

**IMPLICATIONS OF CHINA'S PRESENCE AND
INVESTMENT IN AFRICA**

HEARING

BEFORE THE

SUBCOMMITTEE ON
EMERGING THREATS AND CAPABILITIES

OF THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

ONE HUNDRED FIFTEENTH CONGRESS

SECOND SESSION

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IMPLICATIONS OF CHINA'S PRESENCE AND INVESTMENT IN AFRICA

WEDNESDAY, DECEMBER 12, 2018

U.S. SENATE,
SUBCOMMITTEE ON EMERGING
THREATS AND CAPABILITIES,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:30 a.m. in Room SR-232A, Russell Senate Office Building, Senator Joni Ernst (chairman of the subcommittee) presiding.

Members present: Senators Ernst, Heinrich, and Peters.

OPENING STATEMENT OF SENATOR JONI ERNST

Senator ERNST. Good morning, everyone. The Subcommittee on Emerging Threats and Capabilities will come to order.

This morning, the Subcommittee on Emerging Threats and Capabilities will meet to receive testimony on the implications of China's investment and activities in Africa to United States national security interests.

We are joined today by Yun Sun, Director of the China Program at The Stimson Center; Judd Devermont, Director of the Africa Program at the Center for Strategic and International Studies; and Josh Meserve, Senior Policy Analyst for Africa and the Middle East at the Heritage Foundation.

I welcome our distinguished panel of experts, and thank them for being with us today.

The rise of China as a strategic competitor to the United States presents an array of challenges to our national security interests around the globe. China is rapidly modernizing its military and eroding America's military advantage. Its aggressive behavior in the East and South China Seas have unnerved our Indo-Pacific allies and partners. And, as its economic influence grows around the world, the Chinese military's presence and activity grows, as well, from manmade islands in the South China Sea to Indian Ocean ports to a military base in the African nation of Djibouti.

But, China's strategic challenge to the United States is much more than a military problem. China is pursuing a notable expansion in its foreign assistance and investments in support of its Belt and Road Initiative (BRI), a multi-decade, multi-trillion-dollar initiative focused on increasing Chinese influence and market access worldwide. In pursuit of its objectives, we have seen China engage in heavyhanded economic tactics to exert leverage and extract favorable concessions from nations in strategically important regions.

China is racing to seize the commanding heights of the 21st century global economy by any means necessary, including unfair trade practices, cyberattacks, and industrial espionage.

Earlier this year, in testimony before the committee, the former Commander of INDOPACOM [Indo-Pacific Command], Admiral Harry Harris, stated that he's, quote, "concerned China will now work to undermine the rules-based international order, not just in the Indo-Pacific, but on a global scale, as China expands its presence in Central Asia, the Arctic, Africa, South America, and Europe," end quote. I share Admiral Harris's concern, and that's why we have convened today's hearing.

During our time today, I'd like to focus on gaining a better understanding of China's objectives and ongoing activities in Africa, and what it means for our national security interests. While China has long maintained a presence in Africa, we are seeing an increase in the scope and intensity of their activities across the continent. I look to our witnesses to help the committee better understand China's strategic objectives in Africa and how China seeks to achieve those objectives; specifically, what aspects of China's approach to Africa are most concerning to our security, diplomatic, and economic interests, while also identifying potential opportunities for cooperation with China in pursuit of shared interests on the continent.

While I agree with our witnesses that we cannot view China as 10 feet tall, we cannot underestimate China's growing ambition and capabilities, as well as the long-term challenges they pose to our interest and those of our allies.

Again, I want to thank our witnesses for being with us today, and I look forward to their testimony.

I will now turn it over to the Ranking Member, Senator Heinrich.

STATEMENT OF SENATOR MARTIN HEINRICH

Senator HEINRICH. Good morning, everyone. Let me join the Chair in welcoming our witnesses before the Emerging Threats and Capabilities Subcommittee to discuss the implications of China's presence and investments in Africa.

This hearing comes at an important moment. The current administration is set to roll out a new strategy for Africa this week in an effort to better align United States policy in Africa with the priorities outlined in the National Defense Strategy and the National Security Strategy. With regard to Africa, our National Security Strategy states that, quote, "We will expand trade and commercial ties to create jobs and build wealth for Americans and Africans, both because it is profitable for us and because it serves as an alternative to China's often extractive economic footprint on the continent," end quote. Such an effort will require a reversal of current U.S. efforts, which have focused primarily on counterterrorism in recent years, and investment trends, which continue to decline, year on year. Contrast that with China's investments in Africa, which have been on an upward trajectory for nearly two decades, and its security engagements, which have focused on facilitating arms sales and providing educational opportunities for senior African defense personnel in China. These trends suggest a need for

several reforms if we are to ensure that the United States remains the security and commercial partner of choice for African nations.

It's also important to be mindful that not all Chinese activities in Africa are in direct conflict with United States interests. Viewing every Chinese effort as a potential threat clouds our strategic vision. I hope our witnesses will help the committee better understand China's strategic vision for Africa and the implications for United States objectives across the continent.

Thank you, and I look forward to your testimony this morning.

Senator ERNST. Wonderful. Thank you.

We'll go ahead and get started with our witness testimony, and then we'll move into questions and answers.

Mrs. Sun, we will start with your testimony.

STATEMENT OF YUN SUN, CO-DIRECTOR, EAST ASIA PROGRAM AND DIRECTOR OF THE CHINA PROGRAM, THE STIMSON CENTER

Mrs. SUN. Thank you, to the members of the Subcommittee on Emerging Threats and Capabilities, for this opportunity to testify on the strategic implications of the Chinese investment in Africa.

This testimony seeks to examine what types of political, ideological, and military interests China pursues in Africa, and how China utilizes economic statecraft, such as investment, to pursue them. It also aims—analyze how China's evolving approach to Africa will affect the great-power competition with the United States.

Traditionally, Africa, as a part of the developing-country bloc with which China identifies, has been regarded as the foundation of China's foreign policy. China's economic statecraft, from the free aid during the Cold War to loans and investments to Africa today, has been an effective instrument to secure Africa's support of China's multifaceted agenda.

China has three types of strategic interests that it pursues in Africa: political, ideological, and the military. Politically, China relies heavily on the diplomatic support and appropriation from African countries on key issues in the international arena and in multilateral forums. As China's global ambition grows rapidly under President Xi Jinping, China has grown increasingly interested in portraying Africa as a strong supporter and a living testament of China's great-power status, its reputation as a responsible stakeholder, and the leader of the developing-country bloc. China's 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 world order led by China. This agenda strengthens Xi Jinping's prestige and authority at home and abroad.

Ideologically, China actively promotes China's development model, a combination of authoritarianism and state capitalism, through government fellowships and capacity-building programs for African elites. The goal is to educate African elites on China's experience in economic development and political governance as well as help them to replicate such policies in their home countries. This ideological push in Africa is geographically expensive, institutionally systematic, and will have a profound psychological and political impact over the choices and preferences of African elites. That's over the political landscape of the African continent.

In our concept, in the Western concept, the Chinese political capacity-building programs equate to the export of Chinese ideology, but in the more implicit and indirect format. However, in this case, China's power does not lie in its imposition, but in its inspiration.

Before the opening of China's first overseas military base in Djibouti in 2017, China's security interests in Africa were primarily limited to the protection of Chinese nationals and assets in politically unstable countries. However, China's base in Djibouti signals a new era of China's security and military ambitions in Africa. Djibouti is a critical first step in the global ambition of the Chinese military and attests to increasingly sophisticated approach that China has adopted to pursue such a goal. The hidden-agenda approach China has deployed using U.N. (United Nations) mandate and debt-trap diplomacy to achieve its military agenda simply defies the rules of the game.

China's strategic aspirations are causally related to its economic engagement in Africa and are mutually reinforcing each other. China's economic capacity and its willingness to use such capacity to cater to African elites' demand lays the foundation for Africa's benevolent interpretation and warm welcoming of China's agendas.

The political support of China's policy can usually be acquired through generous offer of Chinese aid, loans, and investments. Such a benevolent perception of China and the popularity of China's development model due to its perceived effectiveness significantly enhances its appeal of the Chinese style of state capitalism in Africa. China is building itself an image as a contributor to peace and stability in Africa, boosting its image as a responsible stakeholder while materializing, legitimizing, and expanding its own military presence on the continent. Chinese financial contributions have not only made these endeavors possible, but also desirable for some countries and obligatory for some other countries.

In turn, China's political, military, and ideology influence deepens and broadens the scope and scale of Chinese economic activities in Africa. As a result, Africa is increasingly tied into the Chinese orbit.

China's complex approach toward Africa may not have originated from a desire to compete with the United States for global influence. However, the sophisticated Chinese approach interweaves its economic engagement with political, ideological, and security aspirations, which, consequently, creates a reality of China's expanding and strategic influence on the African continent. The growing willingness of African countries to support Beijing's political agenda, their eagerness to embrace China's development model, and their welcoming accommodation of China's military ambitions in Africa will signify the strength, reach, and influence that China is gaining as a great power. As it currently stands, Africa is indispensable in China's bid for global superpower status, and Beijing has worked it diligently to tie Africa into the Chinese orbit through economic statecraft, political friendship, as well as ideological influence. If the United States and China are indeed engaged in a zero-sum rivalry for global hegemony, Africa's alignment choices has a critical impact on the result of this power equilibrium.

I will stop there. Thank you very much, again.

[The prepared statement of Mrs. Sun follows:]

PREPARED STATEMENT BY YUN SUN

Thank you to the members of the Subcommittee on Emerging Threats and Capabilities of the Senate Armed Services Committee for the opportunity to testify on the strategic implications of the Chinese investment in Africa. This testimony seeks to answer what types of political, ideological and military interests China pursues in Africa and how China utilizes economic statecraft such as investment to pursue them. It also aims to analyze how China's evolving approach to Africa will affect United States national interests.

