6, 2018, https://www.heritage.org/sites/default/files/2018-07/IB4878_0.pdf.

²⁹Axel Dreher et al., "Aid on Demand: African Leaders and the Geography of China's Foreign Assistance," *AidData Working Paper* No. 3, November 2014, http://docs.aiddata.org/ad4/files/wps3_aid_on_demand_african_leaders_and_the_geography_of_chinas_foreign_assistance.pdf (accessed May 5, 2020).

³⁰"Feature: Overview of 1st China-Africa Peace and Security Forum," Ministry of National Defense The People's Republic of China, July 17, 2017, http://eng.mod.gov.cn/news/2019-07/17/content_4846012.htm (accessed May 5, 2020).

government's growing security relationship with African countries may, in fact, be designed in part to obviate the need for a permanent base (while simultaneously paving the way for eventually building one if it becomes necessary). Beijing's interests are currently well served through its strong relationships across the continent that guarantee access for its forces, such as when PLA Air Force planes used Sudan as a waystop when evacuating citizens from Libya in 2011. Chinese companies also already have a strong presence in at least 46 African ports,³¹ likely ensuring access for Chinese naval or other military assets if necessary.

China may already have a military base on Africa's Atlantic coast. Namibia's coastal town of Swakopmund hosts a Chinese satellite tracking station as part of its civilian space program. Given China's commitment to dual-use technology and its aggressive militarization of its space program, the Swakopmund station may now be an asset of the PLA Strategic Support Force, the unit that oversees and integrates the PLA's cyber, space, and networking efforts.

Despite China's influence in Africa, many governments there would be reluctant to grant China rights to build a permanent base on their territory, given how controversial it would be with their citizens. Djibouti is an exception as its practice of granting foreign military basing rights is long-established and accepted. Beijing would have to pressure some African countries to accept a military base, an approach it usually abjures

³¹Judd Devermont, Amelia Cheatham, and Catherine Chiang, "Assessing the Risks of Chinese Investments in Sub-Saharan African Ports," Center for Strategic and International Studies, June 4, 2019, <https://www.csis.org/analysis/assessing-risks-chinese-investments-sub-saharan-african-ports> (accessed May 5, 2020).

in favor of subtler forms of persuasion, though, of course, the Chinese government would not hesitate to coerce a reluctant government if it was critical to its national interests.

If, and perhaps when, Beijing decides another African base is necessary, it might look for a location that would support the most Chinese interests simultaneously. In that case, Beijing would probably seek an economically important region with a large Chinese diaspora, and countries that are relatively stable, friendly, strategically located, and with good port facilities that already have a strong Chinese presence.

In this scenario, Indian Ocean states in East and Southern Africa would have much to recommend them. The Pacific and Indian Oceans are by far the most relevant bodies of water for Beijing's strategic calculations, given China's dependence on shipborne trade. There are also large diaspora populations in Southern Africa—particularly in Angola, South Africa, and Zambia. South Africa has by far the largest stock of Chinese foreign direct investment on the continent, while nearby Zambia has the third-largest stock.³² Angola, meanwhile, between 2000 and 2017 received more Chinese loans than any other African country, while Zambia received the fourth-most.³³

Given these dynamics—and assuming Beijing wishes to establish another African base that could serve as a multipurpose tool for achieving Chinese national interests—then Tanzania would be among the most

³²"Data: Chinese Investment in Africa," China Africa Research Initiative, undated, <http://www.sais-cari.org/chinese-investment-in-africa> (accessed April 22, 2020).

³³"Loan Database," China Africa Research Initiative, undated, <http://www.sais-cari.org/data> (accessed April 22, 2020).

attractive options. It enjoys comparative stability in an often turbulent region, and its position about halfway up Africa's eastern littoral puts it far enough north for assets stationed there to quickly reach the most heavily trafficked parts of the Indian Ocean, but also far enough south to be relevant to the Mozambique Channel. It as well borders the Democratic Republic of the Congo, Kenya, Uganda, and Zambia, all of which are destinations for significant Chinese loans, investment, and other types of engagement.

Tanzania's military cooperation with China is among the strongest and longest-running on the continent. Under founding President Julius Nyerere, Tanzania accepted materiel, training, and weapons—including fighter jets and tanks—from China. In 1969, Beijing also built for the Tanzanian Army at a place called Nachingwea what was at the time Africa's largest training base.³⁴ A few years later, China built a Tanzanian naval base and airstrip—which it later renovated³⁵—in the

early 1970s.³⁶ China and Tanzania have also conducted joint naval training, and Chinese naval vessels have made port calls to Tanzania.³⁷ In 2018, current President John Magufuli inaugurated a military training center built with assistance from the PLA.³⁸

Tanzania has several ports with excellent potential, including in Bagamoyo. A 2013 deal between a Chinese company and the Tanzanian government to expand the port into Africa's largest deepwater facility recently stalled,³⁹ likely straining the country's relationship with Beijing. However, Chinese companies retain stakes in three other Tanzanian ports.⁴⁰

Namibia would be an option in Southern Africa. Like Tanzania, it has one of Africa's longest running, and most intensive, relationships with Beijing. It has at least 25 Chinese-constructed government buildings, by far the most on the continent.⁴¹ Beijing's military ties to Namibia date back to support

³⁴Gabrielle Hecht, ed., *Entangled Geographies: Empire and Technopolitics in the Global Cold* (Cambridge, MA: MIT Press, 2011), https://books.google.com/books?id=2svxCwAAQBAJ&pg=PA244&lpg=PA244&dq=nachingwea+barracks+tanzania+china&source=bl&ots=KbOUytPF_6&sig=ACfU3U01xxhExZY0m53mqhP92Nacm1bYxA&hl=en&sa=X&ved=2ahUKewikzd7lpOvoAhXalHIEHZ1hAm4Q6AEwBHoECACQOg#v=onepage&q=nachingwea%20barracks%20tanzania%20china&f=false (accessed May 5, 2020).

³⁵"Tanzania Inaugurate USD68.5m Military Airport," *Tanzania Invest*, March 12, 2017, <https://www.tanzaniainvest.com/transport/military-airport-ngerengere-morogoro> (accessed May 5, 2020).

³⁶"China's Role in Africa," and *Africa, Problems & Prospects: A Bibliographic Survey*, Headquarters, Department of the Army, December 1977, https://books.google.com/books?id=OrEAAOuDswC&pg=PA181&lpg=PA181&dq=china+builds+navy+base+and+airfield+for+tanzania&source=bl&ots=uv7elliBo1&sig=ACfU3U1iNKWVt5dq-UfPyK7PcdJ582DhRA&hl=en&sa=X&ved=2ahUKewiEnL_jm-voAhWag3IEHdWVAtsQ6AEwEHoECAkQLg#v=onep

<age&q=china%20builds%20navy%20base%20and%20airfield%20for%20tanzania&f=false> (accessed May 5, 2020).

³⁷James E. Fannell, "China's Global Naval Strategy and Expanding Force Structure: Pathway to Hegemony," *Naval War College Review*, Vol. 72, no. 1 (2019), pp. 10–55, <http://www.jstor.org/stable/26607110> (accessed April 15, 2020).

³⁸"New Chinese-built Training Center for Tanzanian Army," *Army Recognition*, February 23, 2018, https://www.armyrecognition.com/february_2018_global_defense_security_army_news_industry/new_chinese-built_training_center_for_tanzanian_army.html (accessed May 5, 2020).

³⁹John Hursh, "Tanzania Pushes Back on Chinese Port Project," Center for International Maritime Security, December 2, 2019, <https://www.maritime-executive.com/editorials/tanzania-pushes-back-on-chinese-port-project> (accessed May 5, 2020).

⁴⁰Devermont, Cheatham, and Chiang, "Assessing the Risks of Chinese Investments in Sub-Saharan African Ports."

⁴¹Given the lack of comprehensive data, it is possible another African country has more of these buildings. However, the data I collected showed Namibia with

for the liberation movement there, and include extensive arms sales and trainings for Namibian military personnel.⁴² The CCP and Chinese companies lavish the ruling party, SWAPO, with gifts, including direct monetary support.⁴³ A Chinese SOE recently more than doubled the cargo-handling capacity of Namibia's Walvis Bay port as well.⁴⁴ An openly declared base in Namibia would give Beijing the prestige of having an Atlantic Ocean base, and, similar to Tanzania, easy reach to countries of economic importance to Beijing and with large diasporas.

Rather than searching for a base location that serves most of its interests, Beijing might try to establish one to address a specific concern. In this scenario, Beijing would probably focus on what it perceives to be China's national security interests, its great obsession. This would also likely translate into an Indian Ocean presence. Any open conflict China involves itself in would probably be maritime and develop in the Pacific or Indian Ocean, particularly in the Taiwan Straits, the South China Seas, or perhaps the Strait of Malacca. The first two are traditional areas of Chinese aggression, while the former is a chokepoint connecting

ten more such buildings than any other African country, which is such a gap that it suggests completely comprehensive data would still show Namibia with the most such buildings. Forthcoming report by the author.

⁴² Oscar Nkala, "Namibia Forced to Cancel Chinese Arms Contract," Defence Web, April 28, 2017, <https://www.defenceweb.co.za/joint/diplomacy-a-peace/namibia-forced-to-cancel-chinese-arms-contract/> (accessed May 5, 2020).

⁴³ David H. Shinn and Joshua Eisenman, *China and Africa: A Century of Engagement* (Philadelphia: University of Pennsylvania Press, 2012), and Howard French, *China's Second Continent* (New York: Alfred A. Knopf, 2016).

⁴⁴ "Port of Walvis Bay's New Container Terminal," Ship Technology, undated, <https://www.ship-technology.com/projects/port-walvis-bays-new-container-terminal/> (accessed May 5, 2020).

the Indian and Pacific Oceans. The strait preoccupies Chinese military planners as it is critical to Chinese shipping but also highly vulnerable to disruption.⁴⁵ A maritime clash with China's closest great rival, India, would almost certainly occur in the Indian Ocean as well.

Beijing's military planners fear an open conflict cutting off its global supply chains to critical commodities and logistical and sea routes, often referred to as sea lines of communication (SLOCs). China is the world's largest importer of crude oil,⁴⁶ more than 90 percent of which is shipborne,⁴⁷ and its demand for liquefied natural gas (LNG) has skyrocketed since 2017 as well.⁴⁸ One of the world's largest natural gas finds in recent years came in Mozambique. If Mozambique reaches its potential as an LNG exporter, it could become part of China's supply chain, making Africa's eastern littoral even more important to Beijing.

If Beijing feels insecure about its ability to defend the SLOCs on which it depends, it could try to double down on its Red Sea and Bab el-Mandeb presence by trying to put a base in Eritrea. Such a base would make it extremely difficult for the U.S. to force open

⁴⁵ Shuang Wang, Jing Lu, and Liping Jiang, "Time Reliability of the Maritime Transportation Network for China's Crude Oil Imports," *Sustainability*, Vol. 12 No. 1, p. 198, <https://doi.org/10.3390/su12010198> (accessed May 5, 2020).

⁴⁶ Jeff Barron, "China Surpassed the United States as the World's Largest Crude Oil Importer in 2017," U.S. Energy Information Agency, December 31, 2018, <https://www.eia.gov/todayinenergy/detail.php?id=37821> (accessed May 5, 2020).

⁴⁷ Wang, Lu, and Jiang, "Time Reliability of the Maritime Transportation Network for China's Crude Oil Imports."

⁴⁸ Graeme Bethune, "Chinese LNG Demand Growth Tapers Off," *Petroleum Economist*, January 2, 2020, <https://www.petroleum-economist.com/articles/midstream-downstream/lng/2020/chinese-lng-demand-growth-tapers-off> (accessed May 5, 2020).

the Bab el-Mandeb if Beijing closed it during an open conflict. The government in Asmara does not have obviously warm relations with Beijing, but it does have a history of allowing foreign powers to use its territory for military purposes, including agreeing to a United Arab Emirates base in Assab.⁴⁹

The Comoros Islands, sitting where the Mozambique Channel opens into the broader Indian Ocean, is another good candidate. Beijing has assiduously cultivated excellent relations with the government there,⁵⁰ including constructing the National Assembly building and offices for the president on Anjouan and Moheli Islands.⁵¹ The China-based training for members of the Comoran military is so extensive that the Comoran government claims its entire army will be fluent in Mandarin soon.⁵² In 2018, one of China's large SOEs signed on to build a deepwater port in the capital, Moroni, as well.⁵³

Protecting American Interests

Despite the uncertainty of if, when, or where China might establish another base in Africa, it is certain that Beijing has a long-running, disciplined strategy to use Africa to advance its foreign policy goals. While the U.S. has for decades tried to cajole Beijing into being a responsible global actor, the Chinese Communist Party believes it is locked in a perpetual struggle with a vengeful America determined to thwart its rightful rise to global prominence.⁵⁴ Beijing behaves

accordingly, even in the midst of the current, unprecedented global pandemic that threatens all nations.

Protecting U.S. interests in the face of such an aggressive competitor requires an approach as determined and holistic as the CCP's efforts to reshape the global order. In Africa, the U.S. should:

- **Maintain and, where practicable, enhance security cooperation with African states.** The U.S. has a strong lead in this arena of competition, but Beijing seeks to make inroads. While it may currently seem inconceivable that China could ever overtake the U.S. as the partner of choice in security cooperation, two decades ago few people would probably have believed that China could overtake the U.S. as Africa's largest trading partner, could dominate entire industries in Africa such as infrastructure construction, and plant a major military base just a few miles from the U.S.'s only permanent military presence on the continent.
- **Speed up implementation of the Prosper Africa initiative.** The initiative's emphasis on increasing two-way trade and investment between the U.S. and Africa is the right strategic focus for American engagement with Africa. The U.S.'s unmatched private sector is an immense competitive advantage, and facilitating its deeper involvement in

⁴⁹Joshua Meservey, "The Saudi-Qatari Dispute: Why the U.S. Must Prevent Spillover into East Africa," The Heritage Foundation *Backgrounder* No. 3268, November 29, 2017, <https://www.heritage.org/africa/report/the-saudi-qatari-dispute-why-the-us-must-prevent-spillover-east-africa>.

⁵⁰Shannon Van Sant, "Why Is China Investing in the Comoros?" CBS News, November 12, 2014, <https://www.cbsnews.com/news/why-china-is-investing-in-comoros/> (accessed May 5, 2020).

⁵¹Forthcoming report by the author.

⁵²Van Sant, "Why Is China Investing in the Comoros?"

⁵³"Ports," Association of Indian Ocean Islands Ports, undated, <http://apioi.net/countryports/3> (accessed May 5, 2020).

⁵⁴John Garnaut, "Engineers of the Soul: What Australia Needs to Know about Ideology in Xi Jinping's China," *Sinocism*, speech posted January 16, 2019, <https://sinocism.com/p/engineers-of-the-soul-ideology-in> (accessed May 5, 2020).

Africa will not only build American economic might, a pillar of overall national power, but will enhance America's standing on the continent. However, the Trump Administration has been slow to flesh out and roll out the initiative, and more urgency to do so is necessary.

- **Confidently advocate for American values** with the African public and its leaders. Most people yearn for representative government, rule of law, and individual freedom, and the U.S. should take every opportunity to advocate for democracy as the political system with the best record of protecting individual rights and delivering economic prosperity.
- **Focus on achievable goals.** The U.S. should not try to persuade African governments to abandon their relationships with Beijing as they are unlikely to do so. The U.S. should instead focus on assisting African countries in striking fair and productive deals with Beijing; ameliorating the negative effects of Chinese engagement in Africa; and providing a realistic alternative for African governments on the projects and in the sectors where the U.S. or its companies have a competitive advantage or strong strategic reason for competing.
- **Focus on governments with which a mutually beneficial and strategic partnership is possible.** Such governments should demonstrate a desire and capacity to meaningfully improve its governance, and should be strategically important enough to merit special engagement. Countries that are good candidates for an enhanced partnership should receive the full suite of U.S. engagements, such as consideration for a free-trade agreement, if practicable; fully staffed U.S. embassies, including with a commercial attaché; U.S. government-facilitated visits by U.S. business delegations; high-level U.S. official visits and interventions on behalf of U.S. companies; and mobilization of that country's U.S. diaspora to invest and engage in other constructive ways.
- **Create a strategic messaging initiative** that explains to African countries the benefits of partnering with the U.S. The initiative should refute the oft-heard canard that the U.S. is withdrawing from Africa.⁵⁵
- **Prioritize the fight against African corruption,** not least because it is a significant Chinese competitive advantage.⁵⁶ Ideas for doing so include promoting economic freedom, leveraging technology and the power of crowds, and elevating the fight against graft as part of U.S. development assistance.⁵⁷

⁵⁵The U.S. remains the largest investor by stock in Africa, is by far the continent's largest provider of overseas development assistance, has significant numbers of its major companies operating on the continent, and continues large, innovative initiatives—some now nearly two decades old—such as the President's Emergency Plan for AIDS Relief, the African Growth and Opportunity Act, the Millennium Challenge Corporation, Power Africa, and Feed the Future, that have saved and improved millions of lives across the continent.

⁵⁶Joshua Meservey, "Chinese Corruption in Africa Undermines Beijing's Rhetoric About Friendship with the Continent," Heritage Foundation *Issue Brief* No. 4895, August 8, 2018, <https://www.heritage.org/global-politics/report/chinese-corruption-africa-undermines-beijings-rhetoric-about-friendship-the> (accessed May 5, 2020).

⁵⁷Joshua Meservey, "The Impact of Corruption on Economic Development in Sub-Saharan Africa," in James M. Roberts and William T. Wilson, eds., 2017

- **Help African countries get the best possible deals from Chinese investment** by helping build their capacity to assess contracts and ensure compliance.
- **Encourage countries borrowing from Beijing to be transparent.** The terms of contracts struck between African governments and the Chinese government and Chinese companies are frequently kept hidden. That makes it difficult for Africans to hold their governments accountable to striking the best possible deal with Beijing, and for the U.S. and others to accurately assess

the full extent of Chinese influence in Africa.

- **Strengthen civil society in Africa,** which is critical to the development and maintenance of a responsive and honest government. Ways of doing so could include facilitating exchange programs for African civil society leaders within the continent, or to the U.S., to learn from one another.

Thank you again for this opportunity to testify, and I look forward to any questions you may have.

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OPENING STATEMENT OF PAUL NANTULYA, RESEARCH ASSOCIATE, AFRICA CENTER FOR STRATEGIC STUDIES, NATIONAL DEFENSE UNIVERSITY

VICE CHAIRMAN BARTHOLOMEW: Thank you very much. We'll go next to Mr. Nantulya.

MR. NANTULYA: Commissioner Borgeas, Commissioners of the U.S.-China Economic and Security Review Commission, it's a great honor to appear before you again so soon to talk about China. Thank you very much for the invitation. This time I'll look at how China positions itself as a strategic partner for Africa.

In the past six months, China delivered tanks to Nigeria, helped Ethiopia and Sudan launch satellites, exercised with the Tanzanian and South African militaries, attended a pass out ceremony of junior officers trained by the PLA at Zimbabwe Staff College, inaugurated a mid-year's new command in staff college, launched Africa's first integrated public security center in Angola, and dispatched General Xu Qiliang to Southern Africa. He is second in military authority only to Xi Jinping.

Chinese medical teams are serving one-year missions in 44 African countries. Fifty-four countries share one million test kits, six million masks, and 60,000 protective suits donated by China.

Huawei, which built 75 percent of Africa's 4G networks, is rolling out 5G in several countries. In 2020, three additional African cities installed Huawei's mass surveillance platforms, bringing the total number to 17 cities.

Concerning COVID-19, China wages a pitched battle for narratives. It refutes accusations it withheld data about the initial outbreak. It also faces mounting anger over the alleged mistreatment of Africans in Guangdong Province. Many eye witness accounts that exploded on Chinese social media came from Chinese government scholarship beneficiaries. This is tricky. Scholarships are the cornerstone of China's soft power influence in Africa. The timing couldn't be worse.

The Eighth Forum for China-Africa Cooperation will be held in Senegal next year. And Senegal joined ECOWAS countries demanding action from China. That followed an independent Nigerian probe that confirmed the allegations of mistreatment.

But China is telling Africans two things. First, it competently overcame the pandemic at home and now leads global containment efforts consistent with its role as, quote, unquote, a responsible big power.

China also says that South East Asia's response was more effective than most of Europe and America, validating the logic here of political shifts to the east in Beijing's eyes. China portrays the U.S. COVID-19 response as, quote, incompetent, sloppy, isolationist, irresponsible.

The aim is to strengthen its cases of requests for strategic partners in a post-COVID world. A vast media enterprise amplifies this message. In Nairobi, 500 journalists and staff generate 18,000 news items monthly from Xinhua's Africa Bureau. China Global Television and China Radio International also operate out of Nairobi, broadcasting 19 hours daily in Chinese, English, and Swahili.

China's StarTimes, Africa's second biggest digital television provider, distributes Chinese content to ten million subscribers in 30 countries. An agreement with Kenya's Nation media gives Xinhua access to 18 media brands, 28 million social media followers, 11 million monthly paid views, and 90,000 daily newspaper circulations in east and central Africa.

Outside of COVID, ideological party to party ties, especially with Africa's Liberation

movements, remain pivotal to China's strategic influence. These movements were trained by the PLA from inception and turned to it for basic Army building once in power as noted in my study.

African movements reached out to the U.S. military rather late, in the 1990s. However, many share fundamental traditions, ideology, and doctrine with the PLA allowing China to craft strategically focused relations.

China groups countries into five tiers diplomatically. Higher tier of partners merit more robust engagement to protect Chinese interests, including through the use of China's other armed forces such as the People's Armed Police. Ethiopia, Kenya, Nigeria, Namibia, Mozambique, and South Africa are in this tier.

Uganda which was recently upgraded to the third tier, employs the security forces to protect Chinese assets and companies. In other tiers, private security companies are more prominent.

In the area of arms sales, China's refrain on non-interference provides African countries easy access to weapons regardless of domestic dynamics, including sanctions. Flexible financing and, quote, friendly pricing, make China a favored supplier of small arms and light weapons, gradual improvements in the quality of its more sophisticated weaponry, also its position.

China indeed consistently ranks second on the list of suppliers to Africa, accounting for between 18 and 22 percent of heavy weapons transfers annually. This is likely to increase as China continues to vie for influence in a post-COVID-19 world and as the Belt and Road continues to expand.

Two thousand officers across 40 African countries train in China annually with numbers from French speaking West African countries growing exponentially. African's think highly of China in two areas. The training of NCOs and junior officers, and technical subjects including engineering, technology, and mechanics.

America is considered more superior at the strategic and senior level, especially in national security strategy. The U.S. military education at this level is considered key for career advancement.

Ideological education occurs in the PLA's political schools, a legacy of the liberation movement tradition where the uniform serves the party before the state, a notion directly opposed through the western principle of an apolitical military.

The Mwalimu Nyerere Ideological School in Tanzania, a former training base for Africa's Liberation movements, is a major ongoing Chinese investment in 2020. It will train around 400 military and civilian cadres from the former Liberation movements of southern Africa each year. Already, over 2,000 party and military cadres from Africa train in Chinese political schools each year.

As part of its ideological push, China is enlisting Africa's support for the Community of Common Destiny, China's alternative to the western-led government's model. Africa was the first region to commit itself to this community, an endeavor written in China's constitution.

COVID-19 will undoubtedly test China's commitments going forward. The negative sentiments triggered by the Guangdong incidents will be difficult to overcome. Strategically however, Africa is firmly tied to China's global strategy, in particular the quest to build new architecture that reshapes international relations such as One Belt, One Road. This is unlikely to change for the foreseeable future.

Thank you very much, and I look forward to your questions.

**PREPARED STATEMENT OF PAUL NANTULYA, RESEARCH ASSOCIATE, AFRICA
CENTER FOR STRATEGIC STUDIES, NATIONAL DEFENSE UNIVERSITY**

**Testimony Before the U.S.-China Economic and Security Review Commission Hearing on:
“China’s Strategic Aims in Africa”**

May 20, 2020

Paul Nantulya, Research Associate, Africa Center for Strategic Studies.