Traditionally, Africa as a part of the developing country bloc with which China identifies has been regarded as the foundation of China's foreign policy. China's economic statecraft, from the free aid during the Cold War to loans and investment to Africa today, has been an effective instrument to ensure Africa's support of China's multifaceted agenda. Indeed, the popular but erroneous perception that China is solely interested in African natural resources no longer stands today. Twenty years after the launch of the "Going Out" strategy where China encouraged its companies to seek overseas markets and supplies of raw materials, China's engagement strategy toward Africa has become much more sophisticated, expansive, and synchronized. Through its economic engagement, China is pursuing a targeted list of political, ideological and strategic goals in Africa. As China's global ambition grows under President Xi Jinping, Africa is increasingly tied into the Chinese orbit that advocates for a new international order and a community of common destiny.

THE STATUS OF CHINESE INVESTMENT IN AFRICA

According to the Chinese Ministry of Commerce, by the end of 2017, China's cumulative investment in Africa had surpassed 100 billion USD.¹ In 2017, China's total direct investment in Africa was 3.1 billion USD, 2.5% of China's global total that year.² The percentage that Africa occupies in China's global foreign direct investment has been fairly consistent in recent years, rarely exceeding 4%. The areas of such investment also cover a broad range of industries, including mining, manufacturing, construction, retail, agriculture, construction, infrastructure, and real estate. In terms of the fora, most of China's Government economic pledges to Africa have been made through the Forum on China Africa Cooperation (FOCAC), which takes place every three years and alternates between Beijing and African capitals. Up until the most recent FOCAC Summit in Beijing in September of 2018, China had had a pattern of doubling or tripling its most recent FOCAC pledge: from 5 billion USD in 2006 to 10 billion USD in 2009, then to 20 billion USD in 2012 and 60 billion USD in 2015. However, in the most recent Beijing Summit this past September, China's financial pledge remained the same as in 2015.

Although the official data suggests a relatively low level of Chinese economic interests in Africa compared to other regions, the reality is far more complex, complicated by the dearth of reliable data. The Chinese official investment data includes only the committed amount of investment during the calendar year rather than the actual disbursed amount. More problematically, the official investment data tends to underreport the actual volume due to its failure to capture investments made by Chinese companies through subsidiaries in offshore financial centers such as British Virgin Islands, Cayman Islands and Hong Kong. Contributing to the understatement of Chinese investment in Africa are the unregistered investments made by small and medium-sized Chinese companies or private individuals, sometimes through their local African partners for tax purposes.

Another caveat of China's economic engagement with Africa originates from the composition of Chinese financial ties with the continent. Indeed, the majority of China's financing to Africa are neither grants nor investments, but loans of various forms. For example, within the 60 billion USD FOCAC financial pledge China made in 2015, the majority of the commitment (35 billion USD) was designated for concessional loans and export credits. Given that only 5 billion USD was reserved for grants and zero-interest loans, and that Chinese investment in Africa was 3.3 billion USD in 2016 and 3.1 billion USD in 2017, these numbers reveal that the overwhelming majority of Chinese financing is in the category of loans. This does serve to justify the wide-spread concern about the debt burden and sustainability of the African countries and China exacerbating the problem, although China's counterargument is that the long-term economic capacity building effect of the Chinese loans significantly outweighs the downsides.

¹"Chinese Cumulative Investment to Africa Surpassing 100 Billion USD", August 28, 2018, China News, <http://www.chinanews.com/cj/2018/08-28/8612575.shtml>.

²Brief Summary of China's FDI in 2017", Ministry of Commerce, January 16, 2018, <http://fec.mofcom.gov.cn/article/tjsj/ydjm/jwtz/201801/20180102699445.shtml>.

Despite the overwhelming rhetoric and attention paid to “China going Africa”, China’s investment in Africa is small compared to other regions. While China’s foreign direct investment toward Africa was 3.1 billion USD in 2017, Chinese companies’ acquisitions in Latin America alone was as high as 18 billion USD during the same year.³ In terms of investment stock, Chinese investment in Latin America had surpassed 200 billion USD by the end of 2017, twice that of Chinese investment in Africa.⁴

The smaller quantity of Chinese investment toward Africa does not in any sense suggest less qualitative impact. In fact, due to the unique appeal of the Chinese model of economic development that combines political authoritarianism and state capitalism, in many fragile and volatile states in Africa, China’s economic engagement has played a significant role in shaping the future political and economic choices of the African elites.

Furthermore, despite the consistent verbal dedication China has expressed to support African industrialization and export of non-resource products to China, the reality does not support such a claim. The Chinese official statistics no longer provide the specifics of different categories of Chinese imports from Africa. However, the top African exporters to China are indeed resource-rich countries, ranking down from South Africa to Angola, Zambia, Republic of Congo, DRC in 2017.⁵ If South Africa, China’s biggest trading partner in Africa and the largest African exporter to China, could serve as an example, according to data from the Chinese Ministry of Commerce, natural resources (mineral resources and base metals) together accounted for 86.2% of the country’s export to China in 2017, up from the 83.7% in 2016.⁶ While China argues that it is making significant contributions to Africa’s industrialization and is shifting away from its traditional focus on African natural resources, there is still a long way to go for China to substantiate this claim.

CHINA’S POLITICAL ASPIRATIONS IN AFRICA

On the issue of Africa’s political importance, China’s overarching goal historically has been the 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 for African countries greatly 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.

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 UN member states and votes. China has relied on African countries’ support at the UN 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 UN Human Rights Council. China relied on the African countries to remain silent or issue statements supportive of China’s Tibet policy in order to defuse and preempt hostile discussions or actions.⁷ Today, on issues ranging from human rights to UN 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 a living testament of China’s great power status, its reputation as a responsible stakeholder, and the leader of the developing country bloc. 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

³WU Hao, “Report Shows Chinese Companies Have Become Key Investors in Acquisitions of Latin American Companies,” Xinhua News, July 7, 2018, http://www.xinhuanet.com/fortune/2018-07/07/c_1123092902.htm.

⁴HE Jia, WU Jierui, “Chinese Direct Investment to Latin America Surpassing 200 Billion USD,” *21st Century Business Herald*, February 5, 2018, <http://silkrroad.news.cn/2018/02/05/83169.shtml>.

⁵“Trade Data and Ranking of China’s Trade with African Countries in 2017,” China-Africa Trade Research Center, February 2, 2018, <http://news.afrindex.com/zixun/article10384.html>.

⁶Yun Sun, “China’s 2018 Financial Commitments to Africa: Adjustment and Recalibration,” Brookings, September 5, 2018, <https://www.brookings.edu/blog/africa-in-focus/2018/09/05/chinas-2018-financial-commitments-to-africa-adjustment-and-recalibration/>.

⁷David H. Shinn, “China’s Growing Role in Africa: Implications for United States Policy,” testimony before Senate Committee on Foreign Relations Subcommittee on African Affairs, November 1, 2011. www.foreign.senate.gov/imo/media/doc/David_Shinn_Testimony.pdf.

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 three of Taiwan's diplomatic allies: Gambia, 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 China's winning the diplomatic tug of war.

CHINA'S IDEOLOGICAL ASPIRATIONS IN AFRICA

As the largest and perhaps the most effective authoritarian regime in the world, Beijing has always viewed foreign governments' recognition of the Chinese Communist Party's successful political and economic policies as a powerful reinforcement of its legitimacy at home. In recent years, China has begun to actively promote other developing countries to adopt such political and economic policies. China uses its own development model, which combines political authoritarianism and economic capitalism, to prove to some African countries that economic development and political stability could exist without a democratic system. In many countries, "China's economic progress is cited by statist, protectionists, 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."⁸ From Beijing's perspective, the popularity of the China's development model is the best way to validate the viability of the Chinese system.

In this sense, China's ideological interest in Africa did not disappear after it directed its priorities towards economic development. Instead, it has taken a different and more subtle 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. Beijing would like to see non-Western, non-democratic governments grow and prosper 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 replicate 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 elites 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 dogmatic compared to Western capacity-building programs.

China actively encourages 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 will have a profound psychological and political impact over the choices and preferences of African political parties, and thus over the African political landscape.

In a Western concept, 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

⁸"Wrong Model, Right Continent", October 26, 2006, *The Economist*, <http://www.economist.com/node/8080804>.

youths and 1,000 media personnel. However, in the 2018 FOCAC commitment, the number of government fellowships jumped from 30,000 to 50,000 in addition to 1,000 African elites China will train for Africa. Demonstrating China's keen interests in shaping the affinity of the next generation 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 additional training opportunities to African countries, including government officials, opinion leaders, scholars, journalists as well as technical experts. These are essentially the African political, economic, social elites, and opinion leaders that will shape the future of the continent and its relations with China.

CHINA'S MILITARY ASPIRATIONS IN AFRICA

Before the opening of China's first overseas military base in Djibouti in 2017, China's security interests in Africa were primarily limited to the protection of Chinese nationals and assets in politically unstable African countries where China has important economic interests. However, China's base in Djibouti signals a new era of China's security and military ambitions not only in Africa, but also globally. Djibouti is a critical first step in the global ambitions of the Chinese military, and attests to the increasingly sophisticated approach that China has adopted to pursue such a goal.

China has consistently downplayed the importance of its outpost, as well as the capacity and purpose of the base. Before construction was completed, China called it an "overseas logistical supply facility." That term gradually morphed, and now the Chinese characterize it as a "supply base"—still, however, not a "military" outpost. The Chinese media has been at pains to detail how the base cannot conceivably be compared to British and American facilities, for example, in terms of infrastructure, equipment on-hand and on-base capabilities. The reason Beijing intentionally avoids the term "military base" is to dodge attention, suspicion and threat. However, the undeniable truth remains that the base has been dominated, developed and used by the Chinese military.

China has always had a hard time squaring its desire for an overseas military presence with its state ideology of "non-interference" in extra sovereign matters and non-alignment. It has sought, therefore, the cover of legitimacy through United Nations Security Council mandates for peacekeeping missions, which come with host-country consent. In 2008, China began naval-escort missions in the Gulf of Aden, following a series of UN Security Council resolutions authorizing countries to conduct counter-piracy operations in the area. In the 10-year period from 2008, China dispatched 30 naval-escort taskforces to the region, at a steady rate of three a year. The missions provided grounds for China to claim it needed a logistical center to provide support and supplies for its forces in the area. Hence, Djibouti entered the picture with its unique geographical location and popularity with other foreign military forces operating in the area.

The problem is that China's story does not hold water. Piracy off the Somali coast fell sharply between 2012 and 2017—precisely the period when China negotiated and built its "supply base" in Djibouti. In other words, although China predicated its need for a logistics hub when serving on UN-authorized counter-piracy missions, the development of the base happened when the threat of piracy was in rapid decline.

Following the opening of the base, China has been consolidating its control and capacity of the facility. This is being achieved in parallel with generous Chinese financing for a new port, a free-trade zone, as well as railway, energy-transportation and water-supply projects. This May, the Chinese military acknowledged it was building a new wharf at the Djibouti base. The development of infrastructure supports the operation of the Chinese base, and also hitches the Djibouti Government into the Chinese orbit. Djibouti is taking on a public debt that is equivalent to 88 percent of its GDP, with China owning most of this.⁹ With that much debt owed to China, Djibouti's ability to defy or reject Chinese demands is significantly hindered.

Although China has portrayed the base as logistics-oriented, its own actions suggest less benign uses. Two months after its opening, China began military training and live-fire drills. The PLA explained this development on the grounds that it must "explore the model of overseas military deployment and improve the Chinese troops'

⁹Amy Cheng, "Will Djibouti Become Latest Country to Fall Into China's Debt Trap," *Foreign Policy*, July 31, 2018, <https://foreignpolicy.com/2018/07/31/will-djibouti-become-latest-country-to-fall-into-chinas-debt-trap/>.

ability to comprehensively maneuver weapons and conduct diversified military missions.”¹⁰ It has also expanded the scope of its troops stationed there. Now, they are to provide “humanitarian assistance” and to “[contribute] to the peace and stability of Africa.”

There is no rule in international law against China developing overseas military bases, just as there is no reason that China should be judged any differently from other great powers with bases in Djibouti. However, the manner in which China has gone about building out its military capacity invites suspicion. Moreover, China cannot definitively prove and defend its supposed benevolent intentions. The hidden-agenda approach China has deployed—using UN mandates and debt—to get what it wants in Djibouti is worrisome. China’s playbook simply defies the rules of the game.

THE STRATEGIC IMPLICATIONS OF CHINESE INVESTMENT IN AFRICA

China’s strategic aspirations, including its political, ideological and military agendas, are causally related to its economic engagement in Africa and are mutually reinforcing for each other. China’s economic capacity and its willingness to use such capacity to cater to African needs lays the foundation for Africa’s warm reception and benevolent interpretation of China’s agendas. The political support of Chinese policies can usually be acquired through generous offers of Chinese aid, loans and investment. Such a benevolent perception of China and the popularity of China’s development model due to its perceived effectiveness significantly enhances the appeal of the Chinese style of state capitalism in Africa. China is building an image of itself as a contributor to the peace and stability in Africa, boosting its image as a responsible stakeholder while materializing, legitimizing and expanding its own military presence on the continent. Chinese financial contributions have not only made these endeavors possible, but also desirable for some African governments. In turn, China’s political, military and ideological influence anchors, deepens and broadens the scope and scale of China’s economic activities in Africa. As the result, Africa is increasingly tied into the Chinese orbit.

China’s financial contribution to African governments has played a significant role in securing Africa’s support of China’s political agenda regionally and globally. There is a popular perception in China that Africa’s support of China’s foreign policies can be easily acquired through economic enticement and reward. Such a transactional approach has often blurred the principles of international politics. Instead, mercantilism prevails. For example, Chinese promises of economic reward or the perception of pending Chinese economic reward have greatly shaped the alignment choice and normalization decisions of Taiwan’s former African diplomatic allies.¹¹ Similarly, African countries that maintain close economic cooperation with China were called upon to support China’s positions on key security issues such as the South China Sea: more than ten African countries expressed support of China’s position on the South China Sea before the 2016 ruling according to official Chinese statement, including Tanzania, Uganda, Gambia, and Kenya.¹²

China’s economic statecraft in Africa has become one of the most prioritized and effective instruments in China’s challenge to the current international order. With Africa on China’s side, China regards Africa as China’s “natural ally” in international affairs vis-à-vis the developed countries. China believes that it shares with Africa the same agenda on defending the interests of developing countries and emerging markets, promoting the so-called “democratization of the international relations” and reforming the global governance system.¹³ In the context of the great power competition, the support China rallies from African countries greatly enhances China’s ability to effectively compete with the United States over the legitimacy, credibility, and capability of the new model of international relations that China advocates for. China would like to portray that African support of China’s leadership within the global South springs from their shared history and grievances vis-à-vis the global North. However, in reality, such a claim of leadership has been

¹⁰Zhang Baoqing, Chen Ping, “Live-Fire Drills Organized at Our Support Base in Djibouti,” China Military, May 15, 2018, http://www.81.cn/jwsj/2018-05/15/content_8032424.htm.

¹¹Lisa Schlein, “Africa Misses Out on Taiwan’s Development Aid Due to ‘One China’ Policy,” April 8, 2018, Voice of America, <https://www.voanews.com/a/africa-misses-out-on-taiwan-development-aid-one-china-policy/4337530.html>.

¹²Lu Miaogeng, “African Countries Support China’s Positions on the South China Sea,” June 14, 2016, <https://www.fmprc.gov.cn/zflt/chn/zxxx/t1371916.htm>.

¹³Wang Yi, “Building a Closer Sino-Africa Community of Common Destiny,” *Qiushi*, September 16, 2018, http://www.qstheory.cn/dukan/qs/2018-09/16/c_1123429190.htm.

primarily based upon China's "benevolence" as manifested through its aid, loans and investments as public goods.

China's economic engagement with Africa has also had a major exemplary effect on the strength of China's development model. In an authoritarian system, the centralization of power does confer upon the state the ability to make and implement policies without a lengthy democratic process, ostensibly enhancing its efficiency and effectiveness. For African countries that struggle with political instability and economic stagnation, China uses its infrastructure projects and training opportunities in China to inspire admiration and imitation from African people and elites. Although a successful example of African adoption of China's political and economic system is yet to emerge (as China's "best student" Ethiopia remains a debatable case), the China model offers Africa a seemingly viable alternative to a democratic system, good governance, and a free market economy.

Beyond the philosophical conviction, China's active promotion of its own development model in Africa also creates opportunities for China to play a key role in the economic development plans of African countries upon witnessing the "miracle" of China's economic development. Once African countries are convinced of the need for expensive infrastructure projects to jump start their agricultural growth and industrialization, China stands ready to provide the loans (often backed by African natural resources) and Chinese service contractors to build the projects. From 2000 to 2017, China loaned around \$143 billion to the continent, as data from the China-Africa Research Initiative (CARI) at Washington's Johns Hopkins University School of Advanced International Studies shows.¹⁴ The predatory aspect of this practice lies in the lack of consideration of African countries' realistic needs for mega-infrastructure projects on the ground, creating debt traps for vulnerable African economies, such as Congo Republic, Djibouti and Zambia.¹⁵ While the governments of these countries appear to be of the belief that they will eventually receive debt leniency or forgiveness from China, such leniency is never free but rather is conditioned upon other political and strategic concessions that China demands from Africa.

In terms of China's overseas military ambitions, China's apparent generosity with economic lending to Djibouti secured the consent and support from the local government for China's military base. As China expands its economic presence on the African continent, including in those unstable and volatile countries, the protection of those assets and Chinese nationals will be increasingly used to justify China's further military deployment and potential intervention on the ground. Due to the political and economic influence China enjoys in Africa, the continent has become a fertile test ground for China's overseas military ambitions, including its blue water navy.

It is worth noting that from the very beginning, China's economic activities in Africa originate from the innate demand by the Chinese domestic economy for overseas markets and suppliers of raw materials, rather than the desire for overseas expansion or to compete with the United States. However, as China's economic engagement with Africa broadens and deepens, its nature becomes intrinsically blurred. The sophisticated Chinese approach interweaves its economic interests with political, ideological and security aspirations, which consequently creates a reality of China expanding its strategic influence on the African continent. The growing willingness of African countries to support Beijing's political agendas, their eagerness to embrace China's development model, and their welcoming accommodation of China's security and military ambitions in Africa all signify the strength, reach, and influence that China is gaining as a great power. As it currently stands, Africa is indispensable in China's bid for global superpower status and Beijing has worked diligently to tie Africa into China's orbit through economic statecrafts, political friendship, as well as ideological influence. If the United States and China are indeed engaged in a zero-sum competition for global hegemony, Africa's alignment choice has a critical impact on the endgame.

Senator ERNST. Thank you, Mrs. Sun.
We will move to Mr. Devermont.

¹⁴"Data: Chinese Loans to Africa," China Africa Research Initiative, <http://www.sais-jhu.org/data-chinese-loans-and-aid-to-africa>.