Vice Chairman Bartholomew, Commissioner Borgeas, Commissioners of the U.S.-China Economic and Security Review Commission. It is a great honor to appear before you again so soon to talk about China. Thank you for the invitation. This time I will discuss the People’s Republic of China’s efforts to position itself as a security and military partner of choice for its African partners.

Setting the Larger Picture

Africa in 2020 has emerged as a vital partner in China’s quest to reclaim a central role in the world. It was the first region to commit itself to building China’s *Community of Common Destiny*, a vision of a global order reflecting Chinese norms and values—a vision written into its constitution. At the 7th Forum for China Africa Cooperation (FOCAC) in 2018, the two sides resolved to defend one another’s core interests and those of the developing world. They also agreed to build a “new model of international relations” through a *Sino Africa Community of Common Destiny*, FOCAC’s driving objective.¹ *One Belt One Road*, China’s massive global infrastructure plan is the practical means through which Beijing is constructing the *Community of Common Destiny*, to challenge the Western-led global model.² The Belt and Road expanded into East Africa in 2014 and Southern Africa in 2016. In 2021, Senegal will host the 8th FOCAC to symbolize West Africa’s integration into this ambitious plan.

Under the New Partnership for African Development, Africans used three primary methods in their quest to reposition the continent. First, they pursued willing partners to amplify Africa’s agenda internationally. Second, they sought alternative models of development, experimenting with different systems. The African Union Agenda 2063, Africa’s seminal strategic guidance, envisions a self-sufficient Africa that moves from donor dependency to a genuine partnership. This builds on the Lagos Plan of Action, Africa’s overarching plan for self-reliance.³ Third, Africans sought to equalize their relationships with powerful countries, fight for better representation in global agencies, and shape them to respond to their needs.

China deftly synchronized its Africa strategy with all three aspirations. It portrays itself as trustworthy given its support for Africa’s independence wars. Africans in turn view China as a partner in these struggles. Many Africans argue that China is more attuned to their needs having itself been colonized and underdeveloped. At the policy level, China adopted a “trade versus aid” assistance strategy, in line with the Lagos Plan of Action. China’s latest Africa policy calls Africa a “place of opportunity,” not a “mere aid recipient.”⁴ In 2017, Chinese engineering firms in Africa generated around US\$51 billion, 10 times larger than China’s aid to Africa between 2007 and 2017, a reflection of the degree to which China profits from Africa.⁵

China aligned the Belt and Road with the *AU’s Agenda 2063* and the *Program for the Development of Infrastructure (PIDA)*. In international affairs, China supports the *2005 Ezulwini Consensus*, the African common position on international system reform. The two sides support one another at the multilateral level. In the past decade, the African bloc at the UN General Assembly, the largest regional grouping in terms of numbers, played a pivotal role in helping Chinese nationals secure leadership of four of the UN’s 15 Specialized Agencies (American nationals head only one).⁶ Africans in turn lead three agencies, all of whom benefitted from Chinese mobilization efforts at the UN. This tight diplomatic partnership is in line with FOCAC agreements.

Geopolitical Battle of Perceptions in the Era of COVID-19

Nowhere has China made its case for global leadership more thoroughly than in Africa as it fends off accusations that it initially withheld data about the pandemic's outbreak. China is also attempting to rehabilitate its image in light of seething anger over the mistreatment of Africans in Guangzhou. The vast majority are there on Chinese government scholarships, making the latest fall-out even more damaging as higher education is a major Chinese soft power export. China wants to re-focus global attention on the pandemic. Its narrative is that it competently contained COVID-19 at home and now leads global efforts to defeat it, consistent with its role as a "responsible big power" (*zeren daguo*).⁷ China is also re-writing the narrative to connote a larger geopolitical shift from the West to the East. According to this paradigm, the Chinese and larger Southeast Asian response was more effective and innovative than most of Europe and America. This editorial line has dominated African media coverage of the global implications of COVID-19 in large part due to China's heavy presence in Africa's media space.⁸

China primed its African media outlets to cover the arrival of 300 Chinese doctors in Italy and Beijing's donation of masks, ventilators, test kits, and protective equipment to Europe and several U.S. states. They also covered China's usually low-key military and civilian medical teams currently deployed in 44 African countries.⁹ Yet another major story was Ethiopia's mobilization of 1 million test kits, six million masks, and 60,000 protective suits from Chinese billionaire Jack Ma for distribution to African countries. A snapshot of Google's South Africa search engine shows that this story generated over 2,000 news items across 54 countries between March 22 and April 2020. Three million African twitter users *liked* it over the same period.

Nairobi hosts Xinhua's largest overseas bureau where 150 journalists and 400 staff generate and distribute 1,800 stories monthly, notably a much greater focus on Africa than BBC or CNN.¹⁰ Nairobi also hosts China General Central Television's (CGTN) largest foreign bureau. Also broadcasting from there is China Radio International's first overseas FM station with 19 hours of daily programming in Chinese, English, and Swahili. Xinhua also has a news exchange agreement with Kenya's Nation Media Group, the largest media house in East and Central Africa with 18 major brands (radio, television, and print) in four countries, 28 million social media followers, 11.3 million monthly page views, and 90,000 newspapers circulated daily.¹¹ China's Star Times, the second largest digital television provider in Africa after South Africa's Multi-Choice, distributes content from Xinhua, CGTN, and other Chinese entities to 10 million subscribers in 30 countries, and 10,000 villages in 25 countries.¹²

The analysis of 5,400 Chinese media items in Africa between February and April 2020 portrays Beijing as a global leader committed to Africa in a time of uncertainty. These same circles portray the U.S. handling of the pandemic at home and abroad as "incompetent," "sloppy," and "irresponsible."¹³ These politically tinged stories—all written by African journalists—reinforce the narrative of China's resurgence and rejuvenation, and America's perceived decline and retreat from international affairs.¹⁴

China as a Partner of Choice for African Militaries

Ideological Affinities

Party-to-party ties are the foundation of China's most important partnerships. China believes it has rock-solid support among Africa's National Liberation Movements (NLMs) whom it frequently describes as "all weather friends." Most were trained at Nanjing Military Academy from inception. Once in power, they turned to this school, along with others like Army Command College Nanjing and Nanjing Infantry School to build their militaries. These contacts were firmly in place decades before NLMs reached out to the U.S. military.

Ugandan President Yoweri Museveni discusses this lag in U.S./Africa relations in a September 2008 lecture published by the U.S. Command and General Staff College. He explains that NLM militaries engaged the U.S. much later in their development. While the gap had closed by the late 1990s, Museveni notes that NLMs and the U.S. military have “not yet synchronized their histories.”¹⁵ By contrast ties between NLMs and the Peoples Liberation Army (PLA) are rooted in common doctrine, traditions, and ideology. In the only publicly available assessment of African attitudes toward the PLA, African military authors argue that African armies relied more on China than the West for their basic army-building needs, particularly during their formative years.¹⁶ Some of this book’s findings are supported by empirical data. For example, Army College Nanjing has trained more African non-commissioned (NCO), junior, and middle officers than any other school in the world. It also has deeper inter-generational contact with African leaders than any other Chinese institution. 190 trainees from 70 countries, nearly half of them African, are currently enrolled there.¹⁷

NLM militaries have also trained in the West, however, especially at the strategic level. Examples include the militaries of Angola, Algeria, Ethiopia, Mozambique, Namibia, Nigeria, Rwanda, South Sudan, South Africa, Uganda, and Tanzania. However, the PLA remains a “core partner.” The Zimbabwe Defense Forces (ZDF) is a good example. It has longer contacts with China than most, yet its transformation from a guerilla army was supervised by a British Military Training Team (BMATT) embedded in every level of its professional military education (PME). When British parliamentarians demanded BMATT’s withdrawal from Zimbabwe in 2000 in light of the deteriorating situation, opposition parties pushed back, saying it provided a “moral safeguard” in an increasingly violent environment.¹⁸

Colonel Gary Donaldson, the then BMATT Chief of Staff spoke glowingly of Zimbabwe’s military: “What we have seen of it is impressive. This is one of the best armies in Africa.”¹⁹ Yet BMATT’s undeniably heavy influence over the ZDF didn’t extinguish its ties to the PLA and by extension the North Korean military. The latter trained many ZDF units including the highly politicized 9th Brigade, accused of massive human rights violations in Matabeleland during the violent feuds between the ruling ZANU and its alliance partner, ZAPU. 9th Brigade stayed outside ZDF’s chain of command and British advisors had very little influence over its training and deployment. After BMATT eventually left, the PLA deployed a training and advisory team at Zimbabwe Staff College that has taught soldiers and civilians from Botswana, Namibia, Zambia, Tanzania, Malawi, and Lesotho ever since.²⁰

Uganda likewise has strong training relationships with Western militaries, sending officers regularly to higher-level schools such as the U.S. National Defense University and the UK’s Defense Academy. However the PLA, North Korean, and Cuban armies remain core partners in several areas including engineering, technology, military medicine, and tank warfare.²¹ Mozambique is yet another example. China’s infantry schools and specialized colleges supported its army-building needs from independence. Indeed, 97 of Mozambique’s veteran military leaders graduated from Army Command College Nanjing alone.²² However, Mozambique also trains with the U.S. military as do its peers around Africa.

All-Round Partnership

With the notable exception of the PLA’s naval base in Djibouti, Beijing has favored a “soft approach” mixing ideological, political, commercial, economic, cultural, security, and military elements. The PLA is keen to avoid an overt military presence, in part to downplay the strategic dimensions of China’s engagement and avoid generating suspicion among Africans. China also fears that a muscular posture might trigger more deployments into Africa by its competitors like the U.S., UK, and France, potentially undermining its influence. Indeed, authoritative writings by the PLA on overseas operations notes that China is keenly aware that it lags behind the West in power projection and basing.²³

China markets itself differently to each audience. The models it uses to secure its interests also differ based on the type of relationship it has in each case. Beijing employs a five-tier system of partnership rankings to pursue a wide mix of options to protect its interests, some more direct than others. Countries classified in higher tiers merit more robust engagement to protect Chinese interests. The “Comprehensive Strategic Cooperative Partnership” ranking covers Ethiopia, Guinea, Kenya, Mozambique, Namibia, Tanzania, and Zimbabwe, the highest level of relations China can have with any country. Partnerships at this level are multifaceted and complex, with China’s other armed forces besides the PLA playing a greater role. For example in Kenya, China’s Ministry of Public Security trained an elite police division tasked with protecting the Chinese-built Mombasa-Nairobi-Naivasha Standard Gauge Railway, Kenya’s most expensive project since independence.²⁴

In Mozambique, the Chinese government’s Overseas Chinese Affairs Office plays a more visible role than in other contexts. It supported the creation of a “Police Civilian Cooperation Center” as a resource for “rapid response,” “technical defense equipment,” and “emergency assistance.”²⁵ These services are provided by a state-backed private company, the China Security Technology Group that runs similar operations in Angola, Kenya, and Nigeria. China uses less direct methods in other countries. Examples include Uganda and South Africa, which both enjoy “Comprehensive Strategic Partnership Relations,” the second highest level in China’s partnership rankings. In Uganda, the national military officially protects Chinese interests and high-value firms. These deployments started in 2018, one year before Uganda and China upgraded their relations from the “Strategic Cooperative Partnership” level.²⁶

In South Africa, China’s Ministry of Public Security works with the South African Police Service (SAPS) on crime-fighting, intelligence, and community policing skills to combat urban crime, a menace that also affects Chinese entities. Under this arrangement, 80 SAPS personnel from different metros have been trained in China and South Africa annually since 2013.²⁷ To address threats to Chinese nationals, 13 non-governmental Chinese Community and Police Cooperation Centers have been established since 2004 in collaboration with the SAPS.²⁸ These were formed as part of the SAPS’ Community Policing Forums where communities form security forums in partnership with police.²⁹

Counterterrorism emerged as a new area of engagement at the 2018 FOCAC which included the protection of “major domestic economic projects” and “safety of Chinese nationals, companies, and projects” into its remit for the first time.³⁰ China takes a “regime stability” (*weiwēn*), approach to counterterrorism, premised on “political security” and party survival. This is enshrined in an expansive National Security Law that permits the overseas deployment of China’s armed forces.³¹ The *weiwēn* legal paradigm views social unrest, anti-government protests, and damage to China’s image, state property, and infrastructure as state security incidents as opposed to social conflicts.

Many African regimes, particularly those preoccupied with survival, tend to treat all forms of discontent in similar ways, creating fears that China’s *weiwēn* approach could reinforce negative practices as China/Africa security engagements deepen. Furthermore, many Chinese investments, such as ports, oil and gas pipelines, and transportation have a national security underpinning. Many African analysts worry that governments might react in ways that aggravate tensions if such interests are harmed in any way. For example, Kenyan President, Uhuru Kenyatta threatened to hang vandals in a May 2017 speech shortly after China and Kenya launched the Nairobi-Mombasa Standard Gauge Railway. “I normally prefer to pardon the guilty and have them serve life imprisonment sentences but the railway is a different matter. Those who will be sentenced for destruction of public property, I want them to listen to me—God forgive me—I will approve their hanging.”³²

Affordability and Accessibility

China's "non-interference" principle gives customers access to weapons of all types regardless of their domestic situations. Beijing also offers flexible financing terms to undercut competitors and convince partners of its commitment to "solidarity" through "friendly pricing." Cheap prices made China a favored supplier of small arms and light weapons including Kalashnikovs (AK-47 rifles), easily the most popular item with governments and rebel groups. A wide menu of soft loans and re-scheduling options are on offer for heavy weaponry including tanks and combat aircraft. Chinese suppliers have also allegedly accepted commodities in exchange for weapons (such as copper from Zambia and chromate and aluminum from Zimbabwe) according to several media reports.³³

China's flexible terms made it a major player in Africa's arms market. From 2013 to 2017, China's arms exports to Africa surged 55 per cent from the previous five-year period of 2008 to 2012, according to Stockholm International Peace Research Institute.³⁴ Over the same period, China's share of total arms imports was 17 percent, up from 8.6 in 2008 while Russia's fell from 39 percent to 32 and the U.S. accounted for 11 percent.³⁵ This trend continued from 2013 onward. China delivered 24 battle tanks to Tanzania and 30 to Chad. Ghana, Kenya, and Namibia bought 76, 21, and 32 armored fighting vehicles respectively.³⁶ Other customers included Burundi, Chad, Mozambique, Gabon, and Rwanda. China delivered fighter aircraft and weaponized drones to Ghana, Namibia, Nigeria, Tanzania, Zambia, and Zimbabwe. Morocco and Sudan bought missiles and missile launchers. In 2014, South Sudan received 100 guided missile systems. Cameroon, Congo-Brazzaville, Ghana, Niger, Rwanda, Sudan, and Tanzania bought caliber artillery systems. In 2018, Rwanda became the only foreign nation known to be equipped with the highly advanced Red Arrow HJ-9A Anti-Tank Guided Missile still in service in the PLA.³⁷

China also deals with countries under Western and international sanctions, positioning itself as an "all-weather friend" that doesn't abandon its partners. It has sold weapons in recent years to Burundi, Central African Republic, Eritrea, Sudan, South Sudan, and Zimbabwe. Burundi and Zimbabwe were included on the list of six countries that China's top diplomat, Wang Yi, visited in January 2020. China's arms deals in crisis environments risks damaging international conflict resolution efforts in places like Burundi, Central African Republic, and South Sudan. This in turn could complicate China's relations with Africa's other external partners such as the U.S. and EU, and even with the AU itself.

Beijing's position as a choice partner is also boosted by the improved quality of its weaponry. Some African military experts argue many Chinese products like combat aircraft, tanks, artillery systems, and maritime patrol craft are now of the same quality as their Western equivalents.³⁸ This has driven up demand because the pricing remains comparatively lower and flexible, giving customers access to advanced systems at a fraction of the cost. China has served this growing demand by increasing the presence of its top-tier defense firms in Africa's defense sectors. For instance, North China Industries Corporation (NORINCO) has partnerships and joint ventures in countries like Angola, Algeria, Ethiopia, Kenya, Namibia, Nigeria, Sudan, South Sudan, Senegal, Tanzania, Uganda, Zambia and Zimbabwe.

By 2018, China's State Administration for Science, Technology, and Industry for National Defense had concluded bilateral agreements with 45 African countries on defense technologies and defense industries, marking a larger shift from a strategy initially focused on selling weapons to one that is shaping the African security sector more deeply.³⁹ Uganda stands out as a beneficiary of such assistance. In 2018, it started manufacturing and assembling its own infantry fighting vehicles incorporating lessons from South African prototypes it used in its peace operations in Somalia. That year it also announced plans to export these vehicles to the UN for use in regional peace missions.⁴⁰ Chinese defense firms have also played a key role in strengthening indigenous defense industries in Angola, Ethiopia, Egypt, Sudan, and Tanzania.

Evolution in Officer Training and Military to Military Engagement

Anecdotal feedback from several African officers trained in the U.S. and China suggests that African militaries think highly of Chinese military education in two areas: 1) training of NCOs, junior, and mid-level officers, and, 2) technical subjects including engineering, geography, technology, and mechanics.⁴¹ U.S. and Western PME is considered stronger, and more dynamic and refined at the senior and strategic level. It is looked at as an avenue for career advancement and international recognition. A 2019 attitudes survey of senior African officers conducted by the Africa Center for Strategic Studies finds that 97 percent of respondents across 37 countries hold American and international training in high regard.⁴²

This general assessment is consistent with how Chinese officer training has evolved. China initially focused on helping national liberation movements (NLM) build armies out of guerilla movements based on the PLA's own experience.⁴³ The focus was on training African soldiers in basic skills for their branch or support function (ie. infantry, artillery, and armor). This was done at the PLA Army Infantry Academy, Hefei Institute of Artillery, and PLA Armored Tactical College among others. Nanjing Military Academy's seven specialist colleges, from tactics, military command and administration, to ground operations, and political work completed this training experience.

Those earmarked for leadership attended the PLA Nanjing Military Academy and other service academies including Dalian Naval Academy, and the PLA Air Force Aviation University. Ideological education was included at every level. Political commissars (*zhengwei*) who enjoy co-equal rank and authority with the commander of every unit, underwent additional training at the PLA Nanjing Political College in Jiangsu. Senior ones went to the Communist Party of China (CPC) Central Party School in Beijing. China also sent instructors to NLM political and ideological schools across Africa from Algeria to Zimbabwe. This is still done jointly by the PLA, United Front Department, and the CPC International Liason Department. One of the latter's biggest ongoing financial commitments is the Mwalimu Nyerere Ideological School in Tanzania, a former training base for liberation movements. It will train around 400 civilian and military leaders and cadres from the Former Liberation Movements of Southern Africa annually.⁴⁴ The CPC in addition hosts numerous party exchanges at different levels, reaching around 200 African party cadres and officers annually. More recently, the China Executive Leadership Academy at Pudong (Pudong College for Cadres) stepped up training for government bureaucrats. It styles itself as China's version of the Kennedy School of Government.

This strong emphasis on ideological education is a legacy of the liberation movement tradition. The military is first and foremost an instrument of the party and civilian cadres see themselves as a "co-fraternity" of the armed forces. The party in turn exercises absolute control, a sacrosanct principle known as the "party commands the gun," (*Qiānggǎn zì lǐmiàn chū zhèngquán*).⁴⁵ This has many guises. In South Sudan, the Office of the Deputy Chief of Staff for Moral Orientation, a replica of the PLA Political Work Department, instills the ruling Sudan People's Liberation Movement ideology across the force. Around 4,100 SPLM functionaries and leaders have trained in China's ideological schools since 2011.⁴⁶

In Uganda, a Chief Political Commissariat carries out ideological education in every unit.⁴⁷ Political commissars play powerful roles as an optimal means of asserting subjective control of military, giving them significant political influence. Indeed, many move on to higher posts. Angolan President, João Lourenço, Mozambique's former President, Armando Guebuza, and Tanzania's former President Jakaya Kikwete were all political commissars. Senior officers in such armies were socialized to see themselves as guardians of the liberation values. They are "political militants" or "ideologues in uniform" in addition to soldiers to paraphrase Amilcar Cabral, Agostinho Neto, Samora Machel, and Yoweri Museveni, the founders of the current militaries of Guinea Bissau and Cabo Verde, Angola, Mozambique, and Uganda.

Says Museveni, “A revolutionary is first and foremost ideological; military is second... ideological training is even more important than the military.”⁴⁸

Many regimes, from those that have historical ties to the PLA and those that don't, are keen to adopt the methods China's ruling party has used to exercise absolute control of the two million-strong PLA. This is particularly pronounced in authoritarian settings. Such governments argue that the PLA has never carried out a coup or splintered into factions. Furthermore, it has faithfully ensured the survival of the ruling party. The sharing of experiences in this particular area is yet another means through which China exercises its influence. Yet such regimes also send their officers to Western military schools teaching the exact opposite, namely, an apolitical stance and civilian control.

The expansion of Chinese military education to all countries irrespective of political alignments reflects fundamental shifts in China's foreign policy. By 2010, as many as 40 African countries were sending students to China's military institutions on a regular basis at Beijing's cost. Since the Belt and Road got underway in 2013, around 2,000 African students from over 50 countries attend Chinese military schools annually according to China's Ministry of Defense.⁴⁹ Senior ones attend China's National Defense University, its eight component colleges, and other senior schools such as the National Defense Science and Technology University and the PLA Academy of Military Science. Despite the influx of African students at the higher level however, China's PME is still perceived as more effective and relevant at the intermediate and lower levels, and in technical training. This is a legacy of China's heavy engagement with Africa's national liberation movements. At the same time, the receptivity in Africa for expanded U.S. engagements provides justification for strengthening and recommitting U.S. support to African PME initiatives.

China-Kenya relations are a microcosm of how the PLA's ties have evolved as well as the African proclivity to tap opportunities in the West and the East. Beijing had minimal contact with the Kenya military during the heyday of Africa's liberation struggles. A permanent British Army Training Unit for Kenya (BATUK), was based there, modelled on BMATTs in Nigeria, South Africa, and Sierra Leone and formerly in Zimbabwe. China opted to maintain its distance, concentrating instead on its special relationship with neighboring Tanzania, which allowed the PLA to train liberation movements on its soil. By 2000, however, Kenya had become a top priority in line with the “Going Out” strategy. From 2003 to 2016, Kenya hosted 10 senior-level defense meetings with China, the same number of meetings China held with Portugal, Uruguay, Spain, Israel, and Slovakia over the same period.⁵⁰ Angola, one of China's oldest partners in Africa, is the only other African country that hosted this many engagements. China/Kenya relations strengthened after Kenya emerged as a major strategic partner in building China's *One Belt One Road*. Since then, Kenyan officers have regularly attended China's higher academies such as its National Defense University. China also trains and supplies Kenya's paramilitary National Youth Service, which gives compulsory training to high school graduates. Yet Kenya also remains one of the strongest partners of the U.S. and UK in East Africa.

Conclusion

China does not think of power in exclusively military terms. Soft and hard power are viewed as complementary, in other words, as Comprehensive National Power, a concept the Chinese government uses to guide its national security strategy. This lies at the heart of the China/Africa relationship where military partnerships are tethered to party-to-party and revolutionary ties where these exist. The ideological element has expanded to include the promotion of the Chinese governance model as an alternative.

China believes its vision of world order and the solutions it offers find more support in Africa than any other part of the world, making the continent an essential foundation of its foreign policy and a pillar in building the *Community of Common Destiny*. China's dedication to outcompeting the West, coupled with Africa's perceived receptiveness to China's global ambitions, means that its African engagements will intensify.

COVID-19 will undoubtedly lead to some reassessment and recalibration as economic ties shrink due to the pandemic. Moreover, the impact of the alleged racist incidents against African communities in Guangzhou and other Chinese cities will likely be long-lasting. Such tensions are long-running but have taken on stronger political undertones in the context of China's management of COVID-19 within its immigrant communities. However, on a strategic level, Africa remains tied to China's global strategy and firmly integrated in the architectures China is constructing to re-shape international relations. This is unlikely to change in the foreseeable future.