¹⁵George Tubei, "The Sad Similarity between Sri Lanka, Zambia and Now Djibouti That Best Exemplifies China's Debt Trap Diplomacy," Business Insider, September 11, 2018, <https://www.pulse.ng/bi/politics/how-djibouti-like-zambia-is-about-to-lose-its-port-to-china-id8839335.html>.

STATEMENT OF JUDD DEVERMONT, DIRECTOR, AFRICA PROGRAM, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

Mr. DEVERMONT. Great. Chairwoman Ernst, Ranking Member Heinrich, distinguished members, thank you so much for the invitation to speak on this important topic.

In my judgment, Chinese engagement in sub-Saharan Africa undercuts and potentially degrades United States capabilities and influence. That said, Chinese is neither 10 foot tall nor do all of its activities harm United States interests in the region. I believe it's essential to draw a clear distinction between Chinese activities that threaten United States strategic national interests and Chinese activities that are neutral or even complementary. If we portray all Chinese endeavors as antithetical to United States goals, we fail to develop and implement an effective policy.

In my mind, there's no doubt that several of Chinese activities pose unmistakable threats to United States interests in sub-Saharan Africa, and I will talk specifically about three key areas of concern:

First, U.S. military operations and access. The Chinese military base in Djibouti sits at the edge of one of the most important maritime chokeholds in the world; 12.5 to 20 percent of global trade passes through the Bab-el-Mandeb Straits. It's also just miles away from our own critical United States base, and there have been reports of rising tension between China and the United States. In May, the United States officially complained to China about the use of a military-grade laser to distract United States pilots. It's also possible that China will build additional bases in sub-Saharan Africa. They currently have invested, or have plans to invest, in ports in Cameroon, Guinea, Madagascar, Mozambique, Namibia, and Tanzania.

Second, United States information and communication platforms. China's leading role in Africa's telecommunication and infrastructure poses a considerable counterintelligence threat to the United States. ZTE and Huawei have been active in the region for two decades, raising concerns about Chinese access to cellphones, networks, and data. In May, the wireless net carrier MTN said it was reviewing its operations, given exposure to ZTE. MTN is a South African-based carrier all across sub-Saharan Africa and the Middle East. China is also building undersea cables to Djibouti and Kenya, as well as to Cameroon.

Third, United States relations with current and emerging African leaders. China's courtship of African political and military leaders, as well as promising young Africans, is another strategic challenge for the United States. Since January 2017, China's leadership, including its President and Foreign Minister, have made 19 trips to sub-Saharan Africa. In contrast, only the U.S. Secretary of State has visited the continent, where he visited six countries.

In addition, China is now issuing more scholarships to African students than the United States or the United Kingdom. These relationship investments are likely to have tactical and strategic effects, enabling China to influence allies and cultivate support amongst the next generation of African leaders.

Now, in contrast to these significant threats, I believe some of the current uproar over Chinese investment in Africa is overblown. Not all Chinese activities in sub-Saharan Africa are a threat to the United States. And it's not axiomatic that every Chinese loan and infrastructure project will result in another Hambantota. Many of Chinese projects address the region's desperate need for roads, rails, and ports. The World Bank, in 2017, reported that Africa has some of the lowest road and rail densities in the world. The issue, then, is whether Chinese companies are constructing durable roads, rails, and ports; whether they're including the sufficient environment and social safeguards; and whether they're pursuing discriminatory practices towards U.S. firms. In my view, infrastructure is neutral, but it's its operation that's political. The problem is that, when China builds roads and rail in Africa, the question becomes, Can the U.S. transparently compete for those projects? And, if China does build the road, are our companies able to put an engine on that rail, connect additional lines to that main artery?

Turning to the issue of debt traps, there's been a lot of hand-wringing recently about this issue. Former Secretary of State Tillerson, in March of 2018, warned that China's predatory loan practices mire nations in debt and undercut their sovereignty. I am deeply troubled by the lack of transparency in many Chinese loans, but I think the debt-trap narrative glosses over some key facts.

Africa faces the risk of debt distress, but China is only the disproportionate contributor to three countries' debt: Congo Brazzaville, Djibouti, and Zambia. According to the Jubilee Debt Campaign, on average, about a third of African external debt is to private lenders, another third is to the international financial institutions, and about 20 percent is to China. So, when we talk about Chinese debt in a vacuum, we leave ourselves open to criticisms about the United States and the broader international community's role in Africa's larger debt problem.

I want to make a final point about Africa—how African elites and publics view Chinese engagement, in general, and then strategic competition, in particular.

African governments, for economic, political, and security reasons, regard China as a key partner. As the President of Ghana, Nana Akufo-Addo, said in October "It's in our interest to deal with China. Everyone is dealing with China." But, that doesn't mean that Africans are oblivious to the risks of partnering with China. In that same speech, Akufo-Addo said he's doing business with China with open eyes. And Cote d'Ivoire recently instituted a panel to monitor Chinese investments in their country.

Some governments are increasingly demanding that China hire more African laborers. They're insisting on better environmental practices. And, in Kenya, just very recently, they arrested both Kenyans and Chinese for corruption over the Standard Gauge Railway that was built between Nairobi and Mombasa.

African publics have an equally nuanced view about Chinese engagement. According to an Afrobarometer poll, 63 percent of Africans thought China's economic and political influence in their country was positive. They cited infrastructure and development. At this same poll, though, they complained about the quality of Chinese products, and they blame Chinese for taking jobs and busi-

nesses. There's been communal violence against Chinese immigrants in the DRC [Democratic Republic of the Congo], in Madagascar, in South Africa, and in Zambia. For many Africans, it's the small Chinese shopowner, the miner, and the factory owner that represent the worst aspects to the China-Africa relationship.

Finally, Africa's attitudes towards strategic competition between United States and China is similarly complex. The majority of African capitals anticipate they will benefit from this rivalry. It is an opportunity to increase access to resources, generate new leverage, and lessen dependency on any single foreign lender. Many leaders recognize that renewed geopolitical rivalry has increased their country's strategic importance, and they expect to profit, as a government or as individuals, from this uptick in attention. United States policymakers should be mindful that pressing Africans to pick a side is likely to fail, and the region's governments will seek to balance and, when necessary, play the two capitals off one another, with the goal of securing the best-possible deal.

African leaders routinely and publicly make pointed comparisons between China and the United States, complaining when one is loading them down with too many conditions or failing to live up to their agreements. For instance, nine African leaders told President Trump, in September of 2017 at the U.N. General Assembly, "We prefer to do business with the United States and other countries, but you aren't here, unlike China."

In conclusion, I believe the United States has a vital role in shaping Chinese-African relations, but it must adopt a more strategic and realistic approach to its messaging and engagement. And let me just give you five suggestions:

First, I think we need to update our talking points. Our talking points generally give off the impression of talking down to African counterparts. Chiding them often is interpreted by Africans as being paternalistic.

Two, we need to focus on our strategic advantages. I don't think that United States companies should be trying to build roads in some farflung, dusty place in sub-Saharan Africa. We should focus on the service sector, financial services, agricultural, agribusiness, and renewed energy. And I also think there's a play for U.S. technology.

Three, we should invest in soft power and democracy in governance. The United States has traditionally had an edge over China, because of United States values and its people-to-people engagement. It's essential that we not only continue the Young African Leaders Initiative, YALI, but also ratchet up United States engagement with African leaders and publics.

Equally important, the United States should support African democracy, democratic institutions, civil society, and journalists to check China's malign activities, including corruption. In Kenya, in Ghana, in Zambia, reporters are exposing Chinese misdeeds and negative behavior. This is critically important, because there's also been examples of China trying to silence anti-Chinese statements out of African press. Washington can call out what China's doing, but it's much more powerful if we're reaffirming and validating African voices criticizing what China's doing in Africa.

Fourth, we should reconsider African-Chinese cooperation in very narrow spaces, particularly on development issues. Many of our key partners are doing this already: Italy, France, Japan, and the United Kingdom.

And, finally, we should be engaging a broader set of countries that are looking at Africa. There's been an uptick in engagement in sub-Saharan Africa across the world, from Turkey to the Gulf states to East Asian countries, like Indonesia and Thailand. And, in many cases, their concern is about China crowding them out of the market. I think having a larger set—a coalition, a consensus around a rules-order approach to investment in Africa is a more effective way to achieve our goals.

Thank you very much.

[The prepared statement of Mr. Devermont follows:]

PREPARED STATEMENT BY JUDD DEVERMONT

Chairwoman Ernst, Ranking Member Heinrich, and distinguished members of the Emerging Threats and Capabilities Subcommittee of the Senate Armed Services Committee, thank you for the invitation to speak on a topic of considerable significance to United States interests: China's growing presence and investment in sub-Saharan Africa.

I believe Chinese engagement undercuts and potentially degrades United States capacities and influence in sub-Saharan Africa. That said, China is neither ten feet tall nor do all its activities harm United States interests in the region.

Therefore, *it is important to draw a finer distinction between which Chinese activities threaten United States national security priorities and which Chinese engagements are neutral or complimentary to United States objectives.* If we portray all Chinese endeavors as antithetical to United States goals, we will fail to develop and implement an effective policy response.

First, I believe Chinese activities pose the greatest danger to United States military access and operations, U.S. information and communication platforms, and United States relations with current and emerging African leaders.

Second, it is my view that Chinese investments and loans are not necessarily contrary to United States interests. When executed in a transparent and responsible manner, Chinese infrastructure projects address a critical deficiency and persistent drag on African economies.

Third, it is imperative to understand African perspectives of Chinese engagement in Africa in general and of the United States-Chinese rivalry in particular. The United States runs the risk of alienating its partners and pushing them further into China's orbit if it adopts an "us-versus-them" approach.

CHINA'S LONG HISTORY IN AFRICA

Discussions of China's growing influence in Africa tend to overlook its historic presence on the continent. China is both a long-established diplomatic partner and a new power in Africa. The Chinese regularly note how the Ming Dynasty fleet visited East Africa in the 15th Century. In the 1960s and 1970s, Beijing provided modest financial assistance and material support to several African governments, militaries, and liberation movements. For instance, China was the primary source of aid for the Tanzanian military, furnishing it with small arms, trucks, antiaircraft guns, medium tanks, patrol boats, and landing craft.

China's ties with Africa evolved and deepened in the intervening decades, and it has emerged as the main United States competitor on the continent. While Chinese foreign direct investment is comparatively less than the United States, it grew by 40 percent annually for most of the past decade. In 2009, China surpassed the United States as the region's largest trading partner. In May, Beijing swayed one of the last holdouts, the small West African country of Burkina Faso, to abandon Taipei. In September, it hosted the seventh Forum for China-Africa Cooperation (FOCAC) where President Xi Jinping pledged \$60 billion in financing and encouraged Chinese companies to invest no less than \$10 billion over the next three

years.¹ Many observers have noted that twice as many African leaders attended FOCAC than the United Nations General Assembly in New York a few weeks later.²

UNPACKING CHINESE ACTIVITIES

The challenge of assessing to what degree China's presence and investments threaten United States national security interests stems in part from Beijing's integrated approach to Africa. Its activities, especially as it pertains to the Belt and Road Initiative (BRI), have security, commercial, diplomatic, and strategic dimensions. This blend of objectives, consequently, makes it difficult to separate malign activities from benign behavior.

I believe that several of China's activities pose unmistakable threats to United States interests in sub-Saharan Africa. Specifically, some Chinese engagements undercut United States military access and operations, U.S. information and communication platforms, and United States relations with current and emerging African leaders.

- *U.S. military access and operations.* The Chinese military base in Djibouti sits at the edge of one of the most important maritime chokepoints in the world; an estimated 12.5 to 20 percent of trade passes through the Bab-el-Mandeb Straits in the Gulf of Aden. It is also just miles from a critical U.S. base, and there have already been reports of rising tension between the two powers. In May, the United States officially complained to China about its use of a military grade laser to distract United States pilots in 10 separate incidents; two pilots experienced minor eye injuries after being exposed to the laser beam.³ In the same month, AFRICOM commander Thomas Waldhauser told Congress that he was concerned about Chinese moves to assume control of Djibouti's commercial port, warning that there could be restrictions on United States access. He added that he expects the Chinese will build more bases across the continent.⁴ For instance, China has invested or has plans to invest in ports in Cameroon, Guinea, Madagascar, Mozambique, Namibia, and Tanzania.
- *U.S. information and communication platforms.* China's leading role in Africa's telecommunication infrastructure poses a considerable counterintelligence threat. ZTE and Huawei have been active in the region for two decades, raising concerns about Chinese Government access to cell phone networks and data. In May, the wireless carrier MTN, which serves 220 million people in Africa and the Middle East, said it was reviewing its operations "given our exposure to ZTE in our networks."⁵ Chinese companies are building an undersea cable to Djibouti and Kenya from Pakistan (with a terrestrial extension to China) and another one from Brazil to Cameroon,⁶ which will almost certainly provide Beijing with access to critical metadata.
- *U.S. relations with current and emerging African leaders.* China's courtship of African political and military leaders, as well as of promising young Africans, is another strategic advantage vis-à-vis the United States. Since January 2017, China's top leadership, including its president and foreign minister, made 19 trips to sub-Saharan African countries. In contrast, only the secretary of state has visited the continent during the same period, stopping in six countries with

¹Christian Shepherd and Ben Blanchard, "China's Xi offers another \$60 billion to Africa, but says no to 'vanity' projects," *Reuters*, September 3, 2018, <https://af.reuters.com/article/topNews/idAFKCNILJ0IO-OZATP>.

²Abdi 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-africaforum-than-un-general-assembly>.

³Abdi Latif Dahir, "United States-China tensions are escalating in Africa as laser are pointed at United States places over Djibouti," *Quartz*, May 5, 2018, <https://qz.com/africa/1271069/us-says-china-pointed-laser-at-pilots-over-djibouti-base/>

⁴John 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>.

⁵Raymond Zhong, "Chinese Tech Giant on Brink of Collapse in New United States Cold War," *New York Times*, May 9, 2018, <https://www.nytimes.com/2018/05/09/technology/zte-china-us-trade-war.html>.

⁶Suvesh Chattapadhyaya, "How is Digital Economy of Africa Enabled by Subsea Cable Connectivity," *Submarine Cable Networks*, March 30, 2018, <https://www.submarinenetworks.com/en/insights/how-is-digital-economy-of-africa-enabled-by-subsea-cable-connectivity>

an attenuated itinerary.⁷ In July, high-ranking military officials from 50 African states attended the two week-long China-Africa Defense and Security forum.⁸ While the U.S. military routinely hosts its counterparts, it is rarely as long in duration. In addition, China is issuing more scholarships to African students than the United States and the United Kingdom.⁹ These relationship investments between Chinese and Africans are likely to have tactical and strategic effects, enabling China to influence its allies to back its policies and cultivate support amongst the next generation of African leaders.

In contrast to the points above, I believe some of the current uproar over Chinese investment in Africa is overblown and ill-informed. Not all Chinese activities are a threat to the United States, and it is not axiomatic that every Chinese loan and infrastructure project will result in another Hambantota. Many of China's projects address the region's desperate need for roads, railways, and power. The World Bank in 2017 reported that Africa has some of the lowest road and rail densities in the world and lags behind other developing regions in all dimensions of infrastructure performance.¹⁰ If sub-Saharan Africa can catch up to the median quality and quantity of infrastructure in the developing world, the *World Bank estimates* it will increase growth of GDP per capita by 1.7 percent.

The issue, then, is whether Chinese companies will construct durable roads, rails, and ports; whether they will include sufficient environmental and social safeguards; and whether they will pursue discriminatory practices towards United States firms. The quality of Chinese projects varies wildly, but a 2016 study from the *China Africa Research Initiative (CARI)* at the Johns Hopkins School of Advanced International Studies (SAIS) in Washington indicates that Chinese companies under World Bank contracts perform as well as OECD companies.¹¹ More worrisome is the prospect that Chinese firms could operate its road, rail, and sea links in a manner that disadvantages United States businesses. Infrastructure is neutral, but its operation is political. The problem is not that China builds railways in Africa, it is when a United States company cannot bid for the contract or cannot install its engines and connect branch lines to the main artery.

Recently there has been a lot of hand-wringing over Chinese "debt traps" in sub-Saharan Africa. Former Secretary of State Tillerson in March 2018 warned that China's approach encourages dependency by using predatory loan practices "to mire nations in debt and undercut their sovereignty."¹² While I am very troubled about the opacity of many Chinese contracts, I believe the debt trap narrative is overdone and glosses over the facts. Africa indeed faces growing risk of debt distress, but China is the principal contributor to debt in only three countries: Republic of Congo, Djibouti, and Zambia. On average, 32 percent of African Government external debt is owed to private lenders while 35 percent is owed to multilateral institutions such as the World Bank; only 20 percent of African Government external debt is owed to China.¹³ Moreover, Beijing has made some adjustments in response to this criticism from Western and African capitals on the debt issue. At FOCAC, China claimed it will exempt certain countries from outstanding debt. It reportedly erased

⁷ U.S. Office of the Historian, "Presidential and Secretaries Travels Abroad," United States Office of the Historian, December 10, 2018, <https://history.state.gov/departmenthistory/travels>; Ministry of Foreign Affairs of People's Republic of China, "The Department of African Affairs, News," December 10, 2018, https://www.fmprc.gov.cn/mfa_eng/wjb_663304/zjzj_663340/fzs_663828/xwlb_663830/.

⁸ 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-havedeepened-here-are-4-things-to-know/?utm_term=.94b2444c11c9.

⁹ Victoria Breeze and Nathan Moore, "China has overtaken the US and the UK as the top destination for anglophone Africans," *Quartz*, June 30, 2017, <https://qz.com/africa/1017926/china-has-overtaken-the-us-and-uk-as-the-top-destination-for-anglophone-african-students/>.

¹⁰ The World Bank, "Africa Pulse: an analysis of issues shaping Africa's economic future," April 2017. <http://documents.worldbank.org/curated/en/348741492463112162/pdf/114375-REVISED-4-18-PMWB-AfricasPulse-Spring2017-vol15-ENGLISH-FINAL-web.pdf>.

¹¹ Jamie Farrell, "How do Chinese Contractors Perform in Africa? Evidence from World Bank Projects," SAIS China-Africa Research Initiative Working Paper, February 2016, <https://static1.squarespace.com/static/5652847de4b033f56d2bdc29/t/573c970bf8baf3591b05253f/1463588620386/Working+Paper+Jamie+Farrell.pdf>.

¹² U.S. Department of State, "Remarks—Secretary of State Rex Tillerson on United States-Africa Relations: A New Framework," U.S. Department of State, March 6, 2018, <https://translations.state.gov/2018/03/06/remarks-secretary-of-state-rex-tillerson-on-u-s-africa-relations-a-new-framework/>.

¹³ Jubilee Debt Campaign, "Africa's growing debt crisis: who is the debt owed to?" Jubilee Debt Campaign, October 7, 2018, <https://jubileedebt.org.uk/report/africas-growing-debt-crisis-who-is-the-debt-owed-to>

some of Zimbabwe's debt in April and Botswana's in August, and it agreed to restructured Ethiopia's debt in September.