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- ⁴⁶ Lily Kuo, “Beijing is Cultivating the Next Generation of African Elites by Training them in China,” Quartz Africa, December 14, 2017, <https://qz.com/africa/1119447/china-is-training-africas-next-generation-of-leaders/>, Accessed April 23, 2020.
- ⁴⁷ National Television (NTV), “New UPDF Chief Political Commissar, Brig. Henry Matsiko, on Giving Army Clear Political Orientation,” Video, January 13, 2017, <https://www.youtube.com/watch?v=USGdLQaLGI>, Accessed April 23, 2020.
- ⁴⁸ Yoweri Museveni, **What Is Africa’s Problem?** (Minneapolis: MN, University of Minnesota Press, 2000):56
- ⁴⁹ Paul Nantulya, “Testimony Before the U.S.-China Economic and Security Review Commission Hearing on: China’s Military Power Projection and U.S. National Interests,” US-China Economic and Security Review Commission, February 20, 2020, https://www.uscc.gov/sites/default/files/Nantulya_Written%20Testimony_Final.pdf, Accessed April 22, 2020.
- ⁵⁰ Kenneth Allen, Phillip C. Saunders, and John Chen, **Chinese Military Diplomacy, 2003–2016: Trends and Implications**, (Washington DC: China Strategic Perspectives 11, National Institute for Strategic Studies, National Defense University, July 17, 2017).

OPENING STATEMENT OF JUDD DEVERMONT, DIRECTOR, AFRICA PROGRAM, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

VICE CHAIRMAN BARTHOLOMEW: Thank you very much. Mr. Devermont, we'll go to you next.

MR. DEVERMONT: Thank you, distinguished members of the Commission, I appreciate this opportunity to testify in front of you.

China is using its military engagement to advance the strategic objectives in sub-Saharan Africa and the wider world. Its military activities are part of, not separate from, its broader goals in the region.

Beijing's framing of its security system to African partners is mutually beneficial and, in protection of its overseas interests, obscures China's long term goals for economic ascendancy in expanse of global logistics network and influence in multilateral bodies.

Important to note that China is both a historical security partner and a new power in sub-Saharan Africa. Once being engaged in the region for several decades, Beijing's security activities have expanded and deepened with its going out strategy initiated in the late 1990s.

China has ramped up its participation in multilateral peacekeeping, strengthened its bilateral security partnerships, and tapped its private sector companies to win security contracts.

Of the five permanent U.N. Security Council members, China has become the largest troop contributor and the second-largest financier of U.N. peacekeeping missions. As of February 2000, China has more than 2,000 troops, soldiers, staff, employed to U.N. peacekeeping missions in the Central African Republic, the Democratic Republic of the Congo, Mali, South Sudan, and Sudan.

China has doubled down on its bilateral partnerships. Between 2003 and 2016, China conducted 13 military exercises, 22 Naval port calls, and 259 senior-level meetings with sub-Saharan African counterparts.

Most notably, it established an overseas base in Djibouti in August 2017. Beijing's state-owned enterprises in the private sector have also deepened China's military footprint. As my colleague mentioned, China is now the second largest exporter of arms to Africa after Russia. Its private security companies serve as armed personnel on Chinese vessels, and it's tech companies are providing sensitive IT network for the region's armed forces.

Beijing couches its security activities as part of its protection of overseas interests and provision of global goods. But this is only part of the story. China's security activities are intrinsically connected to other goals, including fueling its economic growth, expanding its logistic footprint, and strengthening its political influence in multilateral forums.

China routinely says it needs to protect its citizens abroad. This is a real concern. There are as many as one million Chinese migrants and temporary workers living in Africa, and they are exposed to armed conflict, terrorism, and acts of piracy.

Indeed, there have been more than 150 violent incidences involving Chinese citizens in sub-Saharan Africa in the past decade. China also wants to present itself as a responsible world power. And it uses its contributions to peacekeeping and anti-piracy missions that demonstrate it is providing a global good.

At the same time though, China's security engagement advances economic interests in the region and in the wider world. China blends trade and investment deals with cultural exchanges, arms sales, medical assistance, troop training, anti-piracy drills, and other programs.

China included investment deals and development projects in its offerings for the military

base in Djibouti. This provides Beijing with significant leverage for Djibouti which overlooks a strategic choke point in one of the world's most heavily trafficked shipping lanes.

China's military base in Djibouti and its investment in civilian ports, at least 46 according to our research, extends the reach of its Navy and strengthens its power projection capability. Its participation in peacekeeping missions improves the PLA's overall operational readiness.

Finally, China uses its contributions to peacekeeping and its burgeoning relations with the African governments to cultivate current and future African security leaders and argue for more senior positions at the U.N.

China secured an appointment for one of its diplomats as the U.N. envoy for the Great Lakes, over the objections of the United States. Beijing has said that it should take over the U.N. Department of Peace keeping operations, also known as DPKO, a position that has traditionally been reserved for French nationals.

Let me conclude with some recommendations. The U.S. Congress has several opportunities to shape Chinese security engagement while increasing U.S. influence in sub-Saharan Africa.

However, it's important to note that most African leaders and republics do not regard Chinese activities as negative. U.S. condemnation of Chinese engagement, especially peacekeeping military exercises or training, will be poorly received by African counterparts.

Indeed, African leaders want more, not less, engagement with China. In 2019, the AU said that while the AU respects China's position on non-interference, it would like to, quote, explore ways which China can increase its support to conflict mediation efforts in the future, making use of its extensive leverage it brings to the table, end quote.

So instead of just countering Chinese engagement, it's more productive to focus on what the U.S. can do to deepen its bilateral, multilateral partnerships and develop a shared framework for evaluating investments with national security implications.

I'm going to present five recommendations. First, Congress should express its opposition to the proposed drawdown of U.S. troops. This idea has alarmed African partners including President of Senegal, Macky Sall, who said withdrawing would be a mistake. It would also provide an opening for China and other adversaries to claim they are more reliable security partners.

Second, the U.S. should increase its education and training programs offered to African security sector professionals. In March 2020, the U.S. Army leadership said they were viewing an increase in the invitational professional military education programs by ten percent for FY21 to 22 and up to 50 percent for FY22 to 25. If authorized, this would preserve and strengthen U.S. ties to African counterparts.

Third, the U.S. should expand its participation in U.N. operations. Currently, there are less than 30 individuals assigned to U.N. peacekeeping missions in sub-Saharan Africa. This reflects negatively on the U.S. compared to China and even European countries. The U.S. should also consider sending more flag officers to lead the U.N. missions as it did in 2012 to 2013 in Liberia.

Fourth, the United States should prioritize humanitarian and health operations. The U.S. military contributions to the Ebola response in West Africa in 2014, Cyclone Idai relief efforts in Mozambique in 2019, and the current effort against COVID-19 are exemplars of how to show U.S. commitment to sub-Saharan Africa.

Finally, the U.S. government could work with African governments in other countries to formulate guiding principles for foreign investment in critical infrastructure such as seaports and

military installations. This approach could help the United States track Chinese activities, distinguishing between projects that are benign and those that are more threatening to U.S. interests.

The U.S. Congress should press for financing, in partnership with the multilateral banks, for some critical infrastructure, as well as establishing monitoring and oversight boards for foreign investments, similar to Cote d'Ivoire's task force on China's back projects and the U.K.'s Cyber Security Evaluation Center Oversight Board.

Thank you for this opportunity. And I look forward to your questions.

**PREPARED STATEMENT OF JUDD DEVERMONT, DIRECTOR, AFRICA
PROGRAM, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES**



**Statement before the
U.S. - China Economic and Security Review Commission**

“China’s Strategic Aims in Africa.”

A Testimony by:

Judd Devermont

Director, Africa Program, CSIS

May 8, 2020

Introduction

Chairwoman Cleveland and Vice Chairwoman Bartholomew, thank you for the opportunity to testify.

China is deftly using its military engagement to advance its strategic objectives in sub-Saharan Africa and in the wider world. Its military activities are part of—not separate from—its broader goals in the region. Beijing’s framing of its security assistance to African partners as mutually beneficial and in protection of its overseas interests obscures China’s long-term goals for economic ascendancy, an expansive global logistics network, and influence in multilateral bodies.

The U.S. Congress has several opportunities to address the economic and political implications of China’s security activities, as well as to increase U.S. influence in sub-Saharan Africa. However, because many African leaders and publics regard Chinese security activities as advantageous, the United States should refrain from dissuading African leaders from cooperation with China. Instead, the United States should prioritize expanding U.S. security partnerships, focusing security issues of shared concern, and partnering with African and external partners to evaluate economic investments with national security implications.

In my testimony, I will describe the range of Chinese security sector activities in sub-Saharan Africa, explain how these seemingly disparate engagements combine to advance Chinese strategic objectives, and conclude with recommendations for congressional action.

China’s Evolving Security Engagement in Sub-Saharan Africa

China is both a historical security partner and a new power in sub-Saharan Africa. Beijing, for instance, was the primary source of aid for the Tanzanian military in the 1960s. This included small arms, trucks, anti-aircraft guns, medium tanks, patrol boats, and landing craft.¹ China also supported many of the region’s ruling parties during their fight for independence in the 1970s, including FRELIMO in Mozambique and ZANU-PF in Zimbabwe. In the past three decades, Beijing’s security engagement in the region has expanded and deepened in line with its broader “going out” strategy initiated in the late 1990s. China has ramped up its participation in multilateral peacekeeping operations, strengthened its bilateral security partnerships, and tapped its private sector companies to secure security contracts.

China has shifted from a minor to major player in UN and African Union (AU) peace operations in the past two decades. Its involvement has expanded both quantitatively and qualitatively, with greater numbers of personnel committed and a steady increase in presence in new countries.

¹ Charles Thomas, “The Tanzanian People's Defence Force: an exercise in nation-building,” (unpublished doctoral dissertation), University of Texas, May 2012, https://repositories.lib.utexas.edu/bitstream/handle/2152/22096/thomas_dissertation_20122.pdf?sequence=1&isAllowed=y; Central Intelligence Agency, “Communist China’s Presence in Africa,” 20 June 1969, <https://www.cia.gov/library/readingroom/home>

In the early 2000s, Chinese troop contributions in sub-Saharan Africa numbered in the low hundreds. As of February 2020, China has more than 2,000 soldiers and staff deployed to UN peacekeeping missions in the Central African Republic (CAR), the Democratic Republic of the Congo (DRC), Mali, South Sudan, and Sudan.² Of the UN Security Council five permanent members, China has become the largest troop contributor and second largest financier of UN peacekeeping operations. China also has stepped up its support to the AU's peace and security architecture. At the 2015 Forum for China-Africa Cooperation (FOCAC), China pledged \$100 million of free military assistance to support the establishment of the African Standby Force and the African Capacity for Immediate Responses to Crisis (ACIRC). While some these commitments have not materialized, scholars note that Beijing in February 2018 delivered \$25 million to the AU logistics base in Douala, Cameroon, as a portion of the \$100 million.³

China has doubled down on its bilateral partnerships, increasing its official representation in African capitals, conducting military exercises, and expanding high-level visits and professional training, as well as participating in humanitarian and medical missions. Most notably, it established its first overseas base in Djibouti in August 2017. According to a RAND study in 2014, the People's Liberation Army (PLA) has attaché representation in one-third of African nations, and 75 percent of these countries have attachés in China.⁴ Between 2003 and 2016, China conducted 13 military exercises, 22 naval port calls, and 259 senior-level meetings.⁵ Moreover, Beijing has focused on security professionalization training, inviting tens of thousands of African military officers to China for workshops.⁶ China is also active in medical and humanitarian missions. Last month, the People's Liberation Army Navy (PLAN) delivered medical protective gear, including protective goggles and face and nose masks, to the South African National Defense Force to assist in the Covid-19 response.⁷ The PLA sent three military teams, including doctors and staff from a military hospital in Beijing, to set up an Ebola treatment center in Sierra Leone in 2014. Its Navy deployed the "Peace Ark" hospital ship, providing provide free health care in Djibouti, Kenya, the Seychelles, and Tanzania in 2010.

China's state-owned enterprises and private sector also have played a significant role in China's growing military footprint in the region. In 2019, China accounted for approximately one-fifth of arms exports (19 percent) to sub-Saharan Africa, second only to Russia.⁸ While mostly small arms and light weapons, Chinese arms manufacturers have started to sell more advanced

² UN, "Contributions by Country and Mission, February 2020,

https://peacekeeping.un.org/sites/default/files/03_countryandmission_21.pdf

³ Janet Eom, Deborah Brautigam, and Lina Benabdallah, "The Path Ahead: The 7th Forum on China-Africa Cooperation," Johns Hopkins School of Advanced International Studies - China Africa Research initiative (SAIS-CARI), 2018.

⁴ Larry Hanauer and Lyle Morris, "Chinese Engagement in Africa: Drivers, Reactions, and Implications for U.S. Policy, RAND Corporation, 2014.

⁵ Kenneth Allen, Phillip Sauders, and John Chen, "Chinese Military Diplomacy, 2003-2016: Trends and Implications," Institute for National Security Studies, National Defense University, July 2017.

⁶ Lina Benabdallah, "China-Africa military ties have deepened. Here are 4 things to know," *Washington Post*, July 6, 2018, <https://www.washingtonpost.com/news/monkey-cage/wp/2018/07/06/china-africa-military-ties-have-deepened-here-are-4-things-to-know/>

⁷ "Chinese armed forces donate COVID-19 protective gear to SANDF," *The South African*, March 26, 2020, <https://www.thesouthafrican.com/news/china-covid-19-protective-gear-sandf/>

⁸ Pieter Wezeman, Aude Fleurant, Alexandra Kuimova, Diego Lopes da Silva, Nan Tian, and Siemon Wezeman, "Trends in International Arms Transfers, 2019), Stockholm International Peace Research Institute, March 2020.

technologies, including the CH-3 unmanned aerial vehicle and battle tanks to support Nigerian operations against Boko Haram.⁹ China's tech companies and private security companies (PSCs) are also in the mix. With the involvement of Chinese IT firm ZTE, China has provided loan-financed sensitive IT networks for the region's armed forces.¹⁰ Chinese PSCs, even before the advent of the Belt and Road Initiative, were operating in the natural resources sector and providing services to small businesses in the region. According to a China Africa Research initiative policy brief, there has been a measurable increase in PSC activity in sub-Saharan Africa recently. Chinese PSCs have found a "profitable niche" protecting Chinese VIPs and serving as armed personnel on Chinese vessels transiting high-risk waterways off the Gulf of Guinea and Horn of Africa.¹¹

China Leveraging Military Engagement to Advance Economic and Political Objectives

Beijing routinely couches its security engagement as part of its protection of its overseas interests and provision of global goods in sub-Saharan Africa. This is only part of the story. China's security activities are intrinsically connected to other goals, including fueling its economic growth, expanding its logistic footprint, and sharpening its political influence in multilateral forums.

China's responsibility to protect its citizens abroad is a key driver of its increased security engagement. With as many as one million Chinese migrants or temporary workers living in Africa,¹² Beijing is under pressure to respond when its nationals are threatened by armed conflict, xenophobic riots, criminality, terrorism, and acts of piracy. According to the Armed Conflict Location & Event Data Project (ACLED), there have been more than 150 violent incidents involving Chinese citizens in sub-Saharan Africa in the past decade.¹³ Since 2004, China has conducted 16 non-combatant evacuations, including in CAR, Chad, Libya, and Yemen. Many scholars believe the turning point was in 2011 when 13,500 Chinese were stranded in the middle of the Libyan civil war. The Chinese government, which lacked an indigenous capacity to evacuate its citizens, rented three cruise ships and 100 buses from Greece to rescue its nationals.¹⁴ This "lesson of blood" was a direct cause of the shift in China's Africa policy.¹⁵ China's shambolic response to Libya hastened plans to pre-position its military and logistic chains to more swiftly respond to these types of emergencies. It presumably also spurred

⁹ John Van Oudenaren and Benjamin Fisher, "Foreign Military Education as PLA Soft Power," *Parameters*, Winter 2016; "Nigerian military receives tanks, artillery from China," *Defenceweb*, April 9, 2020, <https://www.defenceweb.co.za/featured/nigerian-military-receives-tanks-artillery-from-china/>

¹⁰ Gisela Grieger, "China's growing role as a security actor in Africa," European Parliamentary Research Service, October 2019.

¹¹ Alessandro Arduino, "What is the Role for the Chinese Private Security Sector in Africa," Johns Hopkins School of Advanced International Studies - China Africa Research initiative (SAIS-CARI), 2020

¹² Yoon Jung Park, "One Million Chinese in Africa," Johns Hopkins School of Advanced International Studies Perspectives, May 2016, <http://www.saisperspectives.com/2016issue/2016/5/12/n947s9csa0ik6kmkm0bzb0hy584sfo>

¹³ Data compiled from The Armed Conflict Location & Event Data Project (ACLED), <https://acleddata.com>

¹⁴ Xinhua, "Diplomat's Libya evacuation tale gives overseas Chinese sense of state care," June 6, 2018, http://www.xinhuanet.com/english/2018-06/06/c_137235257.htm

¹⁵ Mathieu Duchatel, Richard Gowan, and Manuel Lafont Rapnouil, "Into Africa: China's Global Security Shift," European Council on Foreign Relations, June 2016.

the Chinese film industry to churn out films, such as *Wolf Warrior 2*, depicting a former Chinese special forces operator who saves fellow citizens from African unrest.¹⁶

China's objective to present itself as a 'responsible' world power is another driver of its security activities in Africa. China is using its counter-piracy and peacekeeping mission to cast itself as a responsible power. When there was a surge of pirate attacks off the coast of Somalia in the late 2000s, China responded to a series of UN Security Council resolutions that requested foreign governments fight piracy in the region. China deployed naval ships to deter, prevent, and repress acts of piracy off the Horn of Africa. This Chinese effort remains separate from the multinational combined joint task force, which works with the European Union's Operation Atalanta's counterpiracy mission. China has touted its deployment as contributing to the safe navigation of the seas and protection of maritime commerce, noting a decade later that its navy "rescued or aided more than 60 Chinese and foreign ships."¹⁷ China has a similar objective in its peacekeeping missions. According to one scholar, Beijing regards its peacekeeping deployment in Mali as a means to boost its image, diplomatic outreach, and soft power in Africa. China has stressed that its contributions are "helping the countries in question to effectively assume their responsibilities for the protection of their own nationals."¹⁸

At the same time, China's security engagements advance its economic interests in the region and in the wider world. As professor Lina Benabdallah notes, Beijing blends trade and investment deals and cultural exchanges with arms sales, medical assistance, troops training, anti-piracy drills and other programs.¹⁹ Specifically, she cites the military base in Djibouti where investment deals and development projects were included in the base package deal. China built a \$4 billion railway to connect Djibouti with Ethiopia, constructed a \$3.5 billion international free trade zone, and funded a \$300 million water pipeline.²⁰ Beijing's intertwined security and economic interests has provided it with significant leverage over Djibouti, pressing the small African government to hand over the strategic Doraleh Container Terminal. In 2019, the *Wall Street Journal* indicated that if China assumed control of the terminal, its vessels would receive priority handling and lower docking fees, enabling them to ship "as much cargo as possible in the shortest time" to European markets.²¹ China's eyeing of the Doraleh Container Terminal also has implications for the U.S. military; former AFRICOM commander Thomas Waldhauser told

¹⁶ Lily Kuo, "China's Wolf Warriors 2 in 'war-ravaged Africa' gives the White Savior complex a whole new meaning," *Quartz*, August 14, 2017, <https://qz.com/africa/1052857/chinas-wolf-warrior-2-in-war-ravaged-africa-gives-the-white-savior-complex-a-whole-new-meaning/>

¹⁷ "China sends new naval fleet for escort mission," *Xinhua*, December 9, 2018, http://www.xinhuanet.com/english/2018-12/09/c_137661413.htm

¹⁸ Jean-Pierre Cabestan, "China's Evolving Role as a UN Peacekeeper in Mali," United States Institute of Peace, September 2018

¹⁹ Lina Benabdallah, "China-Africa military ties have deepened. Here are 4 things to know," *Washington Post*, July 6, 2018, <https://www.washingtonpost.com/news/monkey-cage/wp/2018/07/06/china-africa-military-ties-have-deepened-here-are-4-things-to-know/>

²⁰ Monica Wang, "China's Strategy in Djibouti: Mixing Commercial and Military Interests," Council on Foreign Relations, April 2018, [https://www.cfr.org/blog/chinas-strategy-djibouti-mixing-commercial-and-military-interests; AidData, "Mapping China's Global Development Footprint," <https://www.aiddata.org/china-project-locations>](https://www.cfr.org/blog/chinas-strategy-djibouti-mixing-commercial-and-military-interests;AidData, \)

²¹ Costas Paris, "China Tightens Grip on East African Port," *Wall Street Journal*, February 21, 2019, <https://www.wsj.com/articles/china-tightens-grip-on-east-african-port-11550746800>

Congress that he was concerned that Chinese moves to assume control of the port could lead to restrictions on U.S. access.²²

China also advances its economic objectives through peacekeeping and counterpiracy missions. While Chinese peacekeepers are deployed in five countries, it is notable that some of its major peacekeeping contributions have happened where China has significant economic interests. China has one thousand Chinese peacekeepers in South Sudan, where the state-run China National Petroleum Corporation operates extensive energy projects.²³ Its counterpiracy mission off the Horn of Africa and recent exercises in the Gulf of Guinea²⁴ serve a dual purpose, addressing insecurity while enabling China to secure maritime shipments along major sea lines of communication (SLOCs) linking Africa to Chinese ports.²⁵

In addition, Chinese security engagements in sub-Saharan Africa improve the PLA's overall operational readiness and military access. Its peacekeeping deployments provide an opportunity to build up field experience abroad. According to the European Parliamentary Research Service, China dispatched troops to Mali in part to test their mettle in a hostile environment, as well as try out new military weapons and equipment.²⁶ China's military base in Djibouti and its investment in civilian ports—at least 46 in sub-Saharan Africa, according to CSIS research²⁷—extends the reach of its navy and strengthens its power projection capability. In December 2018, the Department of Defense noted that China has used its requests for military access, logistics, or basing agreements—typically in countries where China has economic investments—to adapt to evolving requirements to operate in far-flung maritime environments and sustain military power at greater distances. Moreover, its exercises showcase China's close partnership with African allies and U.S. adversaries, such as Russia. In November 2019, China conducted a trilateral exercise with Russia and South Africa to demonstrate its ability to project power, only the second time a PLAN fleet crossed the equator into the Indian Ocean.²⁸

Finally, Chinese military activities, including professionalization courses and peacekeeping missions, increase Beijing's political influence with African counterparts and at the UN and other multilateral forums. China uses its training programs to cultivate current and future African security leaders. In 2018, China invited military representatives from 50 African countries and the African Union to discuss defense and security cooperation at the newly inaugurated China-

²² John Vandiver, "AFRICOM Chief: Expect more Chinese bases in Africa," *Stars and Stripes*, March 6, 2018, <https://www.stripes.com/news/africom-chief-expect-more-chinese-bases-in-africa-1.515263>.

²³ John Van Oudenaren and Benjamin Fisher, "Foreign Military Education as PLA Soft Power," *Parameters*, Winter 2016.

²⁴ Phillip Nwosu, "Nigeria, China, France, Portugal navies combat piracy in Gulf of Guinea," *The Sun*, June 3, 2018, <https://www.sunnewsonline.com/nigeria-china-france-portugal-navies-piracy-gulf-guinea/>

²⁵ Kenneth Allen, Phillip Sauders, and John Chen, "Chinese Military Diplomacy, 2003-2016: Trends and Implications," Institute for National Security Studies, National Defense University, July 2017.