AFRICAN VIEWS ON CHINA AND GREAT POWER COMPETITION

As the United States mulls how to counter China's growing influence in Africa, it is instructive to understand the view African elites and publics hold of Chinese engagement in general and strategic competition between Washington and Beijing in particular. African governments, for economic, political, and security reasons, regard China as a key partner. As the President of Ghana, Nana Akufo-Addo, said in October, "it is in our interest to deal with China. It is the second biggest economy of the world. Everyone is dealing with China."¹⁴ Other countries, such as Ethiopia and Rwanda, have expressed admiration for China's political model and state-driven economy. In addition, African leaders appreciate China's growing contributions to the region's security; China is second-largest (after the United States) in financial support of peacekeeping operations and first among the U.N. Security Council's permanent members for contributing peacekeepers. As of October 2018, China has deployed more than 2,000 soldiers, police, and advisors to peacekeeping missions in Sub-Saharan Africa—more than double the number of Chinese personnel assigned to UN missions in 2005.

This does not mean that African leaders are oblivious to the risks of partnering with China. President Akufo-Addo, in the same speech, added that his country is doing business with China with its "eyes open." Cote d'Ivoire recently instituted a panel to monitor close to \$6 billion Chinese projects. Some governments are requiring Chinese firms to hire more African laborers and insisting on more protections for Africa's fragile ecosystems. In November, South Africa's House Chairperson for Committees, Oversight, and ICT argued that, "we won't have this win-win relationship if the environment is not protected."¹⁵ In Kenya, the government recently accused Chinese and local officials of corruption related to the construction and operation of the \$3 billion Nairobi-Mombasa Standard Gauge Railroad.¹⁶

African publics have an equally nuanced understanding of Chinese engagement. According to a 2016 report by *Afrobarometer*, 63 percent of respondents in 36 African countries thought China's economic and political influence in their country was positive.¹⁷ Indeed, in three of five African regions, China either matches or surpasses the United States in popularity as a development model. Many responders lauded China for its investments in infrastructure and business development. Nonetheless, in the same study, Africans complained about the quality of Chinese products and blamed the Chinese for taking jobs or business from locals. There has been community violence against Chinese immigrants in the Democratic Republic of Congo, Madagascar, South Africa, and Zambia. This animus is often directed at Chinese individuals, not necessarily at Beijing. In 2017, McKinsey reported that the vast majority of 10,000 Chinese firms operating in Africa are privately owned.¹⁸ For many Africans, it is the small Chinese shop owner, factory boss, and wildcat miner that represent the worst aspects of the China-Africa relationship.

African attitudes toward strategic competition between Washington and Beijing are similarly complex. The majority of African capitals anticipate that they will benefit from this intensified rivalry. It is an opportunity to increase access to resources, generate new leverage, and lessen dependency on any single foreign backer. Many leaders recognize that renewed geopolitical rivalries have increased their country's strategic importance, and they expect to profit—either as a government or personally—from the uptick in attention. According to AidData, a research lab at the College of William & Mary, if an African country votes with China in the UN General

¹⁴ Selcuk Gokoluk, "Ghana Agreeing China Deals With 'Eyes Open,' Says President," *Bloomberg*, October 8, 2018, <https://www.bloomberg.com/news/articles/2018-10-08/ghana-agreeing-china-deals-with-eyes-open-says-president>

¹⁵ Kevin Bloom, "China's 'Belt and Road': The noose around Africa's neck," *The Daily Maverick*, 29 November 2018, <https://www.dailymaverick.co.za/article/2018-11-29-chinas-belt-and-road-the-noose-around-africas-neck/>.

¹⁶ Tom Odula, "Kenya: 3 Chinese to be charged with bribing investigators," *Associated Press*, November 25, 2018, <https://apnews.com/61d346e3143e491880e30749c42e85e0>

¹⁷ Mogopodi Lekorwe, Anyway Chingwete, Mina Okuru, and Romaric Samson, "China's growing presence in Africa wins largely positive popular reviews," *Afrobarometer*, October, 24, 2016, http://afrobarometer.org/sites/default/files/publications/Dispatches/ab_r6_dispatchno122_perceptions_of_china_in_africa1.pdf

¹⁸ Irene Sun, Karik Jayaram, and Omid Kassiri, "Dance of the lions and dragons: How are Africa and China engaging, and how will the partnership evolve? McKinsey, June 2017, <https://www.mckinsey.com/-/media/McKinsey/Featured%20Insights/Middle%20East%20and%20Africa/The%20cl%20look%20yet%20at%20Chinese%20economic%20engagement%20in%20Africa/Dance-of-the-lions-anddragons.ashx>

Assembly an extra 10 percent of the time, it would receive on average an 86 percent bump in official development assistance.¹⁹

African leaders routinely and often publicly make pointed comparisons between China and the United States, complaining when a foreign capital is saddling them with too many conditions or failing to live up to agreements. For instance, Djiboutian President Ismail Guelleh asserted, “that no one but the Chinese offers a long-term partnership in Djibouti.”²⁰ In the same vein, nine African leaders told President Trump at the UN General Assembly in September 2017 that “we would prefer to do business with the United States and other western countries, but you aren’t there . . . unlike China.”²¹ United States policymakers should be mindful that pressing Africans to pick a side is likely to fail, and that the region’s governments will seek to balance and, when necessary, play the two capitals off one another with the goal of securing the best deal possible.

A MORE NUANCED APPROACH

The United States has a vital role in shaping Chinese-African relationships, but it must adopt a more strategic and realistic approach to its messaging and engagement. Instead of objecting to Beijing’s expanding footprint in sub-Saharan Africa, Washington must accept that China has a long history and a secure future in the region. Even within a strategic competition framework, there are better ways to advance United States interests than criticism and knee-jerk opposition. Below are five recommendations to manage China’s rise in Africa:

- *Update the talking points.* The United States scores few points by talking down to African counterparts about the perils of Chinese engagement. First, as noted above, these critiques tend to be outdated and, in some cases, factually wrong. Second, United States chiding of African leaders who accept Chinese financing is often viewed as paternalistic. President Julius Maada Bio of Sierra Leone hit back at critics in September, saying “we are not fools in Africa.”²²
- *Focus on U.S. strategic advantages.* The United States and its business community have natural advantages in sub-Saharan Africa. The United States should target sectors where United States companies are best equipped to compete with Chinese ones. In 2017, the Atlantic Council argued that U.S. firms are most apt to dominate in the service sector, financial realm, agribusiness, and renewable energy.²³ In addition, there is a potential role for United States technology companies, as well as venture capital and social impact firms to play in Africa, especially if they adopt a royalty-based financing model.²⁴
- *Invest in Soft Power and Democracy.* The United States has traditionally had an edge over China because of United States values and its people-to-people engagement. It is essential not only to continue the widely popular Young African Leaders Initiative (YALI) but also to ratchet up United States engagement with African leaders and publics. Equally important, the United States should support Africa’s democratic institutions, civil society, and journalists to check China’s malign activities, including corruption. In countries such as Ghana, Kenya, and Zambia, muck-racking reporters have exposed Chinese misdeeds and negative behavior. This is critically important because there have been recent examples of Beijing pressuring African newsrooms to curb anti-Chinese stories.²⁵ If Washington wants to call out China’s harmful role in Africa, it would be more

¹⁹“A Despot’s Guide to Guide to Foreign Aid,” *The Economist*, April 16, 2016, <https://www.economist.com/middle-east-and-africa/2016/04/16/a-despots-guide-to-foreign-aid>.

²⁰François Soudan, “Ismail Omar Guelleh: ‘Personne d’autre que les Chinois d’offre un partenariat a long terme a Djibouti’” *Jeune Afrique*, April 4, 2017. <https://www.jeuneafrique.com/mag/421096/politique/ismail-omar-guellehpersonne-dautre-chinois-noffre-partenariat-a-long-terme-a-djibouti/>

²¹Oliver Casin, “Afrique-Etats-Unis: rencontre avec Cyril Sator, le ‘Monsieur Afrique’ de Trump,” *Jeune Afrique*, June 12 2018, <https://www.jeuneafrique.com/mag/564959/politique/afrique-etats-unis-rencontre-avec-cyril-satorle-monsieur-afrique-de-trump/>

²²Li Rouhan, “Sierra Leonean president lauds China’s help in times of need,” *Global Times*, September 4, 2018, <http://www.globaltimes.cn/content/1118108.shtml>.

²³Aubrey Hruby, “Escaping China’s Shadow: Finding America’s Competitive Edge in Africa,” *Atlantic Council*, September 2017, https://www.atlanticcouncil.org/images/Escaping_Chinas_Shadow_web_0907.pdf

²⁴Aleksandra Gadzala, “Powering Inclusive Growth in Africa,” *The Atlantic Council*, April 2008, http://www.atlanticcouncil.org/images/Fintech_Issue_Brief_WEB.pdf.

²⁵Azad Essa, “China is Buying Africa’ Silence,” *Foreign Policy*, September 14, 2018, <https://foreignpolicy.com/2018/09/14/china-is-buying-african-medias-silence/>

effective to support and showcase African voices than merely criticize Beijing on its own.

- *Reconsider Joint United States-China Projects.* United States officials have indicated that they are increasingly opposed to working with China on development projects,²⁶ but the rest of the world views cooperation as a more effective approach to leverage China's assets and ideally constrain bad behavior. Italy, France, Japan, and the United Kingdom collaborate with China or have expressed an intent to do so. It seems evident that an inclusive approach to dealing with China is preferable to sidelining Chinese actors.
- *Engage Africa's Global partners.* Africa's governments are forging closer ties with traditional partners and new entrants. From Turkey and the Gulf States to East Asian countries such as Indonesia and Thailand, there has been a considerable uptick in foreign engagement with African states. Many of the region's interlocutors are enticed by the opportunity for greater trade and investment, while also concerned about growing threats emanating from the continent. In several cases, Africa's partners fear that China's engagement will crowd them out of these new markets. The United States has an opportunity to enlist the help of these countries and develop a consensus on managing China's presence in Africa.