²⁶ Gisela Grieger, "China's growing role as a security actor in Africa," European Parliamentary Research Service, October 2019.

²⁷ Judd Devermont and Catherine Chiang, "Assessing the Risks of Chinese Investments in Sub-Saharan African Ports," Center for Strategic and International Studies, June 4, 2019, <https://www.csis.org/analysis/assessing-risks-chinese-investments-sub-saharan-african-ports>

²⁸ Liu Zhen, "China, Russia, and South Africa team up for first joint drill," *South China Morning Post*, November 27, 2019. <https://www.scmp.com/news/china/diplomacy/article/3039469/china-russia-and-south-africa-team-first-joint-naval-drill>

Africa Defense and Security Forum. According to one study, a senior African officer, who attended both U.S. and Chinese professional military education programs, recalled that the Chinese curriculum promoted a narrative of U.S. neo-imperialism in Africa.²⁹ These investments have paid off for the Chinese government; former Congolese President Joseph Kabila, for example, received training from the PLA National Defense University before ascending to power in 2001. China also uses its contributions to peacekeeping and burgeoning relationships with African governments to argue for more senior positions at UN bodies and galvanize support for Chinese political positions. China secured an appointment for one of its diplomats as the UN envoy for the Great Lakes over the objections of the United States.³⁰ Beijing has argued that it should take over the UN Department of Peacekeeping Operations (DPKO), a position which has traditionally been reserved for French nationals.³¹ In 2019, China trumpeted African support for its handling of the protests in Hong Kong and to reject international criticism for its mass detention of ethnic and religious minorities in Xinjiang.³²

Recommendations for the U.S. Congress

The U.S. Congress has several opportunities to shape Chinese security engagements while increasing U.S. influence in sub-Saharan Africa. It is important to note that most African leaders and publics do not regard Chinese activities as negative, and U.S. condemnation of Chinese engagements, especially peacekeeping, military exercises, or training, will be poorly received by African counterparts. Indeed, African leaders want more, not less, engagement from China. In 2019, the AU issued a statement noting that while the AU respects and appreciates China's position on non-interference, "we would like to explore ways in which China can increase its support to the conflict mediation effort in the future, making use of the extensive leverage it brings to the table."³³

Instead of just countering Chinese engagement in sub-Saharan Africa, it is more productive to expand bilateral and multilateral U.S. security partnerships in the region, address security issues of concern to African publics, and develop a shared framework for evaluating economic investments with national security implications.

²⁹ John Van Oudenaren and Benjamin Fisher, "Foreign Military Education as PLA Soft Power," *Parameters*, Winter 2016.

³⁰ Robbie Gramer and Colum Lynch, "Haley Tried to Block Appointment of Chinese Diplomat to Key U.N. Post. He Got the Job Anyway," *Foreign Policy*, February 14, 2019

³¹ Colum Lynch, "China Eyes Ending Western Grip on Top U.N. Jobs with Greater Control Over Blue Helmets," *Foreign Policy*, October 2, 2016. <https://foreignpolicy.com/2016/10/02/china-eyes-ending-western-grip-on-top-u-n-jobs-with-greater-control-over-blue-helmets/>

³² "Uganda sides with China on Hong Kong," *The Observer*, 4 October 2019, <https://observer.ug/news/headlines/62211-uganda-sides-with-china-on-hong-kong-protests>; Joshua Berlinger, "North Korea, Syria, and Myanmar among countries defending China's actions in Xinjiang," CNN, July 15, 2019, <https://edition.cnn.com/2019/07/15/asia/united-nations-letter-xinjiang-intl-hnk/index.html>

³³ "Chinese Support for AU peace and security totals \$180 million," *Defenceweb*, February 11, 2019, https://www.defenceweb.co.za/featured/chinese-support-for-au-peace-and-security-totals-180-million/?utm_source=Media+Review+for+February+12%2C+2019&utm_campaign=Media+Review+for+February+12%2C+2019&utm_medium=email

- **Oppose a U.S. Military Drawdown.** U.S. Secretary of Defense Esper’s mulling of a drawdown in U.S. military presence in Africa has alarmed African partners, including Senegalese President Macky Sall who said that withdrawing U.S. troops would be “a mistake, and it would be very misunderstood by Africans.”³⁴ It would also have negative effects on U.S. programs and resources overseen by other departments and agencies that work closely with the U.S. military. Moreover, it would provide an opening for China and other U.S. adversaries to claim that they are more reliable security partners. While the Pentagon is responsible for a final decision on the disposition of U.S. forces, Congress has an important role in continuing to press the Department of Defense to commit to a significant presence in the region.³⁵
- **Increase Military Training Programs.** The U.S. education and training programs offered to African security sector professionals is essential for maintaining U.S. leadership. In response to questions from Senator Deb Fischer in March 2020, Army Secretary McCarthy and Army Chief of Staff General McConville noted that the Army is reviewing an increase in ally and partner Invitational-Professional Military Education (I-PME) participation by 10 percent for FY21-FY22, and by up to 50 percent over FY22-25.³⁶ If authorized, this measure would preserve and strengthen U.S. ties to African counterparts.
- **Expand United States Participation in United Nations operations.** The United States has less than 30 individuals assigned to UN peacekeeping missions in sub-Saharan Africa, which undercuts its position vis-à-vis China. It also negatively compares to European and other Western allies, who have become more involved in UN operations. Even if the United States declines to send troops to UN missions, the Stimson Center says the U.S. soldiers could serve in short-term, independent coalitions of the willing alongside the UN to provide initial assistance with stabilization.³⁷ The United States could also appoint more flag officers to lead UN missions, as it did in 2012-2013 in Liberia.³⁸
- **Prioritize African Security and Humanitarian Concerns.** In contrast to the U.S. focus on counterterrorism, most Africans are concerned about the economy and humanitarian

³⁴ Danielle Paquette, “West African presidents urge U.S. to stay in the fight against terrorism,” *Washington Post*, January 21, 2020, https://www.washingtonpost.com/world/africa/west-african-presidents-urge-us-trump-to-stay-in-the-fight-against-terrorism/2020/01/20/ac000e3a-3b8e-11ea-afe2-090eb37b60b1_story.html

³⁵ Robbie Gramer, “U.S. Congress Moves to Restrain Pentagon Over Africa Drawdown Plans,” *Foreign Policy*, March 4, 2020, <https://foreignpolicy.com/2020/03/04/africa-military-trump-esper-pentagon-congress-africom-counterterrorism-sahel-great-power-competition/>

³⁶ Senate Armed Services Committee, Paper Hearing Questions, Hearing on 3/26/20, #20-20 “To receive testimony on the posture of the Department of the Army in review of the Defense Authorization Request for Fiscal Year 2021 and the Future Years Defense Program.” Witnesses: Secretary McCarthy, General McConville, https://www.armed-services.senate.gov/imo/media/doc/SASC%20Army%20FY21%20Posture%20Hearing%20Questions_.pdf

³⁷ Aditi Gorur, “Supporting Their Troops: America’s Role in UN Peacekeeping,” Stimson Center, May 28, 2014, <https://www.stimson.org/2014/supporting-their-troops-americas-role-in-un-peacekeeping/>

³⁸ Lisa Ferdinando, “Army Contributions to U.N. Liberia mission significant, former force chief says,” U.S. Army, September 20, 2013, https://www.army.mil/article/111873/army_contributions_to_u_n_liberia_mission_significant_former_force_chief_says

and infectious disease challenges. The United State has an opportunity to positively contribute to these issues while indirectly challenging Chinese efforts. The U.S. role in the G7++ Friends of Gulf of Guinea Group, which addresses threats of piracy, armed robbery, and other illicit maritime activities, is a good example of this approach.³⁹ Similarly, the U.S. military played essential roles in the Ebola response in West Africa in 2014, Cyclone Idai relief efforts in Mozambique in 2019, and is currently assisting partners to curb Covid-19's spread in the region. The U.S. Congress could ask the U.S. military to increase this capacity and seek out similar interventions to showcase U.S. commitment to sub-Saharan Africa.

- **Promote Multilateral Approaches to National Security Infrastructure.** Several U.S. allies and nontraditional partners have echoed U.S. concerns about Chinese-linked security and economic investments. The U.S. Congress could request the Department of Defense, as well as other departments and agencies, host African governments and key external actors—France, Germany, India, Japan, South Korea, United Arab Emirates, and United Kingdom, among other countries—to formulate guiding principles for foreign investments in critical infrastructure, such as seaports, military installations, and satellite programs. This approach also would help the United States do a better job of tracking Chinese activities and distinguishing between projects that are benign and those that are more threatening to U.S. interests. Lastly, the U.S. Congress should press for financing—in partnership with multilateral development banks—of some critical infrastructure, as well as establishing monitoring and oversight boards for foreign investments, similar to Cote d'Ivoire's task force on China-backed projects and the U.K.'s cyber security evaluation center oversight board.⁴⁰

³⁹ "U.S. Contributes to Gulf of Guinea Maritime Security," U.S. Embassy Cameroon, January 21, 2020, <https://cm.usembassy.gov/press-release-u-s-cameroonian-military-cooperation-broadens-and-matures/>

⁴⁰ Baudelaire Mieu, "Ivory Coast Creates Task Force to Monitor China-Backed Projects," *Bloomberg*, November 28, 2018, <https://www.bloomberg.com/news/articles/2018-11-28/ivory-coast-creates-task-force-to-monitor-china-backed-projects>.

PANEL III QUESTION AND ANSWER

VICE CHAIRMAN BARTHOLOMEW: Great, thank you very much. We're going start our questions with my co-chair, Commission Borgeas.

COMMISSIONER BORGEAS: Thank you. And I would like to extend my appreciation to our esteemed panelists. Thank you for being a part of this and, of course, using the technology that we have today, certainly a new era in Commission hearings.

I have kind of an open-ending question, and I think all three of you touched on the topic matter. But I kind of want to take a step back. We know that military training and the diplomatic exchange between our military leadership is a key component of our overall approach toward African nations.

If you take a look at the ITAR list of countries that have general denials, with certain exceptions, we're looking at Congo, Eritrea, Libya, Somalia, South Sudan, Zimbabwe, and others.

So if we understand that military training and the possibility for enhanced military commercial exchange, do you have any thoughts and opinions on whether we should be revisiting, I'm not advocating for this, but do you have any thoughts on whether or not our ITAR restrictions on military sales needs to be revisited in light of heightened competition for influence on the Continent? I'll leave it open to all three.

VICE CHAIRMAN BARTHOLOMEW: Who wants to step up and start? Shall we go in their -- well, Mr. Meservey, why don't you go ahead and start.

MR. MESERVEY: Sure. Yes, I'll dive in. Yes, it's a difficult question. Because the United States has programs, or restrictions rather, like ITAR and others, the Leahy Amendment for instance, that circumscribes the sort of cooperation we can undertake with militaries that have been credibly accused of human rights abuses.

I generally think that's the right approach. I think that for a number of reasons. One, it's in keeping with how we try to operate our foreign policy, we don't want to be naive about the world, but we also do want to be as true as we can to our values.

And two, I think it's, you know, cooperating with some of these militaries, these abusive militaries, yes, that might bring us a short term gain with the African government in question. But frequently, these things change, governments change.

And when that happens, I think Sudan is a great example of this, or Ethiopia, both of which had very unforeseen, dramatic changes in regime, if the United States is seen as having propped up a vicious armed force that was repressing its own citizens, that can really boomerang on the United States when the political realities change, or the political context.

I do think we need to not just allow these ITAR restrictions to gather their own momentum. They need to be frequently reassessed, and we need to make sure that they are still relevant and that the armed forces that are under these restrictions do indeed still deserve it. So we should be frequently revisiting these and making sure they're, as I say, still relevant.

But by and large, I think it's the right approach just as long as we're careful and vigilant about ensuring that they remain up to date and the reason for why we put these restrictions on in the first place remain relevant.

VICE CHAIRMAN BARTHOLOMEW: Mr. Nantulya, go ahead.

MR. NANTULYA: Yes, thank you very much. Commission Borgeas, I want to look at it from an African perspective. And so when you talk to African officers, you know, we did a study at my agency that looked at assessing attitudes of African military officers towards their

profession, towards the profession of arms, towards the profession of military education.

And without question, the vast majority of respondents across 36 African countries said that they valued a profession of military education, they valued the idea of a profession of military, they valued the idea of international training, and they accept human rights as part of their normative architecture.

I think this is a major opportunity for engagement. And I really don't think that, you know, sort of engaging with countries that have questionable human rights records kind of puts the United States in a stronger footing vis-a-vis China.

Human rights is accepted on the African Continent. It's accepted by Africa's emerging military leaders. And I think that's where the focus should be. This is just my perspective. I don't think that, you know, entertaining militaries that don't observe human rights is essentially strengthening opposition vis-a-vis China.

VICE CHAIRMAN BARTHOLOMEW: Thanks. And, Mr. Devermont, do you want to add anything?

MR. DEVERMONT: Sure. I'll just agree with my colleagues and add two additional points. First, my experience in government is that when we have applied Leahy or other restrictions, we don't do equal enough time on working with those governments to get off of those bad lists.

And so it is in some of the legislation that, for example, if you're under Leahy, that the Department of State will work to help remediate those countries. And I think there's a number of investments that should be triggered immediately upon getting those restrictions to invest in military justice and work with those countries to reform their militaries. You know, it's not just the stick, we should be thinking about the carrot. How can we use these tools to reform these militaries?

I think the second point is a little different to the Commissioner's question about weapons sales and arms sales. And it's been my experience that lots of the things that the U.S. military or sort of U.S. defense enterprises want to sell to Africans aren't very well suited to their needs. They tend to be much higher level in terms of cost. And we are out-competed in part because, I think, China and other countries are selling weapons at a lower price that are more basic for their needs.

Now, there are changes, and we can point to specific countries that are buying sort of higher grade weaponry. But when I talk to, for example, a helicopter company, they want to sell Africans the top model and not, perhaps, the model that makes most sense for their economies. Thank you.

VICE CHAIRMAN BARTHOLOMEW: Thank you very much. We will move on. Commissioners, remember that we're going from the bottom of the alphabet this time. So Commissioner Wortzel, you're up.

COMMISSIONER WORTZEL: Okay. You got me?

VICE CHAIRMAN BARTHOLOMEW: We can hear you, yes, and see you.

COMMISSIONER WORTZEL: Hear me and see me. All right, thank you very much. I spent a little bit of time mining my way through the State Department's 2018 to 2022 Joint Strategic Plan, the Trump administration's National Security Strategy, and the latest National Military Strategy.

The only prioritization I find there really is in the National Military Strategy which is China, Russia, WMD, North Korea, Iran, and extremism. The Joint Strategic Plan didn't really mention Africa or any region. And the National Security Strategy from 2017 emphasizes that

there are humanitarian needs. China's getting influence, the U.S. wants to reduce human suffering. The U.S. wants to ensure that any aid it provides is not exploited by corrupt elites.

So I heard that, from all the panelists, and this is more a comment than a question, I heard the word prioritize a lot. I'm afraid it has been prioritized. And what we've got to do is figure out how to work with what we've got.

Now comes a general question. And I'll pose it to all of you. Do you expect that, if the PRC establishes bases, that will translate into an attempt at sea control blocking other nations from using bodies of water? And if you do not expect China to attempt sea control, as it does in the South China Sea and the First Island Chain, around the waters of Africa, why should we worry that much if it has bases there?

VICE CHAIRMAN BARTHOLOMEW: All right, I'm going to let you guys choose who goes first on this question.

MR. DEVERMONT: I'll try it. Sir, maybe just make a comment on your comment. It is fair to say that Africa is prioritized fairly low in this administration.

I think that it's also true that Africa tends to get less attention in any administration. Although, I do think that we can look at a couple of metrics to say that it's probably at a lower level than in past administrations.

And yes, I think we have to deal with what we have. I would argue that there are more creative ways, cost effective ways to do that. Less about dollar amount, and more about time and attention at senior levels to convey to Africans that we want to engage with them, and we think that the environment has an important voice in global affairs.

That is a delivery person. Please hold one second. Actually, may I cede my time, and I'll come back when, after I resolve the --

VICE CHAIRMAN BARTHOLOMEW: Yes, please.

MR. DEVERMONT: -- delivery? Thank you.

VICE CHAIRMAN BARTHOLOMEW: Mr. Nantulya, do you want to go next?

MR. NANTULYA: Yes. Can you hear me? Right. Commissioner Wortzel, I think that what, you know, the key issue here is the overall strategic framing from the Chinese perspective.

So, the maritime element is definitely one. It just so happens that China's partners on the African continent that happen to have both lines also rank very highly in its strategic partnership rankings. That's the one thing. Another one, there will be commercial, ideological, military security intelligence as a package.

The other element is that many of these countries are former liberation movements, right. So, they do have that very, very strong ideological tie. And they share a lot in terms of doctrine, in terms of tactics and strategy.

So, in terms of the kind of attention that should be provided to the African continent, just from a Chinese perspective, and from an international perspective, I think we ought to look at it from a, you know, the Chinese have this concept, comprehensive national power. We need to look at it from a comprehensive national power approach, as opposed to a strictly sort of military, or in this case a naval lens.

And I think that's where China, in terms of the way in which the Chinese government is organized, that is essentially what the thinking is.

So, in terms of the strategic relevance of the African continent internationally, I think that relevance comes from this combination of interests, as opposed to specifically a military, or in this case access-oriented strategy.

However, we cannot rule out that in, you know, the next ten years or so, there could be

access issues that, you know, the international community would have to attend to.

But again, even in that context I think a comprehensive approach is what makes Africa, and what makes engagement with Africa so compelling.

VICE CHAIRMAN BARTHOLOMEW: Mr. Devermont, do you have anything you wanted to do. I, again, on a personal note, I was actually quite pleased to hear that interruption.

My colleagues know I have several cats that have occasionally joined us. I think I've solved that problem today by keeping a bowl of food on my desk, out of view. So anyway, please go back to what you were saying.

MR. DEVERMONT: I think that it brings some authenticity to these hearings, right. But I appreciate your patience. I was going to, first of all I think I agree with everything that my colleague just said.

But to the question around basing, I think that it's a very different environment than it is in the South China Sea. But I think that the Chinese are good logisticians. And so, they're looking for options.

And I think that Djibouti presents a clear reason why you would want to have a base there as do, as we have a base there, as the French have a base there, as the UAE has a base there.

But there, potentially I can't discount that if there were hostilities between the U.S. and China, that bases in other parts of the African continent would benefit them, and would resolve in perhaps in controlling of access, mobility, and maneuverability for the U.S. forces.

VICE CHAIRMAN BARTHOLOMEW: Mr. Meservey, do you have anything you add?

MR. MESERVEY: Yes. Just briefly on the basing question. I think that the Chinese, to my colleague Paul's point about their overall strategic interests, I think that they, in their long-term planning are concerned about these sea lines of communication. So, I think they would want the ability to protect those lines in the event of an open conflict.

So, I don't think they necessarily want to take control. I don't think they want to be the guarantors of, as the U.S. is now, of free shipping on the, in the global commons, the maritime global commons.

I don't think they want that responsibility and that cost. I think they do want to position themselves to protect those sea lines of communication that are critical to them in the case of an open conflict.

So again, they're obsessed with the Strait of Malacca, for instance, which so much of their ship foreign trade goes through. That's I think one of the primary reasons they chose Djibouti, because of the importance of the Bab-al-Mandeb Strait.

So, my sense is that they are moving, positioning themselves to take care of, or to put themselves in a position to respond to a worst-case scenario.

COMMISSIONER WORTZEL: If I can, Madame Chairman, I'll just close with a short comment.

VICE CHAIRMAN BARTHOLOMEW: Yes, of course.

COMMISSIONER WORTZEL: I really appreciate all your responses. What struck me from the earlier panels this morning is that, I guess it's France, the Netherlands, to a certain extent still Italy, and the U.K.

Actually, former colonial powers primarily still have great investment down there, and influence. So, it's futile for the U.S. on its own to attempt to address the problems in Africa. We have got to work with partners.

VICE CHAIRMAN BARTHOLOMEW: All right. Thank you. We're going to go to

Commissioner Wessel next. And after him it will be Commissioner Lewis, and Commissioner Kamphausen.

COMMISSIONER WESSEL: Thank you, Madame Chair, and thank all the witnesses. I have a couple of probably disparate, maybe quick questions. I'll ask them quickly, and then seek anyone's help in answering them.

Mr. Meservey, you talked about earlier, about a satellite station, which raised for me the question of whether any Chinese satellite resources, reconnaissance, surveillance, et cetera, are being provided to any of the governments in Africa.

Separately, and I think it was Mr. Nantulya, you talked about private security forces. And I'm wondering, since it's hard for me to see any of them having the opportunity to work in Africa, that it is done without the knowledge, and probably acquiescence of the Chinese government.

Are any of those forces supporting, supplementing governmental forces in the region that we should be aware of?

And finally, with, you know, still activities by the U.S. to address terrorism, have we seen any efforts other than in the Gulf of Aden regarding piracy, have we seen any efforts by the Chinese to assist on those terrorist issues, or potentially impeding U.S. efforts?

So, a couple of disparate questions for whoever wants to jump in.

VICE CHAIRMAN BARTHOLOMEW: Who wants to start? I'll call on somebody otherwise. Mr. Nantulya.

MR. NANTULYA: Thank you.

VICE CHAIRMAN BARTHOLOMEW: Mr. Nantulya, we're going to go with you.

MR. NANTULYA: Yes. Thank you. Thank you. Commissioner Wessel, no, thank you. Thank you very much for that question. It is definitely a growing area, Chinese private military security companies, which are proliferated particularly since 2013 when the Belt and Road really got underway.

And a lot of them now are very transparent. Transparent in terms of they've got websites, and they tell you exactly what they do. They tell you, we're working in Ghana. We're working in Nigeria. This is what we're doing in Mozambique.

So, it's really become a huge industry. And remember that the PLA demobilized 300,000 members some years back as part of the modernization. And a lot of these members are now moving into the private security arena.

So, it's a huge area. We've seen a lot of activity in places like Nairobi, Somaliland. We've seen a lot of involvement in places like Sudan, South Sudan, and Mozambique.

So, I think it's an emerging issue. The same with private military companies, Chinese, is that, you know, there's that PLA element.

So, a lot of them will be from the PLA and demobilized from the other, from China's other armed forces, such as the People's Armed Police, armed and unarmed as well. So, we do see that involvement.

And, you know, just getting to your question as to whether they operate with the knowledge of the Chinese government, I think it is, how can I say this? It's a correct assumption. A correct assumption, given that it's easier to control, to have a level of control over demobilized PLA elements.

Now, in my written remarks I talk about what's happening in Mozambique, for instance with the Overseas Chinese Affairs Office, which is directly involved with one of these companies that has created a center that essentially provides a facility to protect Chinese interests

and assets in Mozambique.

And Mozambique is one of the high tier countries, right. So, that's a direct approach. So, there is that sort of integration. And I think it's still a work in progress in terms of how these private security companies interact with the Chinese authorities. But we definitely see a pattern in that direction.

COMMISSIONER WESSEL: Thank you.

VICE CHAIRMAN BARTHOLOMEW: Thank you. Do either of our other witnesses have anything they want to say?

MR. MESERVEY: I can take the satellite question just quickly.

COMMISSIONER WESSEL: Please.

MR. MESERVEY: Yeah. I'm unaware of acting countries benefitting from any ISR provided by Chinese satellites. I think perhaps it's possible. But I'm not aware of any reports of that.

Obviously the Chinese have been involved in a number of African country's launching of satellites. Nigeria I think is perhaps most recent, that launched a satellite with Chinese help.

And there's no doubt that Chinese government and Chinese companies have provided technology, worrisome technology let's say, to a variety of African governments that involve snooping, frankly, spying on their citizens.

So, in Zimbabwe, for instance, there have been reports of this, Zambia, and a few other countries.

So again, I'm unaware of any reports of China giving African countries access to ISR from its satellites. I don't think it's out of the question that it happens.

COMMISSIONER WESSEL: Thank you.

VICE CHAIRMAN BARTHOLOMEW: Mr. Devermont, anything to add?

MR. DEVERMONT: I'll just tackle the Commissioner's final question around counter-terrorism cooperation. And I'm going to broaden, if you don't mind, sir, to also include counter-piracy.

In terms of counter-terrorism, whether or not the Chinese impede any of our efforts, there is an ongoing, or at least there has been episodic arguments between the U.S. and the Chinese over the flying of drone bases in Djibouti.

And there's a continued appeal to the Djiboutian government to arbitrate over those issues, considering that our bases are so close. And clearly our base in Djibouti does, is important in our counter-terrorism efforts.

Counter-piracy's a little more interesting on -- we have, the Chinese and the Indians operate anti-piracy missions in the Gulf of Aden, not with the multinational, multi-lateral leads, but alongside it. And so, there are potentials there for cooperation.

In the Gulf of Guinea there's some nascent efforts by China to be more engaged in Gulf of Guinea counter-piracy, which is sort of increasingly the hot spot for global piracy.

The United States has a really interesting initiative right now with its African partners called the, it's got a terrible name, sir, the G7++ Friends of the Gulf of Guinea.

If Congress can do anything to amend the name, I think that is a worthy endeavor. But there's actually substantively a great exercise in which the U.S., as part of the G7, including the U.K. and others, along with our African partners work on issues that Africans truly care about -- and I put this in my testimony -- around illegal fishing, around crime. And I think it's a great way to show what we do relative to what the Chinese do.

VICE CHAIRMAN BARTHOLOMEW: Excellent. Thank you.

MR. DEVERMONT: Thank you.

VICE CHAIRMAN BARTHOLOMEW: We're going to move on to Commissioner Lewis' questions, then Kamphausen and Fiedler.

COMMISSIONER LEWIS: Helping educate us on a role of Chinese involvement that we don't often see in the newspapers. I'd like to ask all three panelists, what do you think the goal is of having Chinese Army military in their countries?

We understand why the security companies are there, to protect Chinese investment, and somewhat to protect Chinese citizens.

But what is the goal of having the Chinese military in these African countries? And secondly, what, is there any pushback from any of the African countries of having the Chinese military in their countries?

VICE CHAIRMAN BARTHOLOMEW: All right. Who wants to start? All right, Mr. Nantulya.

MR. NANTULYA: Thank you. Thank you. Thank you, Commissioner Bartholomew. Commissioner Lewis, no, thank you for that. Thank you for that question.

And it really gets to some of the nuances in China-Africa relations. Because there is a, you know, the national security law that was passed in China, that allows the overseas deployment of the Chinese military, and so on, and so forth.

There's been the increase of Chinese contributions to peacekeeping missions. This is not, it's peacekeeping, yes. But China looks at peacekeeping as part of its security strategy, as part of its security mix.

But I think I'll say two things. The first is that the Chinese uniform is still somewhat very, very sensitive. Africans are not used to seeing the Chinese uniform on the streets.

The presence is not that overt. It's not an overt presence. And this is, this can be seen from the debates that happen in the African press.

You know, there's, so much is said, you know, by African journalists, and African writers and analysts about the commercial side of China's influence, the economic side, and so on.

But there's very little discussion on the military element. And a lot of Africans actually express a lot of surprise. When you talk about the base in Djibouti they're like, oh, you know, we didn't know that the Chinese have a base in Djibouti.

And I think part of that is China has been very, very careful about how it deploys, and about how it uses military force on the African continent. So, that's the first thing I would say.

The second thing is that there's still that within the Chinese bureaucracy. There's still that latent aversion to, you know, overt deployment on the African continent.

One, there's a fear of pushback, as I note in my remarks. There's a fear of pushback by Africans.

COMMISSIONER LEWIS: Is there such pushback?

MR. NANTULYA: Yes. If you look at some of the writings. If you look at some of the, you know, like some, you know, some of the articles that have appeared in, for instance in the national media in Nairobi, where that military presence was questioned, as a result of what happened with the Nairobi-Mombasa Railway.

So then, the discussion kind of crept over into China's military influence. So, China is very, very aware of that.

COMMISSIONER LEWIS: I'm sorry to interrupt. But I want, you know, what are the goals of China in having a military? I want to get to the other two panelists also.

MR. NANTULYA: Yes. It's essentially comprehensive. So in other words, they're not

looking at the military just in terms of military force. But it's combined with the economic interests, the commercial interests, as well as the political interests.

Because some of these heavy deployments are in countries with which China shares those very, very strong party to part ties. It's a combination of interests.

COMMISSIONER LEWIS: Thank you very much.

VICE CHAIRMAN BARTHOLOMEW: All right. Either of the -- yes, Mr. Devermont.

MR. DEVERMONT: I'll just add to my colleague's excellent points. There is a little, there is capacity building opportunities for the Chinese military when deployed in Africa, even as part of U.N. peacekeeping.

They are, they have a combat battalion in Mali. And the view is that this is an opportunity for them to test weapons, and to get some experience under their belt. So, there's a training element for them, in addition to everything that Paul said.

You shouldn't have a panel without mentioning Wolf Warriors 2. So, I'll just, I'll tell you just briefly about a movie that China made. It's their most, it's sort of their biggest blockbuster. And I think it tells you a lot about how China sees its military engagements.

The film is about a former special operations, Chinese special ops guy, who goes to Africa to free Chinese who have been caught by, you know, caught up in instability.

And it's a very Rambo-esque, nationalistic film. And they take some very good potshots at the U.S., where you call the U.S. embassy, and no one's there to answer it.

And my point, sir, is that this is an opportunity for them to show themselves as a global leader for their domestic audiences, as well as the economic benefit they get, as Paul mentioned, or in the, sort of the practical capacity-building, as I mentioned earlier. Thank you.

VICE CHAIRMAN BARTHOLOMEW: Thank you. Mr. Meservey, anything to add?

MR. MESERVEY: Yes. I'll just, very briefly I'll hop on. Again, I agree with my colleagues, absolutely with everything they said.

I think another illustrative example here are the evacuations from Libya that the Chinese Navy undertook, along with its Air Force. And that was the biggest overseas evacuation of Chinese citizens in its history.

No one knows for sure. I think it was over 60,000 Chinese nationals were evacuated out of Libya. And something that's interesting about, there's many interesting things about that.

But one of them is to read about Chinese commentators affiliated with the government, from government think tanks, things of that nature, talking about how this is, demonstrates how far China has come, how it can now act as a global power, how it can protect its people all over the world.

And then, pictures of these evacuations of the Chinese nationals either getting onto the naval vessels, or getting off the airplanes back in China. There are Chinese flags everywhere.

So, it's clearly, again, just to amplify the point that my colleagues were making. It serves a whole host of purposes, the Chinese military presence. Everything from protecting its citizens, its nationals, to trying to convince the world and it's global, and its domestic audience that it is a global power.

And this all feeds back, again, fundamentally to the Chinese Communist Party trying to convince people that it is the best entity to rule China.

VICE CHAIRMAN BARTHOLOMEW: All right. Thank you. We'll go to Commissioner Kamphausen. And then after him Commissioner Fiedler and Commissioner Borochoff.

COMMISSIONER KAMPHAUSEN: Thank you to our panelists. Very much appreciate

your testimony today. I'll be very frank. I don't find the lists of activities, the traditional military to military activities that the PLA conducts throughout the African continent to be all that consequential.

Drawing from your written testimony, the PLA has military attaches in only a third of the countries of Africa. So, by my estimation that's 18 defense attache offices throughout the whole continent.

They recently sold tanks to Nigeria, a whole company, 17 tanks. Not that consequential. In one of your testimonies it cited that there were 13 PLA exercises conducted with countries of Africa over a 13-year period.

And I contrast that, my very quick comparison with U.S. AFRICOM. We conduct nine annual, multilateral military exercises across the continent.

Twenty-two naval calls over 13 years by the PLA Navy, six fleets. Statistics aren't all that easy to access. But I'm willing to bet that we conduct double that number on an annual basis, based on our operating patterns elsewhere.

I think Mr. Nantulya highlights the academy exchanges, and the attendance of officers from, and NCOs from Africa, at Chinese academies. So, I think that's perhaps meaningful.

But my point is, this is pretty low level stuff in general. And so, I'm going to make a somewhat provocative comment to get your reactions to that.

But I think it also underscores the broader point, that I think each of you has otherwise made, that this military to military engagement is really just in support of the broader national objectives that China might have with other countries.

So, I first welcome your comment on my initial comment. And then second, which country do you estimate that the PLA has the most meaningful military relationship with that would be, over time, perhaps something that they could conduct operations together in.

And we know that's not something that the Chinese are interested in more generally. But what, where's the most progress been made in the PLA, in terms of its interactions with a particular military of an African country?

And then lastly, very quickly, Mr. Nantulya, I have understood separately that much of the staffing of the Chinese PSCs in Africa and elsewhere are actually not demobilized PLA, because they have no experience operating abroad.

The staffing are demobilized special operations soldiers from other countries that actually deployed to global hot spots during their military careers.

So, welcome your comments on those, my comment, my question, and then that very particular question.

VICE CHAIRMAN BARTHOLOMEW: Mr. Devermont, let's start with you.

MR. DEVERMONT: Sir, I'm elated to hear your comments. I think that that is, was the purpose of at least my testimony. And I hope I can speak for the other panelists, to convey that the military engagement by the PLA in Africa is really a subsidiary, or supplemental to some of these broader agendas. And it should be taken in that context.

Your question about relationships, I will just point out that, as Paul did, that the relationships with the liberation movements are long and deep.

The Chinese in particular have had a long history with the Tanzanian military, dating back to the '60s. Whether that will translate into operations, I guess that's a question of what we mean by operations.

We have seen just recently probably an overhyped, but indeed it did happen, a naval operation between the Chinese, the South Africans, and the Russians.

Again, for purposes for the Chinese and the Russians to show that they have access to Simon's Town, the key port, and that they have those relationships.

But I think, depending on what we're talking about, I think we're far from their joint operations together between Chinese and Africans.

VICE CHAIRMAN BARTHOLOMEW: Mr. Meservey.

MR. MESERVEY: Yes. The Chinese military engagements in Africa have never been the central pillar of its engagements on the continent. It's much more, Beijing is much more focused on the diplomatic and its economic efforts.

And those are the efforts that have actually, by some metrics, outstripped American efforts on the continent. Those are the ones. As everyone knows, China's now Africa's largest trading partner. And has more embassies, for instance, on the continent than United States does.

And I think that's a reflection of the importance that, or the focus of China's strategy. So, yes, the military element of this is growing. I think that's an undeniable trend.

And so, for that reason alone I think it's worth spending some time and energy thinking about what the Chinese are trying to accomplish with their military engagements on the continent.

Probably 20 years ago no one would have possible predicted that China would become the largest trading partner for Africa, for instance.

So, it's something that I think deserves some vigilance here. We should not overreact, particularly if that would cause us to, you know, rush into some hasty and poorly thought out policy. But it's something we need to keep an eye on.

I'll add, I completely agree with Tanzania as a country with long ties. I'll add Namibia here as well. The ruling party, SWAPO, which was the liberation party, Sam Nujoma is the founding father of Namibia, led Namibia to independence.

He traveled to Beijing during the independence struggle, looking for money and weapons. And so, that's a longstanding, long running, very deep relationship.

I have a forthcoming report that analyzes how many government buildings Chinese companies have built in Africa. And Namibia by far has the most. They have 25 that I was able to find.

So that's, that demonstrates sort of the extent of the high-level engagement that Beijing and Windhoek have enjoyed over these decades.

VICE CHAIRMAN BARTHOLOMEW: Mr. Nantulya, anything you want to add to this?

MR. NANTULYA: Yes. Commissioner Kamphausen, thank you. Thank you for those questions. So, I'll just say two things. The first is, again, going back to what my colleagues have said, Joshua and Judd, as well as what I point out in my written testimony, is that with the exception of Djibouti, China is using a so-called soft approach.

A soft approach to the use of military force, integrating the use of the military within politics. This is extremely key. And even from an ideological perspective, remember that the PLA is a political army.

It is a political army. It gives its loyalty to the Party. It's an instrument of the Communist Party of China. This is within the framework of the liberation movement model, which many of its African partners come from that legacy.

So, when we see China engaging on a party to party level, there might not be members, uniformed members within these engagements. But nevertheless, those engagements do funnel out into military and security elements.

So, we should look at the political, ideological, and security elements comprehensively. So, I agree with you that, from that perspective, you're not going to see sort of like the western style heavy deployments, bases, and so on.

In fact, if you look at the writings that are coming out of the Academy of Military Science, they explicitly state that the PLA is going to do everything it can to avoid making those kind of deployments, and having that kind of visibility on the African continent.

So, I agree with you on that point. On the issue of --
(Telephonic interference.)

MR. NANTULYA: Yes. On the issue of the private military companies, yes, the demobilized elements, they also do work very closely with sort of like X, sort of like, for instance with the British Special Forces, the ex-SAS. Also with Belgian and French forces.

So, these are also part of their private military mix, precisely because they don't have that experience. They don't have that capability. And they're very aware of that, as I point out in my remarks.

VICE CHAIRMAN BARTHOLOMEW: Okay. We're going to move to Commissioner Fiedler, then Commissioner Borochoff, and Chairman Cleveland.

COMMISSIONER FIEDLER: Thank you. I want to, this may be a little, slightly off subject, but not completely. And I don't understand fully the technological underpinning of what I'm about to ask, which is, to what extent does their presence in Africa, in certain African countries, help them monitor U.S. military activity in the Atlantic, and off the coast of East Africa, and generally speaking help their, improve their intercept capabilities writ large.

VICE CHAIRMAN BARTHOLOMEW: Mr. Meservey.

MR. MESERVEY: Sure. I think it's actually an element of the military or the security activities that China's undertaking. Djibouti is a great place to monitor obviously Camp Lemonnier, the U.S.'s only permanent military base in Africa.

But also shipping through the Red Sea. This is a major shipping choke point. So, you can learn a lot about commercial shipping and other things, just by sitting there and observing.

I think that another illustrative example here is that even the peacekeeping operations that the Chinese have involved themselves in, there's reports, I think it was in a European report that I was reading, of other countries, especially European militaries reporting that Chinese peacekeepers took an inordinate interest in their tactics, and their weapons, and their gear, and things of that nature.

So, I would not at all be surprised if they are taking advantage of their participation in U.N. peacekeeping operations to gather whatever intelligence they can.

This is a very standard part of how China operates around the world. And many countries, to be fair. I think China probably does more of it than most others.

Famously, China bugged the African Union headquarters in Addis Ababa, even though they deny it, and the AU denies it. But so, they are interested in surveilling the continent. They're interested in surveilling other militaries, and surveilling maritime shipping. And I think that their military presence does facilitate some of that.

VICE CHAIRMAN BARTHOLOMEW: Thank you. Mr. Nantulya or Mr. Devermont, anything to add?

MR. NANTULYA: Yes. Thank you. Thank you, Commissioner. And thanks, Josh. I agree with everything that you've said, Josh. I think it's very, you know, they definitely are looking at that. It would be surprising if they didn't.

But I want to take a slightly different angle. I want to look at the, sort of the soft side, I

think, the soft side of things.

One of the things that, you know, China does, especially through these PLA trainings, is try and understand how western countries approach PME.

Because one of the things I note in my study is how African countries go to both the PLA and to western militaries to address their PME needs. And they do have, African officers do have a viewpoint, in terms of which system is most superior.

And so far, just in terms of feedback from African officers, the U.S. is seen as superior on the strategic level side, in terms of, you know, the National Defense University, National War College, and so on.

And China has done a lot in order to improve and upgrade its training at that level. But it still lags behind. And the Chinese know this, and they write about it a lot.

And if you look at some of the statements that come out of the training exercises that African militaries go for in Beijing, they'll always say, these officers are here.

They're being exposed to Chinese doctrine. They're being exposed to Chinese military culture. And they come from a western military tradition. They come from a western mindset.

So, that should tell us something. That tells us that the Chinese are very interested in that. Because they want to close the gap.

And so, this is just another way in which they are able to get information about how western systems operate. It's quite clear that they're very aware that the African officers that train in Beijing and other military academies out there also train in the West.

So, it's not a technical issue. But again, it goes back to your point, Commissioner, about information of a military nature, in this case of a PME nature, that the Chinese are very, very interested in obtaining from these African officers.

VICE CHAIRMAN BARTHOLOMEW: Thank you very much. Mr. Devermont, anything to add?

MR. DEVERMONT: I'll just say very quickly that we, I think that we should be very concerned about the overlap between Huawei and former PLA employees. There have been studies that show there is a lot of overlap.

And as we see, the Chinese military provides sensitive IT to countries like Ghana, Nigeria, Sierra Leone, Uganda, Zambia.

While I do think that the American systems are probably protected and isolated from that, it does mean they're sort of out in the open. These are, the bedrock are these Chinese systems, and potentially a vulnerability.

COMMISSIONER FIEDLER: Carolyn, let me just make a comment that I forgot. I was roaming around the trademark databases and the patents, and found a company registered called Huawei C4ISR. Do we know whether Huawei is the infrastructure for any of the African nations' command and control structure?

VICE CHAIRMAN BARTHOLOMEW: Anybody have any information? Mr. Nantulya. You need to --

MR. NANTULYA: Yes. Commissioner Fiedler, thank you. I wouldn't say -- it's very difficult to know if it's command and control. But if we look at what happened in Angola recently, where the Ministry of Public Security, and Huawei, and possibly even ZTE collaborated in helping the Angolans establish this CISP, which is an algorithmic security surveillance system in Rwanda.

So you have everything there from facial recognition to, you know, all the security agencies, including intelligence. And it's going to be rolled out throughout the country. Namibia

already expressed an interest in sort of trying to adopt this model for their security agencies.

So, certainly from the policing side, you know, it's sort of like public security side using Chinese language. There's an element of that.

Now, as to whether that is in the military sphere, I think that is really something that, you know, for further study. And it's probably one of the areas that the Commission, you know, would want to look.

VICE CHAIRMAN BARTHOLOMEW: Excellent. Thank you very much. All right, Commissioner Borochoff.

COMMISSIONER FIEDLER: I'm done.

VICE CHAIRMAN BARTHOLOMEW: Commissioner Borochoff.

COMMISSIONER BOROCHOFF: Thank you. I think that you all have covered the primary thing I'm interested in, and I just really have a quick question about it.

Paraphrasing what you all said, the base that the Chinese have in Djibouti is part of their holistic effort. And I get that. So, I initially misunderstood where you all were going. And I thank Commissioner Kamphausen for his question, because you all illuminated that much better for me.

I have a question. Are you all just asking us to be aware of it, and help America be more aware of the fact that they have that? Or are you in some fashion saying, we should increase troop strength, or attempt to move them out of there, which I think would probably be impossible based on what I've heard.

Because looking at it, I think we have more troops in Africa than they do, and more bases as well, don't we? I'd like to know from each of you. What would you think we should do about the fact that they've increased what they're doing militarily?

VICE CHAIRMAN BARTHOLOMEW: Okay. Mr. Devermont, you're up first.

MR. DEVERMONT: Thank you. One of the Commissioners said that we have to work with partners. And I think that that is really key here.

And I listened to the earlier testimonies where we talked about economics. The same rule applies. A number of countries are concerned about what China is doing in the economic, or the diplomatic military sphere.

And I don't think that we've worked closely enough with our partners to set rules and principles that we ourselves abide by in a transparent way that can constrain it.

In Djibouti we aren't the only base, and neither is China. That is their commodity, is offering leasing for bases. But I think we can do a better job -- and this is where our values come in -- working across nations, both African and European, but also in the Gulf, and further afield, such as India, to create a general playbook that we all agree on, what is permissible. There's nothing wrong with trying to protect your citizens. And what is less permissible.

And I think that there's a lot of work to be done there in convening our partners, and working together with African governments about what they would like, and how we can be a part of illuminating a transparent approach.

COMMISSIONER BOROCHOFF: So, you're not saying that the fact that they have a base there in and of itself is the problem? You're talking about the overall holistic response to their holistic response?

MR. DEVERMONT: I think the base presents challenges to us. But the difficulty is, we have a base there. And so do many other countries. And so, it would be challenging for us to make a statement about what China is doing, and not apply it to other countries.

So, I think that we have to sort of pivot from the fact that it's there to a way in which we

can operate transparently, safely, and with mutual sovereignty.

VICE CHAIRMAN BARTHOLOMEW: Excellent. Thanks. Mr. Meservey, do you have anything to add?

MR. MESERVEY: Yes. I'll just amplify what John said. Again, the Djibouti base is part of this integrated approach that the Chinese take. And the U.S. needs a similar integrated approach, I would argue.

Now, obviously we can't do it quite the way the Chinese do it. We don't have, thank goodness, state owned enterprises. We don't, we can't order our private companies around.

But we do need to be much more strategic and thoughtful about how we approach this challenge. And China is a challenge in Africa and elsewhere, of course.

So, there's nothing we can do, frankly, about the Djibouti base for China. It's there. It's going to remain. We can take prudent measures to protect American interests there to ensure we have access to that port and our own base, which are critical to what we do in East Africa.

COMMISSIONER BOROCHOFF: Thank you.

MR. NANTULYA: Thank you, Commissioner Bartholomew. Commissioner Borochoff, thank you. And, you know, if you'll allow me, Commissioners, I'm going to be very provocative.

And I'm going to suggest that one of the hearings should really look at the U.S. What are our competencies, right? What are our niche areas? Because I think sometimes that gets lost in the conversation, right.

So, we talk about China in terms of the party to party ties. Yes, we should look at that. We should take those seriously. But what happens when the parties are removed from power? What happens if they lose office? Look at what happened in Zimbabwe. Very awkward moment for China, right.

America has an advantage, in the sense that the relationship is not limited to the government. America works with civil society. America works with the private sector. America works with scholars. America works, you know, broad base.

We talk about comprehensive approach, yes, state driven from the Chinese side. But the United States also works comprehensively with many of these countries.

And what I hear when I talk to colleagues on the continent is, one, PME, a massive opportunity out there. Because the next generation of African military officers are thinking very seriously about many of the same norms and values that we talk about all the time. So, that's one thing.

Yes, they do train with the Chinese military. That is something they value in international training, more broadly on the peacekeeping side.

Let's look at the private sector. What happened to American engineering? American engineering is hugely respected on the African continent.

I mean, I was talking to an engineer, a Ugandan engineer based in New York, you know, with a very interesting app, you know, that's sort of connecting engineers with people looking for work. And this is one of the questions that he said.

So, the things is, I think that we need to look at the broad comprehensive approach, and look at American competence, right. Competencies that have been respected, that are highly respected on the African continent, in terms of sort of like the competitive approach. We're going to look at it from a competitive approach.

I think there's an advantage, you know, sort of like a first-mover advantage. Because China does have those engagements. And we look at the media, and so on. It's really very, very intensive if you look at the quantitative data.

But the fact is, the Chinese are still very, very awkward operating out of the party to party and regime to regime context. Still very, very awkward. That is not an awkwardness that Americans have. So, I'd just like to throw that out there if I may.

VICE CHAIRMAN BARTHOLOMEW: Thank you. Excellent. Thank you very much. We'll move on to Chairman Cleveland.

CHAIRMAN CLEVELAND: Thank you. I actually, I'm delighted that you brought that up, Mr. Nantulya. Because it is precisely the focus of my questions.

And it seems to me that you have all emphasized a priority of the United States not appearing to be withdrawing or drawing down its presence on the continent.

And I appreciate that. But I am old enough to have, to recognize that there's cycles to engagement in Africa. And some, I'm not sure sort of how far back some of you go.

But, you know, we started in the Clinton administration, after Rwanda, with the Africa Crisis Response Initiative. And that got a lot of traction for a period of time.

And then there were challenges related to the selection of the forces. And there was controversy around that.

We then go, in the Bush administration I remember the heated debates about standing up the ACOTA Force. And we were going to train the trainers in this instance, rather than train directly.