Senator ERNST. Thank you, Mr. Devermont.
And now Mr. Meservey. Thank you.

**STATEMENT OF JOSH MESERVEY, SENIOR POLICY ANALYST,
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SON CENTER FOR FOREIGN POLICY, HERITAGE FOUNDA-
TION**

Mr. MESERVEY. Chairwoman Ernst, Ranking Member Heinrich, and members of the committee, thank you for this opportunity to testify.

The views I express in this testimony are my own and should not be construed as representing any official position of the Heritage Foundation.

By many measures, China is the most significant foreign actor in Africa. Its lending, trade, and diplomatic engagement now mostly outstrip other world powers, including the United States. Beijing continues, as well, to ramp up its military cooperation activities on the continent.

While all this Chinese engagement is an opportunity for wise and responsible African governments, it is a challenge to United States national interests. Since the time of Chairman Mao, the Chinese Communist Party, the CCP, has viewed the U.S. with varying levels of intensity as a competitor. President Xi and much of the rest of the CCP leadership appear convinced more than ever that the United States is trying to thwart China's rise to what they believe is its rightful place as an unassailable global power. This suggests the CCP will escalate its many activities that challenge American interests, including in Africa.

I'll focus on three of these challenges in the African context:

First, Beijing's activity is creating influence towards, and facilitation of, illiberal governance in Africa. This undermines the United States' decades-long attempt to encourage the global growth of democracy. Under President Xi, Beijing has more boldly offered its own developmental model of limited economic freedom and repressive government as best suited to Africa. Chinese companies also

²⁶Michael Igoe, "USAID adopts a hardline on China's development approach," *Devex*, September 18, 2018, <https://www.devex.com/news/usa-id-adopts-a-hard-line-on-china-s-development-approach-93453>

provide governments the technological means and training to repress their people in countries such as Zimbabwe and Ethiopia. And their routine use of corruption to curry favor at the highest level of African governments subverts the social contract.

Second, China is establishing economic norms on the continent and using economic practices that disadvantage United States firms. I already referenced Chinese companies' prolific use of bribes to win contracts and favors in Africa, which puts American companies at an obvious disadvantage. African governments' at-times irresponsible borrowing from China and the routinely opaque nature of those transactions leaves fewer opportunities for American companies, and makes them wary of engaging in countries with unclear debt profiles.

Third, Beijing's influence in Africa makes it harder for the United States to achieve its national interests on a strategically important continent. As we've already discussed this morning, Beijing built its first permanent overseas military base in Djibouti, nearby to the United States' only permanent African military base. Earlier this year, lasers emanating from that base injured U.S. military aviators flying in the area. And, while there has been no noticeable effect yet, China's ownership of significant Djiboutian debt gives it substantial leverage over a country key to U.S. interests.

China has ample other chances in Africa to surveil and harass the United States CCP-linked telecom companies have built telecom networks and national and government networks across the continent. The Chinese Government has also financed, and/or Chinese companies have built, sensitive government installations, such as parliaments and military barracks, in at least 19 African countries. This gives them the opportunity to access the networks or bug at least some of the politically sensitive buildings, as they did with the Chinese-built African Union headquarters.

These are just a few of the challenges that CCP's plans for Africa pose to U.S. interests. There is no single means to effectively respond. It'll take a broadbased, strategic approach that uses all elements of American power.

To start, the U.S. should focus on achievable goals. The United States should not try to persuade African governments to abandon their relationships with Beijing, as they are unlikely to do so and because some of the investment and loans China provides does help African countries. The United States should, instead, focus on assisting governments in striking fair and productive deals with Beijing and providing a realistic alternative on the projects and in the sectors where the U.S. or its companies have a competitive advantage or a strong strategic reason for competing.

Second, the United States should craft a governmentwide messaging strategy on Chinese activity in Africa. The CCP has a coherent, disciplined messaging campaign in Africa that is also frequently misleading. It is, frankly, propaganda, and the CCP builds significant goodwill with African audiences by wielding it. The United States should engage more strategically in the debate by pointing out the inaccuracies in Chinese propaganda, but also by unapologetically advocating for its foundational values and its record of success in promoting prosperity and freedom globally.

Third, the United States should increase its engagement with Africa and reorient the focus of some existing initiatives. Such measures should include focusing the U.S.'s overseas development assistance on enhancing countries' free-market systems and encouraging accountable and competent governance, increasing the efficiency of U.S. assistance by eliminating Buy American provisions and subsidies to United States shipping companies that deliver aid, boosting trade beyond the African Growth and Opportunity Act, and making the United States-Africa Leaders Summit a regular event.

Finally, the U.S. should deepen cooperation with allies whose interests align with those of the United States. Allies such as Japan and India are increasingly active in Africa and share the United States' concern about Chinese engagement on the continent.

Thank you again for this opportunity to testify, and I look forward to any questions you may have.

[The prepared statement of Mr. Meservey follows:]

PREPARED STATEMENT BY JOSHUA MESERVEY

Chairman Ernst, Ranking Member Heinrich, and members of the committee, thank you for this opportunity to testify before you. Thank you as well for highlighting one of the most important issues facing Africa, and by extension, United States interests on the continent. With your permission, I would like to submit my written testimony into the record.

The views I express in this testimony are my own and should not be construed as representing any official position of The Heritage Foundation.

THE CHALLENGE OF CHINESE ENGAGEMENT

By many measures, China's current engagement blitz with Africa has made it the most significant foreign actor on the continent. Its lending, trade, and diplomatic engagement on the continent has dramatically increased since the turn of the century, in most cases outstripping other world powers, including the U.S.¹ Beijing continues as well to ramp up its various "soft power" and military cooperation activities,² including arms sales,³ in Africa.

While all this Chinese engagement is an opportunity for wise and responsible African governments, it is a challenge to United States national security interests. I will focus on three of these challenges.

First, Beijing's activities create an influence towards, and facilitation of, illiberal governance in Africa. This undermines the U.S.'s decades-long attempts to encour-

¹ China is the greatest source of imports for 19 of sub-Saharan Africa's 48 countries, up from being the largest import source for only 1 sub-Saharan African country in 2001. Chinese trade volumes with Africa are now three times larger than the continent's trade with India, its second-largest trade partner. The stock of Chinese Foreign Direct Investment grew from \$491 million in 2003 to \$40 billion in 2016, and there are as many as 10,000 Chinese owned firms now in Africa. See, respectively, Daniel F. Runde and Christopher Metzger, "Is the United States Prepared for China to be Africa's Main Business Partner?," Center for Strategic and International Studies, January 31, 2018, <https://www.csis.org/analysis/united-states-prepared-china-be-africas-main-business-partner>; Irene Yuan Sun, Kartik Jayaram, and Omid Kassiri, "Dance of the Lions and Dragons," McKinsey & Company, <https://www.africa-newsroom.com/files/download/aa9f2979a3dc18e>; and "The Path Ahead: The 7th Forum on China-Africa Cooperation," China-Africa Research Initiative at Johns Hopkins SAIS, Briefing Paper No. 1, 2018, <https://static1.squarespace.com/static/5652847de4b033f56d2bdc29/t/5b84311caa4a998051e685e3/1535389980283/Briefing+Paper+1+-+August+2018+-+Final.pdf>.

² These include exchange visits of defense and military personnel, training for African military personnel in China and Africa, construction of military training centers, joint military exercises, and a two-week inaugural China-Africa Defense Forum in Beijing June-July 2018.

³ From 2012–2015, China accounted for more than 32 percent of the value of all arms deliveries to the continent, more than double the value of what it supplied from 2008 to 2011. Today, two-thirds of African countries use some Chinese military equipment. See Catherine A. Theohary, "Conventional Arms Transfers to Developing Nations, 2008–2015," Congressional Research Service, December 19, 2016, <https://fas.org/sgp/crs/weapons/R44716.pdf> and Ashley Cowburn, "Two-thirds of African Countries Now Using Chinese Military Equipment, Report Reveals," *Independent*, March 1, 2016, <http://www.independent.co.uk/news/world/africa/two-thirds-of-african-countries-now-using-chinese-military-equipment-a6905286.html>.

age the global growth of democracy. Chinese officials criticize democracy to African counterparts, claiming that the West's advocacy of it is a Trojan horse to enable meddling in African affairs.⁴ Chinese officials have also blamed multi-party democracy for bringing chaos and poverty to Africa, and cheer what they see as the continent's increasing rejection of Western-style democracy.⁵ Chinese diplomats in Africa spread the idea that "economic rights" trump fundamental, individual rights that form the core of any successful democracy.⁶

Beijing also increasingly offers its own model of development—some economic freedom with repressive governance—as a solution for African nations. As early as the 1950s, China at times pushed its economic and political model as the one most suitable for developing countries.⁷ Since Xi Jinping's ascension, Beijing has pursued this course more aggressively,⁸ and strengthened its propaganda and other capabilities to make its case.⁹

As part of its effort to burnish its international image and build support for its foreign policy goals, Beijing provides tens of thousands of scholarships to African students to study in China.¹⁰ Under Xi, Chinese universities require students to take courses that include heavy doses of Marxism and Maoism,¹¹ increasing the likelihood that African students in China are exposed to arguments sympathetic to those authoritarian philosophies.

Similarly, Beijing sponsors trips to China for African scholars, politicians, and media professionals. This charm offensive with African intellectual leaders increases the likelihood they will be sympathetic to, and perhaps even advocate in their home countries for, a political system similar to what the Chinese Communist Party (CCP) has created.