And that was, there was a lot of enthusiasm for that for a while. We've just gone through iterations of the kind of support that we offer.

And then there's AFRICOM, which the great big mystery to me is, I have never understood why it is that this is the only U.S. command that's not actually located in the region that it supports.

And I, it leaves me scratching my head. I mean, when it was stood up I thought it would be welcome. But it was not. And it was viewed as very controversial.

So, AFRICOM, ACOTA, ACRI, there are these major initiatives. And they seem to hit a wall when it comes to either support from the ECOMOG, ECOWAS, the OAU leadership.

I just wonder if you could sort of close out this hearing offering a perspective on what we have done, in terms of major initiatives, how they resonate, and perhaps how we might improve on them, which I guess is implicitly stating what are the mistakes that we've made.

But it just, it feels like this constant cycling of tremendous interest, commitment of resources, and then we flag. And it lags for a bit. And then it turns up again. So, I throw it open to all of you.

VICE CHAIRMAN BARTHOLOMEW: Just one editorial comment. This is not the last set of questions. I actually have some questions that I'll ask --

CHAIRMAN CLEVELAND: Okay, sorry.

VICE CHAIRMAN BARTHOLOMEW: -- before we close out. And if people have a second round of questions that they're interested in, we were supposed to end at 3:05, I believe, but one of the good things about having the last panel is that if the witnesses are able to spend a little bit more time, we can go over a little bit if we need to. Anyway, to Chairman Cleveland's question. Mr. Nantulya, do you want to start?

MR. NANTULYA: Yes. Let me start. Commissioner Cleveland, thank you very much. And, you know, these are, as a scholar of China-Africa relations, these are questions I ask myself all the time.

And these are concerns, you know, that I come across, you know, talking to colleagues on the continent and here in the United States.

Look at AGOA. It has always been an African objective, an African aspiration. But Africa really ought to be the next hub for manufacturing and innovation.

The demographic reality is in Africa's favor, right. Chinese labor is becoming expensive. Southeast Asian labor is becoming expensive.

In fact, the Chinese are now thinking about exporting their manufacturing to Africa. And I believe, you know, Yun Sun talked about this in the earlier testimony.

So, but the United States was there from the beginning, right. So, I think deepening that collaboration definitely AGOA-like instruments. Really this is the way to go.

Because that is one way of sort of tapping this demographic that we're talking about. And this demographic on the African continent has political and economic implications. So, I think that's the first step.

But in connecting them, for instance, we look at the Young African Leaders Initiative, and look at what these young African leaders are doing on the continent. It's pretty remarkable. It's pretty remarkable.

Now, from a qualitative point of view -- now obviously, quantitatively what the Chinese will tell you that, yes, we have 60,000 of them every year, and so on and so forth.

But in terms of what really comes out of those partnerships in terms of meeting these African aspirations. So, I think that's the second thing I would say.

And then the last thing would be, I think, by way of a broad recommendation, is sort of leveraging the African, you know, Africans tend to be very practical, right. So, they'll send people to China, send people to the United States for training.

They'll work with the East, and they'll work with the West, right. Very, very practical. Less ideological. I think that is something that works to the United States' advantage, particularly because the U.S. has this ability to work outside the regime to regime context.

So really, this is the package that I would offer on the table. And I think it goes to my previous point of asking ourselves, where is the American niche? And the American niche is there. I see it all the time. And I see it as I come across issues in China-Africa-U.S. relations.

VICE CHAIRMAN BARTHOLOMEW: Mr. Meservey or Mr. Devermont.

MR. MESERVEY: Sure. I'll go. Yeah, thank you for the question. You've hit on one of my great pet peeves, which is the U.S.'s inability to tell its own story in Africa.

There's this bizarre narrative that the U.S. has withdrawn, or is in retreat in Africa. It's just not true. The United States remains the largest source of FDI stock off-continent, by far the largest supplier of humanitarian aid. Our companies are all over the continent.

My colleague Paul just referenced a couple American projects, AGOA and YALI. But you also have MCC, PEPFAR, Feed the Future, Power Africa, the nascent Prosper Africa.

W-GDP has a very significant Africa component. The new DFC will have a very significant Africa component. So, the U.S. is there. We are heavily engaged. We just don't get much credit for it sometimes, frankly.

And part of that is very much the U.S.'s fault, where I'll recount a quick story. A friend at USAID told me he had just come back from a visit to the continent, was talking to some Africans about PEPFAR. They thought PEPFAR was an NGO. They didn't realize it was an American initiative.

PEPFAR has saved millions, literally millions of African lives. That's something that the, that's a US story -- what's that?

CHAIRMAN CLEVELAND: I said, hundreds of millions. Yes.

MR. MESERVEY: Yes, right. Yeah, very much so. And that's a story the U.S. just

doesn't tell well. So, that's one element of it, telling our story.

The other element is, there are definitely improvements we can make. I referenced Prosper Africa. It's the right idea. It's a great strategic approach because it utilizes private sector, which is a huge competitive advantage for the United States, to Paul's point about American niches.

But it's been very slow. So, it just needs to get going. And there's some other things, other sort of low-hanging fruit that I think is there to be --

CHAIRMAN CLEVELAND: Those all seem to me to be economic issues. And I really, I feel like this ebb and flow in terms of literally ACRI, ACOTA, and AFRICOM, the security piece of this story seems to be consistent, but I'm not sure what the perspective is.

Why, for example, was AFRICOM not welcomed as headquartered in, I think we initially thought about Liberia, then looked at Senegal. And everybody just, you know, put their hands up and said, no.

MR. MESERVEY: Yeah. It's a fascinating question because, and I think it's complex, of course, like everything. But we have to remember, many African countries were still under colonial rule in living memory.

Some didn't get their independence until 1990. And they're -- the U.S. still gets lumped in with colonial powers in the popular imagination sometimes.

People understand the, you know, the distinctions. But the U.S. is still western. It's part of the system that many Africans believe, rightly so, subjugated them for quite some time.

So, there's a great sensitivity around sovereignty on the African continent. So, they very much worry about, you know, military presences. Djibouti is the exception here, just for unique reasons.

And then, there's also fear I think that, if AFRICOM was placed in a particular country, so Uganda was one of the prospective countries, the average Ugandans feared that that would prop up the rule of President Museveni. We've been there already at that point for decades. So, there's that. Then --

CHAIRMAN CLEVELAND: And it's true.

MR. MESERVEY: Well, right, you know. And so, there's distrust by the average Africans of their leadership, which is part of this equation. And so, I think there's a host of reasons. They're really interesting. And they have a much broader implication for American policy.

AFRICOM actually, Stuttgart is probably one of the best places it can be, just given that the transportation infrastructure in Africa is so poor that, you know, if you're in west Africa trying to get to another west African country, sometimes you have to fly up into Europe and come back down, that type of thing.

And then, given the sensitivities around, you know, placing AFRICOM. But again, it's a fascinating question, with a host of implications.

VICE CHAIRMAN BARTHOLOMEW: Mr. Nantulya, anything to add? Or Mr. Devermont. Mr. Devermont, you had --

MR. DEVERMONT: Yes.

VICE CHAIRMAN BARTHOLOMEW: -- your hand up first. Whoops. So, first Mr. Devermont, and then to Mr. Nantulya.

MR. DEVERMONT: Chairman Cleveland, thank you so much for that question. I too am a, at least an amateur scholar of U.S. policy towards Africa.

And I would, you know, say that in your suite of U.S. security assistance, once we get

past the reset of Black Hawk Down, I would argue that those different programs are iterative, and built on each other.

And many of them remain part of the foundation of what we do, in particular ACOTA. And I cite in my testimony that ACOTA trained peacekeepers, that our efforts have actually improved outcomes through that exercise.

And I know that, for example, the Nigerian troop deployment improved dramatically in Liberia after we started working with them. They went from ECOMOG into the U.N.

And so, I do think that we're having a lot of benefits. But one of our challenges, and aligning myself with Josh's comment, is our ability to communicate.

I think for AFRICOM all of the things that Josh said are accurate, but I would also argue that we sort of presented it, as opposed to consulted with the Africans about it. And I think many Africans felt like it was being pushed upon them.

I've seen a number of programs that we have done on security assistance, that sort of are no longer as active, where the United States said, we will work with one, two, three, four, five countries, without a transparency on why those countries were picked, and without providing other African countries with a ladder or a lattice to get to that status of getting that.

And I think that we could do a lot more into creating scorecards, as we do for MCC, but for our military partners. And that hitting certain sort of capacities and human rights, unlock greater and greater assistance in partnership.

I want to say one last thing about what we are doing. And hopefully we'll do more in the future, which is, I believe it is in my estimation that AFRICOM has been the best on the COVID response, in terms of communicating what we are doing.

The U.S. commitment to addressing COVID has been remarkable. And large sums of money towards Africa have been sort of obviously handed over.

But AFRICOM is telling stories. They are building hospitals, tangible things you can see. They are providing ambulances. They're the closest we have as a government to the mass diplomacy of Jack Ma and Alibaba.

And I've seen them just in the recent weeks open up an Instagram account, become more active in sort of its social media engagement.

So, I think that AFRICOM is doing some really incredible things on humanitarian and health. And I think that's a legacy that we should build on as we move to the future.

VICE CHAIRMAN BARTHOLOMEW: All right. I'm going to just, before I recognize Mr. Nantulya, take the, again the prerogative of the Chair. But since Chairman Cleveland's question really is excellent as a summation, I'm going to submit my question for the record.

And for all of my colleagues, we'll let Mr. Nantulya finish. And then, I think if you have a second round of questions, we should submit them for the record, as long as our witnesses are willing. All right, Mr. Nantulya, your turn.

MR. NANTULYA: Thank you very much, Commissioner Bartholomew. Commissioner Cleveland, if you'll allow me again, I'm going to be provocative.

AFRICOM, right. So, there's two sides to the story of AFRICOM basing in Africa. The one is the sense of African unease, and African, sort of African rejection of AFRICOM, really.

If we look at what happened with SADC, right, the SADC countries, the key countries within SADC organized themselves as the Former Liberation Movements of Southern Africa, keeping that liberation heritage, as I talked about earlier.

They passed a resolution that it wasn't targeted at the United States, but it was targeted at foreign military deployments into the southern Africa region, right.

Although that ideological element that was involved. And in fact, the African National Congress of South Africa took a very, very strong view on this, and rallied the other former liberation movements, in order to adopt that resolution.

So, there's definitely that ideological political element, that China, that also works to China's advantage. Because these are ideological partners of the People's Liberation Army. That is one side of the coin.

The other side of the coin is that with the exception of Zimbabwe, all those countries train with the U.S. military. They all train with AFRICOM. They all show up for AFRICOM exercises.

I mean, this is not a secret. This is open information. It's written about in the media, the African press, the, you know, analysts will talk about it. So, they all train with the U.S. military.

So, that goes back to my point of ideology, yes. But African countries, and African officers are also very practical. They're also very, very practical in choosing their partnerships. That's the first thing.

Then the second thing is regarding the, again, going back to the AFRICOM issue, is that even countries like Zimbabwe, historically Zimbabwe is often said to be really lips and teeth, an all-weather friend of the People's Liberation Army.

But from independence it was the British military that supervised the transition of the Zimbabwe Defense Forces from a liberation movement to a professional army.

The British left in 2000. But from 1980 to 2000 Zimbabwe built, Zimbabwe's army building was essentially British. And in fact, the Zimbabwe Defense Force had this reputation on the continent as, you know, it had a very, very solid officer corps.

But it still retained its relationship with the PLA. So, this goes back to my issue that yes, the ideology is there. That resolution of the SADC, the front line states.

But nevertheless, they all continue to train with the U.S. military. So, I think there are opportunities there as well.

CHAIRMAN CLEVELAND: I think it might be useful for us to have a sort of side by side of what exactly the commitment and the scope of work and training has been by the U.S. alongside, to Roy's point, that it may be we're not telling the story well enough.

But I think that there's certainly evidence of a strong commitment. So, Carolyn, I appreciate the extra time.

VICE CHAIRMAN BARTHOLOMEW: Commissioner Lewis, a comment please. But I don't, if it's a question we're going to put it into the record. Take yourself off mute.

COMMISSIONER LEWIS: Carolyn, thank you for the question, for the permission to talk. I just wanted to know, are there any Chinese, any African countries that adopted the Chinese model for the economy, for state owned enterprises?

VICE CHAIRMAN BARTHOLOMEW: Okay. I think that's a pretty big question, and actually ask that our witnesses, we'll submit it in writing, Ken, rather than have them go on. Because I don't think it's a short answer that we're going to be doing. So --

COMMISSIONER LEWIS: I just want to know yes or no.

VICE CHAIRMAN BARTHOLOMEW: Oh, all right. Yes or no?

MR. NANTULYA: Sorry, I didn't quite get the question.

COMMISSIONER LEWIS: Do you know of any African countries that have adopted for their economy the Chinese model of state owned enterprises?

CHAIRMAN CLEVELAND: Yes. South Africa.

MR. NANTULYA: Yes. South Africa, Rwanda, Tanzania, Ethiopia, Zambia. Yes. The

list is long.

COMMISSIONER LEWIS: Thank you.

CHAIRMAN CLEVELAND: But I don't know that it's, Paul, would you say that it's, they adopted it based on the Chinese model? Or they had it in the first place? I mean, I don't see, I think the state owned enterprise system in South Africa predates Chinese influence.

MR. NANTULYA: Thank you, Commissioner Cleveland. Thank you. Many of them already had these enterprises.

CHAIRMAN CLEVELAND: Right.

MR. NANTULYA: So, Rwanda, Uganda, you know, they all had these enterprises predating, you know, sort of the entry of Chinese state owned enterprises on the continent.

CHAIRMAN CLEVELAND: Yes.

MR. NANTULYA: They did. But still, it does still provide sort of a level of influence. Because the Chinese model is really, it's a state-driven model. It's a state-driven model.

And so, there's a sense that, you know, China, you know, China easily builds relationships with those kind of countries, simply because they share that model of economic management.

VICE CHAIRMAN BARTHOLOMEW: With that I want to thank our witnesses. One observation is, everybody, just about everybody today has been mentioning the importance of AFRICOM. So, I hope that the Department of Defense takes notice of the importance of AFRICOM as it considers its punting priorities moving forward.

Thank you very much to all of our panelists. You've done a terrific job. And we really appreciate your time and your patience with the system, and the contributions that you've made. I think we'll probably be coming back to you with other questions. And we look forward to working with you more.

I am going to just note that the next hearing of the Commission is on June 24th, on the Chinese view of strategic competition with the U.S. It will be co-chaired by Commissioner Kamphausen and Commissioner Lewis.

I wanted to extend the appreciation of all of us to the staff, all of our staff. I mentioned at the beginning a few people who specifically worked on this hearing.

But we couldn't do what we're doing without all the rest of our staff. So, I just wanted to express appreciation. And with that, we -- this hearing is done. Thank you very much, all of you.

(Whereupon, the above-entitled matter went off the record at 3:19 p.m.)

**PREPARED STATEMENT OF CHRISTOPHER MALONEY, ACTING ASSISTANT
ADMINISTRATOR IN THE BUREAU FOR AFRICA, U.S. AGENCY FOR
INTERNATIONAL DEVELOPMENT**

**Statement of Christopher Maloney, Acting Administrator for Africa before
the
U.S.-China Economic and Security Review Commission
on
May 8, 2020**

Dr. Cleveland, Ms. Bartholomew, and fellow commissioners, thank you for the opportunity to present on behalf of USAID on the engagement of malign actors in Africa.

The U.S. Agency for International Development's (USAID) work illustrates the stark difference between the financing tools authoritarian governments and the approach that we and our allied donor nations take towards international development.

Our approach is to provide assistance that helps communities in our partner nations build their own self-reliance, rooted in a more dynamic, private enterprise-driven future and transparent, citizen-responsive governance systems. The American model of development assistance builds country capacity and trains individuals who are experienced and institutions that can take on their own challenges. We help partner governments, civil society, and the private sector recognize the costs of alternative development models, that can weaken confidence in democracy and free-market systems, burden countries with unsustainable debt, erode sovereignty, lead to the forfeiture of strategic assets, overlook the needs and concerns of local communities, and further the militaristic ambitions of authoritarian actors.

In Africa, the People's Republic of China (PRC) has embarked on a four-fold strategy. First, it seeks a market for its goods and services. The leadership of the Chinese Communist Party in Beijing understands that to continue economic growth, it must create new demand for Chinese goods and labor. The PRC is using predatory economic diplomacy in Africa, particularly through the lure of large, often debt-financed, infrastructure projects often built by Chinese laborers using Chinese materials, to create these new markets while also strengthening their ability to extract financial and political concessions from debt-burdened African

governments. These inroads then create new consumers for Chinese technology through companies such as Huawei and the PRC Communications Construction, and new opportunities for state surveillance.

Second, the PRC is looking for political allies who are sympathetic, whether by ideology or situation, to rewriting the rules of the international order. By using the carrot-and-stick model, which includes the collateralization of debt, political pressure and favorable contracts, the PRC has brought a number of African states closer in its attempt to reshape global governance. A striking example is the October 2019 support for The PRC's policy in Xinjiang that was delivered at the U.N. Human Rights Council, through a statement signed by several African governments. This follows a recent pattern of strong African support for the PRC in international institutions.

Third, the PRC sees Africa as a source of raw materials, including strategic minerals. For several years, the PRC has sought to gain a monopoly on rare earth elements and vital minerals for the renewable energy industry, the largest sources of which are in Africa. The PRC already leads the world in the production of rare earth metal, and supplies 90 percent of the world's export market. Africa is richly endowed with other mineral reserves, and ranks first or second in the world's reserves of bauxite, cobalt, industrial diamonds, and platinum.

Fourth, the PRC views Africa as a proving ground for its model of authoritarian governance. This model promotes corruption, a lack of human rights and environmental and social safeguards, increased authoritarianism and a lack of mobility for much of the population. The United States and other like-minded donor partners stress that this model will do long-term damage to the development objectives of African nations, and will undercut U.S. development efforts -- including our partnerships to promote democratic values in Africa.

The PRC's development engagement with Africa differs vastly from that of other donors, including the United States. While traditional development models focus on capacity and institution-building as a way to promote self-reliance, the PRC focuses on PRC-led projects and investments that utilise imported Chinese

technicians and labor and do not develop institutional or technical expertise in host countries.

The PRC concentrates its assistance in infrastructure such as roads, railroads, ports, and large public projects, including presidential palaces, ministerial buildings, stadiums, and industrial parks owned and operated by Chinese nationals. Many of these projects are driven by Chinese state-owned enterprises, use Chinese labor and materials, and are tied to Chinese financing and political capital. Corruption with these projects is often a problem. The PRC often will use these projects to bolster its political standing within the country and erode confidence in Western donors.

The United States model of development has, at its core, self-reliance; the PRC's model encourages long-term dependency. USAID's Journey to Self-Reliance strategy aims to work toward a time when foreign assistance is no longer necessary. The United States offers independence and aims to bolster sovereignty, while the Chinese undermine it, often by collateralizing strategic assets, which, in many cases, rob an emerging generation of young people of the birthright of their natural resources.

For example, when USAID launches a program in Africa, we target key sectors that we and stakeholders in the host nation have prioritized for development, such as education or healthcare. The U.S. Government then provides funding that will not leave the host country in debt or economic distress. We are increasingly employing and engaging African partners to develop sustainable in-country expertise. The U.S. Government also focuses on transparency and accountability, as well as resilience. Our approach is to work with host-country governments, implementing partners, civil society, and the private sector while providing transparency on the impact of our joint programming.

The PRC's approach to development poses several challenges for USAID and like-minded donors. The Chinese development model often serves to enrich the PRC and expand its perceived sphere of influence. The PRC uses methods and tactics not employed by traditional donor nations, such as bribery of local and national officials. Such actions affect the ability of USAID and American business partners

to secure critical contracts. The United States prides itself on upholding the highest ethical standards in international development and deplors condone such actions.

Thanks to the generosity of the American people, the United States continues to demonstrate global leadership through foreign assistance. America has been, and continues to be, a force for good in the world. We will continue to stand with our partners in Africa, and walk with them on their Journey to Self-Reliance.

Thank you for this opportunity to present on this important topic.

QUESTIONS FOR THE RECORD

Panel II: China's Evolving Economic Activity in Africa

To Emily de La Bruyère, Principal, Horizon Advisory (Panel II, Witness I)

Submitted by Commissioner Kenneth Lewis:

- How many of African countries have adopted the Chinese state-led economic model after they became independent? What are they?
- How many African countries have state-owned enterprises? What are they?
- How many African countries have government planned economies? What are they?
- How many African countries could be described as free-market or capitalist? What are they?

Answer:

Thank you, Commissioner, for the question. If you will forgive it, I want to begin by caveating my contributions: I am an expert in parsing Chinese strategic intent from primary source, Chinese-language materials. I am far from an expert on African economic history. I will tailor my response accordingly.

The role of the state in economic planning varies across Africa and has shifted over time. In many cases, this owes to the effect of complex, post-colonial political and economic transitions. On the spectrum of planned-to-free market, it is likely safe to say that most African states follow hybrid models, with many skewing toward centralized systems as a result of their colonial legacies and the relative sectoral consolidation of their factors of productivity. It may not be fair to characterize any African economies as modeled on the “Chinese State-led” example.

That said, Beijing certainly leverages centralization and state-control in key African economies. Beijing does so via elite capture, licit and illicit influence operations, and a litany of joint venture and industrial cooperation schemes.

The relevance of African state-owned enterprises to China's ambitions is in large part a function of their relationships to strategic resources. For example, Sonangol, the national oil company (NOC) in Angola is a key partner and target of China's aims in Africa. NOCs are dominant economic forces in other African countries, including: SNPC in Congo, Petroci in Cote d'Ivoire, EGPC in Egypt, GEPetrol in Equatorial Guinea, Gabon Oil in Gabon, GNPC in Ghana, NOCAL in Liberia, Namcor in Namibia, National Oil in Kenya, NNPC in Nigeria, ENH in Mozambique, SHT in Chad, Sudapet in Sudan, TPDC in Tanzania, and PetroSA in South Africa. Other nationalized African industrial champions in strategic domains include prominent examples in DRC's cobalt and copper

mining operations, South Africa's diamond industry, Zambia's copper mining operations, and Zimbabwe's agriculture industry.

Possible more specific explorations of this question moving forward might include the degree to which Beijing tailors its approach to countries or companies on the African continent based on their degree of state control – as well as the role that such considerations play in Chinese strategic discourse.

To Scott Morris, Director, US Development Policy Initiative, Co-Director, Sustainable Development Finance, and Senior Fellow, Center for Global Development (Panel II, Witness II)

Submitted by Chairman Robin Cleveland:

- China has agreed to G-20 terms that any country seeking a debt payment standstill will be required to disclose all outstanding obligations.
- Who will manage that process to ensure total transparency?
- What mechanism should be put in place to ensure full accounting of Chinese credit and loan terms?

Answer:

Commissioner Cleveland, thank you for the additional questions. Both questions speak to the challenges facing the G20 Debt Service Suspension Initiative (DSSI). To the G20's credit, the initiative's rollout in April included some degree of specificity on basic terms, including clear commitments to debt transparency. Full reporting of external debt is a requirement of the DSSI for the borrowing countries. In principle, this would entail a process of reporting to the World Bank on the borrowing side, followed by an attempt to reconcile these data with data provided on the creditor side. This is essentially the Paris Club process. Unfortunately, this has not yet materialized.

I understand that the World Bank has offered a comprehensive approach to data reconciliation, and presumably this would use the existing Debtor Reporting System at the Bank. But there appear to be two significant obstacles to achieving full transparency. First, reporting of debt depends on countries applying for the standstill benefit. Yet, it appears that a significant number of countries have decided not to apply. At least some of these countries are worried that they could lose access to private capital markets if they embrace the bilateral creditor standstill.

The second obstacle to full transparency is China's behavior. So far, signals from China are mixed. China's finance ministry made the commitment to the DSSI, but China's lending arms have yet to offer a clear and comprehensive commitment to it. There are reports from borrowing countries that key Chinese lenders are rejecting request for the payment standstills. At the very least, it points to a lack of necessary internal coordination within the Chinese government. It certainly doesn't bode well for these same lenders being forthcoming when it comes to reporting their lending data.

I believe senior leadership at the World Bank is committed to this agenda, but the leading shareholder countries, particularly the rest of the G20, will need to keep the pressure up for the Bank's reporting mechanism to be taken seriously by borrowers and creditors alike.

To Scott Morris, Director, US Development Policy Initiative, Co-Director, Sustainable Development Finance, and Senior Fellow, Center for Global Development (Panel II, Witness II)

Submitted by Commissioner Kenneth Lewis:

- How many of African countries have adopted the Chinese state-led economic model after they became independent? What are they?
- How many African countries have state-owned enterprises? What are they?
- How many African countries have government planned economies? What are they?
- How many African countries could be described as free-market or capitalist? What are they?

Answer:

Unfortunately, I don't have anything to offer for Commissioner Lewis's questions and am hoping that other panelists are in a better position to respond.

To Aubrey Hruby, Senior Fellow, Africa Center at the Atlantic Council (Panel II, Witness III)

Submitted by Commissioner Kenneth Lewis:

- How many of African countries have adopted the Chinese state-led economic model after they became independent? What are they?

Answer:

Only Ethiopia is really following a state-led industrial growth model that is similar to that of China, South Korea, Taiwan or Singapore.

- How many African countries have state-owned enterprises? What are they?

Answer:

Almost all African countries have some state-owned enterprises, as does the US (Amtrak, Corporation for Public Broadcasting, Farm Credit Banks, etc). South Africa has a significant number of state-owned companies that are a carry over from the apartheid era.

- How many African countries have government planned economies? What are they?

Answer:

Ethiopia is following more of an Asian development model and Rwanda also has a significant element of government led economic growth planning.

- How many African countries could be described as free-market or capitalist? What are they?

Answer:

Most African countries (Nigeria, Ghana, Kenya, Uganda, Egypt, etc) are more toward free-market on the spectrum, more so than Japan, Singapore, and Taiwan.

Panel III: China’s Military and Security Presence in Africa

To Joshua Meservey, Senior Policy Analyst, Heritage Foundation (Panel III, Witness I)

Submitted by Vice Chairman Carolyn Bartholomew:

- What do we know about airfields near Chinese resource extraction sites?
 - If they exist, how many are there and where are they located?
 - Are any of them being used by the PLA? Could they be?

Answer:

We know that some Chinese-funded and/or built transport infrastructure appear designed to facilitate the extraction of natural resources. One airport project in particular stands out. In March 2018, then-President of Sierra Leone Ernest Bai Koroma commissioned a new airport funded by a Chinese Exim Bank loan of over \$300 million. This was despite the fact that the World Bank had recently provided \$200 million to upgrade the nearby capital’s existing and underutilized airport. The IMF and World Bank warned that the new airport project would add to Sierra Leone’s debt burden without addressing the country’s many urgent problems.¹

A local Sierra Leonean newspaper pointed out that the new airport was critical to exploiting the Tonkolili iron mine that is partially owned by a Chinese company.² The project was also likely designed to grease the wheels of the patronage network of the ruling party at the time, the All People’s Congress.³ Shortly after the commissioning of the new airport, a new government was elected and cancelled the project, announcing that it “is uneconomical to proceed with the construction of a new airport when the existing one is grossly under-utilised.”⁴

The PLA Air Force (PLAAF) could use some such airfields if the host country is willing and if they were of a sufficient standard to accommodate PLAAF airplanes. The PLAAF

¹ “President Koroma Ccommissions Mamamah Airport Project,” Cocorioko, March 3, 2018, <http://cocorioko.net/president-koroma-commissions-mamamah-airport-project/> and Abdul Rashid Thomas, “Sierra Leone’s Vanity International Airport Construction Project is Dead,” *Sierra Leone Telegraph*, October 9, 2018, <https://www.thesierraleonetelegraph.com/sierra-leones-vanity-international-airport-construction-project-is-dead/> and Kemo Cham, “Sierra Leone Scraps Controversial Chinese Airport Deal,” *Daily Nation*, October 10, 2018, <https://www.nation.co.ke/news/africa/Sierra-Leone-cancels-China-funded-airport/1066-4799770-qjosw0/index.html>.

² Abdul Rashid Thomas, “Sierra Leone Mamamah Airport Project: A Twist in China’s Tail – Part One,” *Sierra Leone Telegraph*, October 27, 2016, <https://www.thesierraleonetelegraph.com/sierra-leone-mamamah-airport-project-a-twist-in-chinas-tail-part-one/>.

³ Jamie Hitchen, “‘More Time’ ... To Eat? Money and Politics in Sierra Leone,” Africa Research Institute, June 6, 2016, <https://www.africaresearchinstitute.org/newsite/blog/more-timeto-eat-money-and-politics-in-sierra-leone/>.

⁴ Cham, “Sierra Leone Scraps Controversial Chinese Airport Deal.”

has already used an African airstrip in an important operation when it utilized a Sudanese airport during its 2011 evacuation of Chinese citizens from Libya.⁵

⁵ “Chinese Air Force Evacuates 751 from Libya,” *China Daily*, March 7, 2011, https://www.chinadaily.com.cn/china/2011-03/02/content_12103843.htm.

**To Mr. Paul Nantulya, Research Associate, Africa Center for Strategic Studies,
National Defense University (Panel III, Witness II)**

Submitted by Chairman Robin Cleveland:

- How does Chinese military training of African partners differ from the United States?

Answer:

Thank you, Chairman Cleveland, for your questions and for honoring me by inviting me to testify before the Commission twice in a row now.

The Peoples Republic of China is a “party/state” (*dangguo*) and the PLA is a “party/army.” The PLA serves the Communist Party of China (CPC) and is ideologically committed to keeping it in power, advancing its goals and international work.

Accordingly, China approaches military training in fundamentally different ways from the U.S. where the concept of an apolitical military runs through the entire training experience. The PLA Political Department views the idea of a national army (*jundui guojiahua*) under state control as dangerous. See here:

http://www.chinadaily.com.cn/china/2011-06/20/content_12739234.htm

Ideological affinities, particularly with national liberation movements (NLMs) are the foundation of China’s strongest military relationships in Africa. These ties give China the predictability, familiarity, and inter-generational contact to craft strategically focused relations. NLMs embraced a training philosophy stressing the absolute military loyalty to the ruling party, known in the Chinese context as *Qiāngǎn zì lǐmiàn chū zhèngquán*. Militaries with such backgrounds used political commissars (known in Chinese as *zhengwei*) to establish control, raise morale, and ensure adherence to established ideology. They held co-equal rank and authority with the military commander of each unit.

Angolan President, Joao Lourenco, the former Presidents of Mozambique, Armando Guebuza and Joaquim Chissano, the late ANC Chief of Staff, Chris Hani, and former Tanzanian President, Jakaya Kikwete, were once political commissars. Uganda maintains a political commissar system at all levels of its military. In other contexts political and ideological education (commonly referred to as patriotic education) are conducted through the justice ministry (Angola), defense ministry (Mozambique, Tanzania, South Sudan, and Zimbabwe), and ideological colleges and military schools (Angola, Algeria, Namibia, Tanzania, and Uganda).

When officers with such backgrounds go to China, they undergo training that reinforces familiar concepts, imparts shared historical traditions, reminds them of their history, and cements loyalty to their respective ruling parties. The PLA uses an indirect approach by exposing them to its revolutionary history, the Chinese experience, and its models. The syllabus at the International College of Defense Studies at China’s National Defense

University provides some insight into how this is done. The modules it teaches on China Studies and the Study Tour cover Chinese liberation movement theory and practice, China's political, social, and economic systems, Chinese military thought, and the CPC's practices in controlling and managing the PLA. These topics are part of the one-year Defense and Strategic Studies Course, five-month Advanced Command Course, and 20-day International Symposium Course. Recently, a one-month Young Officers Course (for African and developing country young officers) and a Short Term Course of 4-5 months conducted bilaterally or multilaterally were introduced. They are augmented by practical exposure and field studies in Chinese national and local institutions.

Many African officers also attend PLA political schools and ideological colleges as part of their training experience. These include Nanjing Cadre College, Kunming National Cadre Academy, and the CPC Central Party School in Beijing. The Pudong Cadre College (also known as the China Executive Leadership Academy Pudong) is another popular training venue for African students. It trains Chinese political and military leaders and their foreign guests on "revolutionary traditions," governance theories, and policy-making techniques. See here: <http://en.celap.cn/col/col2084/index.html>

Some programs are outward facing. For example the CPC International Liaison Department has extensive relationships with government-run political and ideological schools across Africa. China along these provided a \$45 million grant in 2018 for building and staffing the Mwalimu Julius Nyerere Ideological School in Tanzania. This is an initiative of the Former Liberation Movements of Southern Africa (FLMSA) that brings together the ruling parties of Angola, Botswana, Mozambique, South Africa, Tanzania, Zambia, and Zimbabwe. Once complete, it will train senior political and military cadres and administrators from the seven parties.

The PLA also dispatches instructors to African countries on a regular basis. In Zimbabwe, the resident PLA Training Wing at Zimbabwe Staff College teaches soldiers and civilians from Botswana, Lesotho, Malawi, Namibia, Tanzania, and Zambia. In recent years PLA instructors went to Cameroon, Equatorial Guinea, Gabon, South Africa, Sudan, Uganda, and Sudan to provide leadership training, equipment maintenance, and education. Currently, Chinese military and civilian medical teams are serving in 46 African countries. See here: <https://www.globaltimes.cn/content/1188716.shtml>.

China's bilateral training is aimed at deepening its partner engagements. For example since 2015 the International College for Defense Studies has held a special Ethiopia Senior Leaders Course for that country's military. It condenses the one-year Defense and Strategic Studies Course into a four-month intensive training program that adapts Chinese models to Ethiopia's context. Beijing's bilateral partnerships are also increasingly focused on military modernization. For instance the State Administration for Science, Technology, and Industry for National Defense (SASTIND) has bilateral agreements with 45 African countries on defense institution-building.

The active promotion of Chinese models is an under-looked yet potent form of ideological influence, rooted in the premise that the Chinese experience is more relevant

to poor countries given that China itself was once also colonized and underdeveloped. Beijing uses this narrative to extend its appeal and outreach across the board, from countries with whom it has strong traditional ties such as Mozambique, Namibia, and Tanzania to traditionally pro-Western ones like Kenya, Liberia, and Senegal. Army-building and training is but one component in the larger “Chinese governance model” that Beijing is selling to African political elites and military leaders. Other features include export-led growth, infrastructure investment, special economic zones, and state-driven social interventions. These areas align with many African strategic priorities. China in 2019 aligned its One Belt One Road with the African Union’s Agenda 2063 and the AU Program for the Development of Infrastructure (PIDA).

African countries meanwhile, have adopted elements of the Chinese governance model in their national planning, one of the aims of the Forum for China Africa Cooperation (FOCAC). FOCAC also provides avenues to “exchange experiences suited to African conditions” including in military affairs, public security, and peacekeeping. See here: https://focacsummit.mfa.gov.cn/eng/hyqk_1/t1594297.htm.

The People’s Liberation Army is highly conscious of its role in such efforts. The revised syllabus issued by the Central Military Commission in April 2019 includes One Belt One Road and other Chinese global governance concepts such as the Community of Common Destiny, China’s vision of world order. See here: <https://www.cigionline.org/publications/chinas-new-concept-global-governance-and-action-plan-international-cooperation>.

The Political Commissar at China’s National Defense University had this to say about the underlying focus of Chinese military training: “Many of them [African students] are exposed to Western education before their arrival. However, their conditions differ from those of Western countries. China opens up a whole new perspective.” His counterpart at Army College Nanjing echoes similar views: “The Western path is not the only answer. Many developing countries can draw on China’s experience.” “For them [Africans]” notes the Vice President of NDU’s International College for Defense Studies, “China represents a rising power...they have a desire to learn about a different China from what is portrayed in the West. In the past, trainees were prospective leaders of liberation movements. Today, we support a different struggle...that of modernizing their national defenses, improving combat capabilities, and seeking development suited to their path.” Party-to-party engagements are critical to China’s approach to military partnerships, reflecting the cardinal principle of party supremacy over the state, military, and government. China runs around 200 exchanges annually with Africa’s governing parties. CPC theoreticians also facilitate “Theory Seminars,” a series of workshops that delve deeper into ideological questions and explore Chinese governance models more systematically. Additional venues for such exchanges include FOCAC’s China Africa High-Level Political Parties Forum, the China-Africa State Governance Forum, and the China Africa Peace and Security Forum, that that assembles Africa’s senior military and civilian leaders every 1-2 years.

Ethiopia highlights how politics, ideology, governance, and the military come together in the Chinese training model. The Ethiopian Senior Leaders Course at China's NDU grew out of the China-Ethiopia party-to-party mechanism launched in 1994. Through it, the ruling EPRDF (now the Prosperity Party) and the CPC worked systematically to combine the Chinese and Ethiopian experiences into what both sides have defined as a uniquely Ethiopian model. See here: <https://www.brookings.edu/blog/africa-in-focus/2016/07/05/political-party-training-chinas-ideological-push-in-africa/>

The two sides established joint sub-committees and exchanges on development, economic policy, poverty reduction, cadre management, local government, and security management. Lessons in each area were evaluated and crafted into policies. Ethiopian cadres visited China regularly to experience Chinese governance first-hand. Chinese cadres for their part went to Ethiopia on rotation to familiarize themselves with the local context, provide hands on mentoring, and provide feedback. The Ethiopia/China military training relationship developed in tandem with these efforts marking yet another aspect of the Chinese approach that differs fundamentally from the U.S.

- What are the countries that China offers training to?

Answer:

China's main training partners still come from the ranks of Africa's national liberation movements. Countries like Angola, Algeria, Eritrea, Ethiopia, Ghana, Guinea Bissau, Cabo Verde, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe have special relationships with the PLA dating back to the era of Mao Zedong who is still revered as a champion of third world revolution, African independence, and international anti-imperialism.

However, China has also extended its training to non-traditional partners, reflecting major shifts in its foreign policy since the 1990s. Countries with exceptionally strong ties to Western militaries such as Botswana, Cameroon, Democratic Republic of Congo, Gambia, Kenya, Lesotho, Liberia, Malawi, and Sierra Leone now train regularly with the People's Liberation Army.

China's multinational forums reflect its military outreach in the past two decades. FOCAC is the largest Heads of State gathering after the UN General Assembly. Its two security organs, China Africa Peace and Security Forum, and China Africa Defense Forum brings 100 senior defense officials, military leaders, and chiefs of staff from over 50 African countries interchangeably every other year. Officers from around 40 African countries train in China annually.

- Are there any countries that China offers training to that the United States does not, or vice-versa?

Answer:

China offers training across the road, irrespective of ideological or political alignments and ties to Western powers. This reflects Beijing's long-standing policy of "non-interference in internal affairs," the expansion of its global interests and influence, and its underlying focus on strategic competition with the West, in particular the United States. Along these lines, China maintains ties with countries that the United States does not engage for policy reasons. For example China has robust training relationships with countries like Zimbabwe, Eritrea, Sudan, South Sudan, and Central African Republic, which are all under active U.S. and international sanctions.

- What are the types of training that China employs that the United States does not?

Answer:

The emphasis on ideology is one of the key features of Chinese training that differs with the United States. This has evolved in the past two decades from revolutionary liberation thought to other aspects of ideology such as China's "reform and opening up," "socialism with Chinese characteristics," topics in "Chinese rejuvenation," and China's perspectives on governance and international order.

The idea of training soldiers to defend the ruling party is another key difference. This appeals to many African ruling elites, especially those preoccupied with regime survival. They tend to view the CPC's experience in exercising absolute control of the two million-strong PLA as worth replicating, pointing out that China's armed forces have never staged a military coup or splintered into factions. Many governments are keen to adopt the models China has used to achieve this, making China's experience particularly attractive. This is despite the fact that such regimes also send their officers to Western military schools where they learn the exact opposite, namely, an apolitical stance and civilian control.

Yet another key difference is the practice of training civilian cadres, party officials, administrators, and political leaders in military schools, and sending soldiers to political and ideological schools. This is common among militaries that evolved from national liberation movements. As mentioned earlier, the PLA Training Team in Zimbabwe trains civilian and military officials from the Former Liberation Movements of Southern Africa. Such training is rooted in a philosophy that views civilian cadres as a "confraternity" of the military. Included in China's armed forces are a category of cadres known as "militants" that undergo military and paramilitary training but have no formal ranks. They are known in PLA parlance as *ganbu*. They also exist in many African countries as part of the ruling party structure, with many attending political and military schools in China through bilateral programs.

- What are the size of the classes? Is it leadership training, or tactical training?

Answer:

African students experience Chinese military education at three career levels. The first are the regional academies for cadets and junior officers. The most well-known are Nanjing Military Academy, Dalian Naval Academy, and the PLA Air Force Aviation University, which have trained African officers since the 1950s. See here:

https://www.uscc.gov/sites/default/files/Nantulya_Written%20Testimony_Final.pdf

Next, the command and staff colleges, including Army Command Colleges in Nanjing and Shijazhuang and the Command and Staff Colleges of the PLA's service branches, train mid-career officers. Army College Nanjing trained most of Africa's liberation movements, from Algeria to Zimbabwe, from their formation. China's NDU and National University of Defense Technology are the upper tier of the country's PME. The International College for Defense Studies and National Security College at NDU are particularly popular with African countries, as their material is delivered in the African Union's working languages, including English and French. As mentioned earlier, African officers also attend the PLA's political and ideological schools.

Class sizes at the senior and strategic-level institutions range between 100 to 160 students per school annually based on open source Chinese media reports (NDU has 7 constituent colleges). Class sizes are slightly bigger at the middle and lower levels. For example Army Command College Nanjing graduates between 140 and 170 students annually from around 70 countries, that vast majority from developing regions, including Africa. At the "regional academy level" for cadets and junior officers, as many as 1,000 students pass out annually. Leadership training is offered at all three levels of China's Professional Military Education (PME). At the senior level, leadership science constitutes 7.93 percent of the course load. Other courses are China Studies (7.93 percent), National Security Strategy Studies (18.24 percent), Military Thought and Military Strategy (21.3 percent), Employment of Armed Forces (18.24 percent), Study Tour outside Beijing (9.3 percent), and Paper Assessment (17.6 percent).

African officers trained in both China and the U.S. suggest that Chinese training is much more effective and relevant to Africa's army-building needs at the tactical levels, especially in infantry, and in technical subjects including artillery, armor, engineering, technology (including information technology), and mechanics. U.S. PME on the other hand is considered more superior, refined, and crucial for career advancement and international recognition at the senior level. This is the legacy of a PME model that was almost solely geared towards helping former liberation movements to transition to regular armies without losing their revolutionary traditions in a multi-party constitutional dispensation.

To Paul Nantulya, Research Associate, Africa Center for Strategic Studies, National Defense University (Panel III, Witness II)

Submitted by Vice Chairman Carolyn Bartholomew

- What do we know about airfields near Chinese resource extraction sites?
 - If they exist, how many are there and where are they located?

Answer:

Thank you Vice Chairman Bartholomew for this question.

I don't have a straightforward answer for you but the available data tells us that China's growing footprint in African aviation is driven to a large extent by its investments in extractives. In 2011, Africa's share of Chinese mining investments grew to \$115 billion, up from \$15 billion the previous year. These investments remained at the \$100 billion range ever since, accounting for three quarters of China's overseas minerals investments. By comparison, China's mineral investments in Asia, Latin America, Australia, and North America stood at 23, 22, 13, and 5 percent respectively. See here:

<https://www.cdfund.com/en/chinese-mining-investments-in-africa-increased-by-140-billion-last-year/>, and here: <https://www.miningindaba.com/Articles/chinese-investment-in-african-mining-what-you>

A large network of Chinese-built and financed road, rail, and air infrastructure has popped up around major resource extraction sites. In Namibia Chinese state owned companies are the main investors in Arandis on the west coast. This small town is home to Rossing Uranium Mine, the world's longest open pit uranium mine. China National Uranium Corporation Limited acquired a 69 percent stake in it and is the main user of Arandis airport located south of this town. As part of a targeted infrastructure strategy, Chinese SOEs also provide most of the locomotives for the Trans Namib Railway that connects Arandis to the strategic port of Swakopmund, and the capital, Windhoek. It also links Swakopmund to Walvis Bay (former a naval base for apartheid South Africa) where one of China's largest and most expensive port projects is located. See here:

<https://africacenter.org/spotlight/chinese-hard-power-supports-its-growing-strategic-interests-in-africa/>

This pattern of infrastructure investment is also evident in the mining belt of central Southern Africa consisting of Zambia, Tanzania, and Mozambique. Of these, Zambia hosts the largest pool of Chinese mineral investments with Chinese SOE's holding equity interests in a string of copper, coal, and manganese mines, including an 85 percent stake in Chambishi Copper Mine in Kalulushi, Copperbelt Province. This town, which is dotted with other Chinese majority-stake mines, is served by two small airports, Southdowns, located 30 kilometers southeast, and Kasompe, located 28 kilometers northwest.

In 2019, China's Avic International won a contract to construct a new international airport in Ndola, a tourist town currently served by Southdowns and Kasompe airports. See here:

<https://www.chinadaily.com.cn/a/201912/12/WS5df1ace2a310cf3e3557dafa.html>.

Zambia by 2017 had accumulated a total debt of \$ 14.7 billion of which Chinese infrastructure loans, from railways to airports, airstrips, and hydropower plants accounted for 44 percent according to the China Africa Research Institute. See their Chinese loan database here <http://www.sais-cari.org/data>. These huge debts weigh heavily on Zambia's stability. Indeed in 2018, stories surfaced in the local media suggesting that Chinese SOEs were poised to take over the Chinese-built Kenneth Kaunda International Airport should Zambia default on its loans. See here: <https://www.cadtm.org/China-to-take-over-Zambian-international-Airport-for-debt-repayment-default>

Democratic Republic of Congo is yet another case study of Chinese resource extraction patterns. A 2007 bilateral deal worth an initial \$10 billion (billed the “deal of the century” at the time) gives Chinese partners exclusive rights to extract up to 10 million tonnes of copper and 420,00 tonnes of cobalt over 15 years. See here: <https://chinaafricaproject.com/podcasts/podcast-china-drc-congo-mining-sicomines-johanna-malm-jansson/>.

In exchange, Chinese SOEs undertook to upgrade 4000 km of roads and 3200 km of rail connecting the various extraction sites, rehabilitate the mining sector, and construct schools and hospitals. Under this arrangement, Chinese funding was secured to upgrade Kolwezi airstrip in the southern province of Katanga, Lubumbashi International Airport in the southeast, and Ndjili International Airport in the capital, Kinshasa. See here: <https://www.icafrica.org/en/news-events/infrastructure-news/article/two-chinese-enterprises-chosen-to-rehabilitate-airports-of-ndjili-and-loano-in-drc-1973/>.

While Congo's mineral exports have risen sharply since 2007, social services remain paltry. Chinese SOEs involved in the deal, meanwhile, enjoy tax exemptions until infrastructure upgrades and mining loans have been fully repaid. See here: <https://theconversation.com/the-drc-and-chinas-sicomines-why-future-deals-should-be-different-114571>

Three major South African studies find that China accounts for over one-third of the total spending on airports and airstrips in Africa as part of its resource extraction push. Around \$ 57 billion has been earmarked or spent on construction projects at airports and airstrips in countries that have also seen increased mining investments. They include Angola, Ethiopia, Kenya, Mauritius, Mozambique, Nigeria, Sierra Leone, Sudan, South Sudan and Zambia. See here: <https://www.news.uct.ac.za/article/-2019-09-02-china-flexes-its-aviation-muscles-in-africa>, and here: <https://www.tandfonline.com/doi/abs/10.1080/19376812.2019.1599294?journalCode=rafg20>.

These are among China's most important economic partners. For example in 2018, Ethiopia, Mozambique, and Zambia, were among the top five destinations for Chinese FDI (the other two were Congo and South Africa).

- Are any of them being used by the PLA? Could they be?

Answer:

There is no hard evidence that Chinese-built airports and airstrips are being used by the People's Liberation Army. However, some have security implications. For instance there has been speculation that Namibia's Walvis Bay, the site of major Chinese investments in regional land, maritime, and air transport could provide options for a second naval base on the continent. See here: <https://www.bloomberg.com/news/articles/2015-01-20/china-considers-building-namibia-naval-base-namibian-reports>.

The two countries have close military ties dating back to Namibia's struggle for independence against apartheid South Africa. The PLA makes regular port calls at Walvis Bay, supplies some of Namibia's most advanced naval assets, and built many of its military facilities including the Staff and Command College which was inaugurated in 2019. The Walvis Bay Development Project, one of the biggest Chinese port developments in the developing world was described by the Chinese ambassador to Namibia as "the most brilliant pearl on the Atlantic Coast of West Africa." See here: http://www.xinhuanet.com/english/2018-02/10/c_136964590.htm

China tends to mix commercial, military, and political interests as part of its security mix. See here: https://www.uscc.gov/sites/default/files/Nantulya_Written%20Testimony_Final.pdf.

For instance the PLA's Naval Base in Djibouti began as a commercial port. It was later developed into a dual civilian-military use facility. The dual-use model allows China downplay the strategic dimensions of its investments, dispel local fears about its military intentions, and highlight its policy of "non-interference." Chinese port developments in Gwadar, Pakistan and Hambantota in Sri Lanka, appear to follow this model. Many observers suggest that Namibia potentially meets these requirements (Tanzania is the other country that is often mentioned in this connection).

My February testimony offered the Commission three strategic research indicators to assess where additional Chinese basing and expeditionary capabilities could be located. These criteria would also hold in assessing whether aviation investments may be used by the PLA in future. They are: 1) Level of importance in China's partnership rankings, 2) Ideological affinities, and 3) Regional clout. 13 African states fit all three criteria (including Namibia).

**To Mr. Paul Nantulya, Research Associate, Africa Center for Strategic Studies,
National Defense University (Panel III, Witness II)**

Submitted by Vice Chairman Carolyn Bartholomew:

- Are the private security companies in which former PLA and/or Chinese special operations forces are working to provide services to non-Chinese clients?

Answer:

Dear Vice Chairman Bartholomew

Thank you very for your questions and once again for the honor of inviting me to testify before you twice in a row now.

Allow me to preface my answer by providing a brief synopsis of terms that might help us unpack these entities. The line between “private” and “public” is blurred in the PRC, unlike in the West where there is a distinct separation. Under PRC law, private firms must install party organizations in their structure (*guojin mintui*) see here:

<https://www.chinabusinessreview.com/fact-sheet-communist-party-groups-in-foreign-companies-in-china/>.

This means that the terms “private sector” and “private actors” are somewhat nebulous in China. We may need different coinage to better understand how these entities are governed and the policy implications thereof. As a suggestion, the October 2009 PRC law on security contractors uses the term “security and guarding services.” See here:

<http://www.lawinfochina.com/display.aspx?lib=law&id=7779>

Having said that, it is unclear whether Chinese contractors serve non-Chinese clients. However, it is not a remote possibility given the number of Western contractors cashing in on the overseas Chinese private security industry. Many have established subsidiaries in Mainland China and Hong Kong. Additionally, top-tier Western companies like Caterpillar are sub-contracting for major Belt and Road projects. Therefore we should not rule out the possibility that Chinese security contractors may at some protect non-Chinese clients. For example, Dewe Security, which runs extensive operations in Africa, has said on many occasions it wants to capture business opportunities outside the Chinese government.

The global Chinese security industry is likely to experience more growth over the next five years than the previous five, setting the stage for more intermingling among Chinese and Western security firms. According to the Chinese government, there are around 5,000 registered Chinese security entities employing more than 4.3 million personnel. Around 20 operate overseas by current estimates, employing around 4,000 personnel, more than the number of PLA troops on peacekeeping duty. Phoenix International, a Chinese think tank, puts the figure at 5,000 by 2016. See here

<https://pit.ifeng.com/event/special/haiwaianguanlibaogao/chapter3.shtml>

Despite this growing demand, Chinese state owned enterprises (SOE) continue to grapple with the fact that Chinese security contractors do not have the educational, operational, and cultural experience of their Western counterparts. The gap has been filled partly by hiring Western ex- soldiers and special operators despite their clear preference for hiring Chinese military veterans. The disadvantages Chinese contractors face also makes them less attractive to non-Chinese clients, at least for now. They derive their competitive edge from the fact that the Chinese government continues to takes a dim view of hiring Western security contractors over PLA and MSS veterans. Chinese firms are under constant government and party pressure to hire Chinese.

Still, Western firms were the first to provide security for Chinese SOEs when they first ventured abroad in the mid-1990s. The prospects for business are huge: By 2017, over 40,000 China-based firms had overseas operations. Around 16,000 now work on Belt and Road projects, employing around one million Chinese nationals. In engineering alone, Chinese firms are the biggest players in Africa, generating US\$51 billion in 2017 alone, 10 times larger than China's aid to Africa between 2007 and 2017. See here: https://www.uscc.gov/sites/default/files/Nantulya_Testimony.pdf.

Western firms are eager to tap such opportunities. Some have even established “trade facilitation services” offering prospective Western clients everything from how to position themselves to capture Belt and Road opportunities, to gaining proficiency in Mandarin and the ins and outs of Chinese corporate practices and political culture. Additionally, Chinese firms like China Overseas Security Group, China Cityguard Services, and VSS Services are forging partnerships with Western outfits like the UK's G4S Security and Control Risks. The Hong Kong-based Frontier Services Group (FSG) was founded by an ex-American serviceman. 20 percent of it is owned by China International Trust and Investment Corporation (CITIC), a major Chinese conglomerate. Although they have made inroads in the Chinese security business, Western security contractors are way more expensive than Chinese ones. According to the International Institute for Strategic Studies, a team of 12 Chinese guards might cost the same as a single British or American guard. Still, the demand for overseas protective services outstrips the availability of skilled and experienced Chinese, meaning that some Chinese SOEs will likely continue quietly hiring Western contractors.

Should this trend continue, there is a high likelihood that Chinese contractors could start providing services to non-Chinese clients. All the indicators are pointing in this direction. For example Westerners now sit on boards and serve in executive positions in Chinese security firms, something unheard of even five years ago. Not to be ignored are African professionals with Western experience and training, a major plus given China's priority of courting Africans while benefitting from their Western skill sets. As a case in point, a U.S. educated Nigerian (former head of the Nigerian Civil Aviation Authority) sits on FSG's board. This trend is likely to grow as Chinese firms continue to expand into the continent.

- Are any people who worked for the PAP or MSS also involved?

Answer:

As China's premier domestic security organization, the MSS strives to keep tight control over China's 57 million veterans and its ever-growing security contracting community. This is driven by Beijing's traditional obsession with stability, its focus on maintaining a monopoly of violence, and keeping a tight lid on people with military skills. The Ministry of Veterans Affairs was created in 2018 to cater for 300,000 newly demobilized PLA members, part of a reduction-in-force program in the latest phase of China's military modernization. Domestic and overseas security contracting provides an avenue for employment for these ex-soldiers, in particular those not absorbed into MSS, or other parts of the civil service.

The MSS, which has a bigger budget allocation than the PLA, and more personnel under its control, has played a major role in shaping the Chinese security contracting industry. For example Dewe Security was founded by former senior police and military officers who first worked together during the 2008 Beijing Olympics. Both its CEO and General Manager are former MSS officials who say they have trained 86,000 Chinese employees since 2013, the vast majority of whom are from PAP and MSS organizations. Of these, around 2,000 are stationed abroad in places like Kenya, Sudan, and South Sudan where they train local security forces to guard Chinese assets.

Similarly the senior team at China Security and Protection Group also consists of former MSS leaders. It openly associates with MSS to leverage business opportunities with Chinese SOEs. One case in point is the pivotal role it played in setting up the International Security and Defense College in Beijing, the only privately-run school providing counterterrorism training for soldiers, police, and security contractors assigned to overseas locations. HuaXin ZhongAn, which provides maritime armed escort services for Chinese vessels in Africa and globally, mostly hires ex-PLA and ex-Chinese Coast Guard members.

A quick scan of the five top Chinese security companies active in Africa shows similar leadership and hiring trends. The likes of Dewe Security and the Dulwich Group initially depended heavily on ex-Western soldiers and Special Forces in their business models. However, they have moved steadily to hire more Chinese nationals and veterans. That said, foreign partnerships and subsidiaries will continue to feature in Chinese security contracting as more projects come on line.

- Could these private security companies become mercenary forces for hire in a conflict?

Answer:

Presently, Chinese security contractors provide passive services, i.e. protecting embassies and VIPs, guarding infrastructure, collecting intelligence on potential attacks on Chinese interests and advising local security forces accordingly. The lines become blurred when force is used or when force multipliers are provided to local forces (equipment, training, conditioning, etc). For example in 2012, Veterans Security Services gave the Sudanese

military specialized equipment to rescue kidnapped Chinese oil workers in the highly volatile region of Southern Kordofan. In Kenya, Dewe Security trained and equipped an elite police unit tasked with protecting the Chinese-built Mombasa-Nairobi-Naivasha Railway. This training is supervised and overseen by ex-PLA and PAP instructors. As China's security concerns increase alongside the expansion of the Belt and Road, the risk that Chinese contractors, or their local subsidiaries, might become entangled in local conflicts rises. For one, the use of such contractors is growing: in 2015, the MSS said that 350 serious security incidents occurred between 2010 and 2015 involving overseas Chinese. See <https://www.nbr.org/publication/chinas-private-security-companies-the-evolution-of-a-new-security-actor/>.

Reacting to these trends, Xi Jinping in 2016 said that “improved safety risk evaluation, monitoring and pre-warning, and the handling of emergencies for companies in dangerous territories,” should be prioritized. The 2018 Forum for China Africa Cooperation incorporated the protection of Chinese assets and Chinese nationals (*haiwai gongmin baohu*) into the China/Africa Action Plan 2018-2021 which will be extended at next year's FOCAC. See here: <https://africacenter.org/spotlight/implications-for-africa-china-one-belt-one-road-strategy/>

The chaos in South Sudan in 2016 was a turning point for Beijing. 330 Chinese oil workers were trapped in 10 locations around Juba when fighting broke out between forces loyal to the President and Vice President. The task of evacuating them fell on local Dewe Security units. However, they had no fire-power: under Chinese law, contractors are forbidden from carrying weapons with few exceptions. In this instance they mobilized and directed armed locals to secure the Chinese workers until the Ugandan military reopened and secured the airport, enabling their safe evacuation to Kenya. Following this experience, this firm embarked on building fully-fledged security installations in countries with Chinese investments starting with South Sudan and the Central African Republic. This will likely set a trend for other security firms as Dewe Security is an industry leader in China.

By 2020, it had protected \$9.6 billion worth of China's overseas assets and provided security to more than 150 Chinese institutions, companies, and projects abroad according to the Center for China and Globalization, a Chinese think tank with close ties to China's top leadership.

Despite the increasing presence of Chinese overseas contractors, the Chinese government is extremely cautious about the industry, determined to tighten its control over contractors, and prevent them from wading into local or international conflicts. This is partly due to Beijing's stated policy of “non-interference,” and the fear of triggering strong anti-China backlash. A case in point was a much-publicized labor dispute in Zambia in 2010 when Chinese supervisors at a Chinese-owned coal mine fired into a crowd of workers demanding higher pay, injuring 11.

The resulting uproar propelled Michael Sata to the presidency that year on a virulent anti-China campaign platform. Two years later, a Chinese supervisor was killed at the same

site over yet another wage dispute, damaging China's image further. Apart from such incidents, China is also keenly aware of the deep and abiding stigma in Africa associated with foreign mercenaries. Beijing will likely be anxious to avoid repeating the experiences of groups like the UK's defunct Sandline and apartheid South Africa's Executive Outcomes, poster children of misbehavior, impunity, and abuse by "soldiers of fortune."

Still, the risks that cannot be ignored. In 2018, two Chinese security contractors were jailed in Zambia for providing illegal military training to members of a local security firm in the mining town of Livingstone where China owns major stakes in copper and coal mines. That year, Kenyan police arrested five Chinese nationals for "being in possession of items likely to pose a threat to national security" including military uniforms, boots, walkie-talkies, smoke detectors. They were charged with operating an illegal security firm. In 2020, Ugandan intelligence intercepted 37 Chinese nationals caught with 2,000 stolen cell phones, computer equipment, and control room where each of the phones was connected and online. Such activities thrive in environments of high corruption, poor enforcement of national laws, and the exponential growth in security contracting. Going forward, much will depend on how well Beijing and its African partners regulate the activities of China's military contractors and their local partners.

- How much control/influence does Beijing have over its former soldiers?

Answer:

As a "party/state" (*guojia*) the PRC demands the continued absolute loyalty of its former soldiers, who continue to be members of the ruling party and subject to its tight control. Still, China has a long-running problem with its veterans who tend to launch protests every few months. They are watched constantly by extensive security apparatuses. Additionally, Beijing uses a vast array of tools to keep them in check. The penal code is one of the most important: China's courts hand down exceptionally harsh punishments for soldiers running afoul of the law. See here for an example: http://english.pladaily.com.cn/view/2019-12/11/content_9694272.htm.

The powerful and feared Central Commission for Discipline Inspection provides another layer of control. Appearing before this body brings permanent stigma and shame to an individual's family and close acquaintances, reducing their standing in society and effectively shuttering career advancement and other opportunities. China also uses several regulations to exercise control over its former soldiers. For example, Chinese law stipulates that the state must wholly own, or be the controlling shareholder of any armed escort service (Art 9). However, questions still remain about how much control Beijing really has over its overseas security contractors.

The Belt and Road, where most of them are hired, is a mammoth undertaking, with projects numbering anywhere between 1,700 and 3,000 across 65 countries and worth at least \$900 billion by most estimates. This is in addition to the \$680 billion in overseas assets that Chinese SOEs held prior to the Belt and Road. In theory, the power to appoint and remove top executives of Chinese firms strengthens the government's control over

them in addition to the measures discussed earlier. In practice however, these executives are not as passive as is often assumed. For example many SOE executives hold ministerial ranks, placing them on par or above the monitors assigned to oversee them. They also exercise power through tentacular patronage networks (*guanxi*), extending to the senior party levels. Meanwhile Beijing's monitoring capabilities are hampered by overlapping and confusing internal checks among government, party, and security bureaucracies.

All this means that in practice, Chinese firms have more latitude in how they use the security contractors at their disposal. The use of armed locals in South Sudan in 2016 is a pertinent case study in this connection. This was highly risky given the fragmented nature of South Sudan's security sector and the rampant indiscipline and abuse associated with its members. Had the operation gone wrong, or come to public attention, it would have caused considerable embarrassment to the Chinese government. Yet the decision was made in the heat of the fighting and in light of the large number of oil workers in distress.

**To Mr. Paul Nantulya, Research Associate, Africa Center for Strategic Studies,
National Defense University (Panel III, Witness II)**

Submitted by Vice Chairman Carolyn Bartholomew:

- While this was not the subject of your recent testimony, I am curious about Chinese language training in African schools. I understand that Kenya is adding Mandarin to its primary school curriculum and that Uganda is planning on making Mandarin lessons mandatory in high schools. Is the Chinese government providing the language teachers and the curriculum in these countries or others?

Answer:

Kenya and Uganda are among at least a dozen African countries to introduce Mandarin into the educational system. Most of the teaching is conducted by Chinese-trained African educators as is the case in Tanzania and South Africa. In Zimbabwe, instruction is given by an equal number of Chinese and Zimbabwean teachers. Such programs tend to be pioneered by Chinese-educated Africans, one of the many areas in which African agency in China/Africa relations has become pronounced. While most are privately funded, they do receive technical support and supplementary funding from Hanban (the state body in charge of Confucius Institutes and Classrooms).

Uganda's Luyanzi Institute, one of the biggest institutions for Chinese education in Africa, is a model many African education ministries are following. Partly funded by the Makerere University Confucius Institute, it offers the entire Ugandan high school curriculum (all subjects and not just Chinese) in Mandarin. It was founded in 2010 by a Ugandan Tsinghua University graduate. It now trains Mandarin teachers for posting to schools countrywide as part of the government's policy on teaching Chinese. The first batch graduated in 2018 after an intensive 9-month Mandarin course conducted in Uganda, followed by cultural exposure in Beijing. All trainees are government-registered teachers.

The rapid growth of Mandarin education is one of the dimensions of accelerated China/Africa engagements that fly under the radar because they are not as attention-grabbing as China's military engagements or its expansive economic statecraft. For instance, round 30 African universities offer China studies as a discipline, including the degree level, up from zero in 2006. In 2004, there were no university-based Confucius Institutes and Confucius Classrooms in Africa. Today, they number 70 and 40 respectively. In 2019, China surpassed both the United States (forty) and UK (thirty-eight) in terms of the number of cultural and educational institutions in Africa.

The spread of Mandarin in Africa also benefits from increased academic exchanges and the larger global trend of interest in learning Chinese. 60,000 African students study in China annually, with an additional 60,000 receiving sector-specific training as part of a revamped strategy since the 2018 Forum of China Africa Cooperation. See here:

https://apcss.org/wp-content/uploads/2019/09/7-China_in_Africa-Carter-Gilpin-Paul_Nantulya1.pdf.

Not all these students are beneficiaries of Chinese government scholarships though. From 2014, two-thirds of African students in China have been self-sponsored, despite the growth in government scholarships according to the Association of International Educators.

China/Africa studies have also expanded outside the state-to-state level, bringing more voices and intellectual diversity to China/Africa relations. One example is the 1,000-member Chinese in Africa and Africans in China (CAAC) Research Network, the world's largest independent body of China and Africa thought leaders. It contributes about 60 percent of all new original research in the field. African academic institutions have been at the forefront of bringing African perspectives into China/Africa relations, holding an Annual Conference on China/Africa relations that attracts over 300 scholars. Others have ventured into technical training. A case in point is the partnership between African technical schools and Zhejiang Normal University in developing "Africa Hands for China" and "China Hands for Africa." By 2018, over 1,019 students from 48 African countries had passed through this program, some of whom are tapped by African and Chinese companies when their return to their home countries. See here: <https://link.springer.com/article/10.1007/s11516-018-0030-0>

Such expansion in China/Africa engagements also reflects changing perceptions about China. During the 1960s, a Chinese education didn't take one very far: China, in African imaginations was poor and underdeveloped. The gravitational pull was to the West, as students educated there had far better public and private sector employment prospects. For those who could afford it, Japan, South Korea, Taiwan and India, were also highly sought after as destinations for higher education. Japan took the commanding lead in training Africans and popularizing its culture. Indeed, by the late 1980s, Japanese was a popular foreign language choice in African education on par with German, Italian, and French.

All this was before China emerged in the 1990s as a major development partner, employer, and attractive destination for African students. China is now seen as a global power, not a developing or poor country. It is also seen as an attractive and cheaper alternative, particularly among students seeking international education and who want to improve their marketability in Africa and abroad. Chinese firms for their part have powerful incentives to recruit Mandarin-proficient African professionals as part of their business model. Governments are also increasingly recognizing Mandarin fluency as a valuable skill they can use to engage China more strategically. For example, the Center for China Studies at the University of Daresalaam advises Tanzanian government ministries in all their dealings with their Chinese counterparts as a matter of policy. In Zambia, the phrase "learn Chinese and go get a job" is part of the popular vernacular. In East Africa a similar phrase, "wale wanaongea kichina wako na bahati" (Chinese proficiency increases one's chances of finding employment) has gained popularity. This reflects a growing perception in Africa that a higher education coupled with Mandarin

expertise (and Chinese exposure) make one more competitive in the local context and also provides international opportunities given the growing global demand for professionals with fluency in Chinese.

This was not the case even 10 years ago.

To Judd Devermont, Director, Africa Program, Center for Strategic and International Studies (Panel III, Witness III)

Submitted by Chairman Robin Cleveland:

- How does Chinese military training of African partners differ from training offered by the United States?
 - What are the countries that China offers training to?
 - Are there any countries that China offers training to that the United States does not, or vice-versa?
 - What are the types of training that China employs that the United States does not?
 - What are the size of the classes? Is it leadership training, or tactical training?

Answer:

China's training of African security forces, similar to the United States, includes exercises, equipment instruction, and professional education. However, it is not on the same scale as the United States. Between 2003 and 2016, China conducted 13 military exercises, 22 naval port calls, and 259 senior-level meetings.⁶ In contrast, the [U.S. Africa Command](#) conducts two annual training exercises and seven other joint or regional exercises. In 2019 alone, the United States [trained 567 African partners](#) in U.S. military schools through the State Department's International Military Education and Training Program. When the United States sells weapons to its African partners, it includes on-site training and maintenance packages, such as when Moody Air Force Base was scheduled to host a stateside mission to train [Nigerian Air Force pilots and maintenance personnel](#) on the A-29 Super Tucano aircraft in April 2020. Furthermore, the United States does not include propaganda or ideological content in its foreign military education. According to an article by John Van Oudenaren and Benjamin Fisher, a senior African officer who shared that the Chinese curriculum included a narrative of U.S. neo-imperialism in Africa. Specifically, he recounted that the Chinese instructors claimed that United States was intent on subjugating Africa and exploiting African labor.⁷

⁶ Kenneth Allen, Phillip Sauders, and John Chen, "Chinese Military Diplomacy, 2003-2016: Trends and Implications," Institute for National Security Studies, National Defense University, July 2017.

⁷ John Van Oudenaren and Benjamin Fisher, "Foreign Military Education as PLA Soft Power," *Parameters*, Winter 2016

I do not have a full dataset of countries China has trained compared to the United States. Additionally, I am not in a position to provide information about class size and other details. I will circle back if we cover this information in a larger study.

To Judd Devermont, Director, Africa Program, Center for Strategic and International Studies (Panel III, Witness III)

Submitted by Vice Chairman Carolyn Bartholomew:

- What do we know about airfields near Chinese resource extraction sites?
 - If they exist, how many are there and where are they located?
 - Are any of them being used by the PLA? Could they be?

Answer:

I do not have information about airfields near Chinese resource extraction sites.

To Judd Devermont, Director, Africa Program, Center for Strategic and International Studies (Panel III, Witness III)

Submitted by Vice Chairman Carolyn Bartholomew:

- The PLA Navy has been participating in counter-piracy operations in the Gulf of Aden for well over a decade now. Throughout that time, analysts have noted the potential value of Chinese cooperation with the multinational forces operating there, yet the cooperation is not forthcoming.
 - Why do analysts continue to believe that cooperation might yet happen?

Answer:

U.S. senior military officials, in addition to analysts, have discussed the limited avenues for security cooperation with China. In 2017, then-AFRICOM commander General Thomas Waldhauser said that despite geopolitical differences between the United States and China, there are [opportunities for cooperation](#) with African countries, particularly regarding peace operations and training of African forces. There has been some Chinese cooperation with multinational anti-piracy forces during the past two decades. According to a [Carter Center report](#), China in 2003 joined the Container Security Initiative, which focuses on incoming shipment security. China also has been active in the U.S. Coast Guard (USCG) and Megaports/Secure Freight Initiative. China similarly has participated in the Shared Awareness and Deconfliction (SHADE) group, which was established by the United States to strengthen connectivity with other counterpiracy task forces. China in 2009 even lobbied to assume SHADE's chairmanship, but was [blocked](#) because independent navies has never chaired the mechanism. Finally, according to the same Carter Center report, PLAN frigate Yi Yang in 2012 took part in an anti-piracy drill with the USS Winston S. Churchill and other U.S. Navy assets.