Chinese activity facilitates undemocratic governance in a number of other ways as well. Beijing's supposed no-strings-attached policy makes it easier for governments to use Chinese aid and investment to fuel patronage networks that underpin their grip on power,¹² and to avoid the good governance requirements Western countries frequently attach to aid and investment.¹³ The CCP's willingness to unreservedly cooperate with repressive regimes, such as those in Zimbabwe and Sudan, lessens those regimes' international isolation and likely increases their longevity.

Chinese state-owned or—linked companies frequently bribe African officials and political parties to win contracts and general favor.¹⁴ Doing so subverts the social contract by tempting African leaders to be more responsive to Chinese concerns than to those of their own citizens. Similarly, the opaque lending and tendering ar-

⁴ Ian Taylor, "Sino-African Relations and the Problem of Human Rights," *African Affairs*, Vol. 107, No. 426 (January 1, 2008), pp. 63–87, <https://doi.org/10.1093/afaf/adm056>.

⁵ Denis M. Tull, "China's Engagement in Africa: Scope, Significance and Consequences," *The Journal of Modern African Studies*, Vol. 44, No. 3 (Sep., 2006), pp. 459–479, <http://archives.cerium.ca/IMG/pdf/Tull.pdf>.

⁶ Ian Taylor, "China's Foreign Policy towards Africa in the 1990s," *The Journal of Modern African Studies*, Vol. 36, No. 3 (Sep., 1998), pp. 443–460, <https://www.jstor.org/stable/161792>.

⁷ Rosemary Foot, "Chinese Strategies in a US–Hegemonic Global Order: Accommodating and Hedging," *International Affairs*, Vol. 82, No. 1, January 2006, pp. 77–94, http://www.risingpowersinitiative.org/wp-content/uploads/Foot_Chinese_Strategies_International_Affairs.pdf.

⁸ Aaron L. Friedberg, "Competing with China," *Survival: Global Politics and Strategy*, Vol. 60, No. 3 (June–July 2018), pp. 7–64, <https://www.iiss.org/publications/survival/2018/survival-global-politics-and-strategy-junejuly-2018/603-02-friedberg>, and Tull, "China's Engagement in Africa: Scope, Significance and Consequences."

⁹ Anne-Marie Brady, "Magic Weapons: China's Political Influence Activities under Xi Jinping," Wilson Center, September 2017, <https://www.wilsoncenter.org/sites/default/files/magic-weaponsanne-mariebradyseptember162017.pdf>.

¹⁰ At the most recent Forum on China–Africa Cooperation, Xi Jinping announced that China would increase the number of government scholarships it offers to African students to study in China from 30,000 to 50,000. "Full Text of Chinese President Xi Jinping's Speech at Opening Ceremony of 2018 FOCAC Beijing Summit," *Xinhua*, September 3, 2018, http://www.xinhuanet.com/english/2018-09/03/c_129946189.htm.

¹¹ Javier C. Hernandez, "Mao 101: Inside a Chinese Classroom Training the Communists of Tomorrow," *The New York Times*, June 28, 2018, <https://www.nytimes.com/2018/06/28/world/asia/chinese-classrooms-education-communists.html>.

¹² Axel 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/ups3_aid_on_demand_african_leaders_and_the_geography_of_chinas_foreign_assistance.pdf.

¹³ Howard W. French and Lydia Polgreen, "China, Filling a Void, Drills for Riches in Chad," *The New York Times*, August 13, 2007, <https://www.nytimes.com/2007/08/13/world/africa/13chinaafrica.html>.

¹⁴ For documentation of a few of the myriad instances of this, see Joshua Meservey, "Chinese Corruption in Africa Undermines Beijing's Rhetoric About Friendship with the Continent," *The Heritage Foundation Issue Brief No. 4895*, <https://www.heritage.org/global-politics/report/chinese-corruption-africa-undermines-beijings-rhetoric-about-friendship-the>.

rangements that characterize Chinese economic engagement in Africa facilitate corruption and insulate leaders from being held accountable by their citizens.

China also exports to African governments the tools and training for repressing their people.¹⁵ Beijing gave “technical support” on issues such as state security to Zimbabwe’s repressive ZANU–PF party,¹⁶ and several of its companies reportedly provided equipment to jam independent radio broadcasts¹⁷ and surveil telecommunications in Zimbabwe.¹⁸ A Chinese company, Cloudwalk, has agreed to provide facial recognition technology to the Zimbabwean Government, something it has done for Chinese police involved in the draconian surveillance of China’s Xinjiang region.¹⁹ ZTE, the Chinese Government-linked telecommunications giant, provided the Ethiopian regime—at the time one of the continent’s most oppressive—the technology to monitor its citizens’ telecommunications activity.²⁰ Chinese technicians allegedly helped the Zambian Government create a surveillance system targeting political opponents and diplomats as well.²¹

Finally, China provides an implicit influence towards illiberalism merely by being an authoritarian, wealthy country in which hundreds of millions have recently risen from poverty. That record of success is attractive, particularly to African rulers with authoritarian tendencies who see in China an example of how to achieve economic growth while maintaining sweeping and indefinite rule.²²

Second, China is establishing economic norms on the continent that disadvantage U.S. firms. Chinese companies’ willingness to offer bribes gives them an advantage when competing for contracts against American and other companies that are rightly forbidden by law from offering bribes.²³

A number of African Governments have borrowed recklessly from China, and the terms of those loans are frequently opaque. Irresponsible borrowing is primarily the African Governments’ fault, but the Chinese practice of offering easy money with

¹⁵Chinese President Xi Jinping recently remarked at the China-Arab State Cooperation Forum, “China will investigate extending a total of one billion yuan to countries in the region, to support the relevant countries build *[sic]* ‘social stability’ capacity.” “Social stability” is the goal the Chinese Government says it is achieving through its program of repressive surveillance, indoctrination, and mass incarceration in Xinjiang. Matt Schrader (@tombschrader), “The translation: ‘China will investigate extending a total of one billion yuan to countries in the region, to support the relevant countries build ‘social stability’ capacity’.” August 5, 2018, 2:23pm, Tweet. For an example of a Chinese official using “social stability” in remarks, see Josh Chin and Clément Bürge, “Twelve Days in Xinjiang: How China’s Surveillance State Overwhelms Daily Life,” *The Wall Street Journal*, December 19, 2017, <https://www.wsj.com/articles/twelve-days-in-xinjiang-how-chinas-surveillance-state-overwhelms-daily-life-1513700355>.

¹⁶Alex Vines, “What is the Extent of China’s Influence in Zimbabwe?,” *BBC News*, November 20, 2017, <https://www.bbc.com/news/world-africa-42012629>.

¹⁷“All Communications Can Now be Intercepted under New Law Signed by Mugabe,” *Reporters Without Borders*, August 6, 2007, <https://rsf.org/en/news/all-communications-can-now-be-intercepted-under-new-law-signed-mugabe>.

¹⁸Itai Mushekwe, “China, Russia and Iran helping Zimbabwe to Set-up Own NSA,” *Bulawayo24 News*, March 23, 2018, <https://bulawayo24.com/index-id-technology-sc-internet-byo-131135.html>.

¹⁹For reporting of Cloudwalk’s agreement with Zimbabwe, see Shan Jie, “China Exports Facial ID Technology to Zimbabwe,” *Global Times*, April 12, 2018, <http://www.globaltimes.cn/content/1097747.shtml>. For reporting of Cloudwalk’s involvement in the surveillance in Xinjiang, see Chin and Bürge, “Twelve Days in Xinjiang: How China’s Surveillance State Overwhelms Daily Life.”

²⁰“Ethiopia: Telecom Surveillance Chills Rights,” *Human Rights Watch*, March 25, 2014, <https://www.hrw.org/news/2014/03/25/ethiopia-telecom-surveillance-chills-rights>.

²¹*State of Internet Freedom in Zambia 2016*, Collaboration on International ICT Policy for East and Southern Africa, December 2016, https://cipesa.org/?wpfb_dl=244; and “China Media Bulletin: Issue No. 82,” *Freedom House*, March 7, 2013, <https://freedomhouse.org/china-media/china-media-bulletin-issue-no-82#5>.

²²Officials in Tanzania and Zimbabwe publicly expressed their admiration for, and in some cases mimicked, elements of China’s repressive regime. For Tanzania, see Asterius Banzi, “Tanzania: Govt Seeks Chinese Help in Social Media,” *allAfrica*, August 1, 2017, <https://allafrica.com/stories/201708020658.html> and Amy Hawkins, “Beijing’s Big Brother Tech Needs African Faces,” *Foreign Policy*, July 24, 2018, <https://foreignpolicy.com/2018/07/24/beijings-big-brother-tech-needs-african-faces/>. For Zimbabwe, see Tawanda Karombo, “Mugabe Lauds ‘Protective’ Cyber Security Ministry,” *ITWeb Africa*, October 11, 2017, <http://www.itwebafrica.com/security/887-zimbabwe/240828-mugabe-lauds-protective-cyber-security-ministry>.

²³A Sierra Leonean newspaper reported in 2015 that corruption—which the Chinese “are encouraging and fueling”—has become so bad in that country that honest investors have threatened to withdraw. Abdul Rashid Thomas, “Foreign Investors May Leave Sierra Leone Due to Corruption and Lack of Rule of Law,” *The Sierra Leone Telegraph*, April 3, 2015, <https://www.thesierraleonetelegraph.com/foreign-investors-may-leave-sierra-leone-due-to-corruption-and-lack-of-the-rule-of-law/>

little regard for debt sustainability exacerbates the problem.²⁴ African Governments overly burdened by debt will likely be unable or unwilling to launch other projects in which U.S. companies might have been involved, and U.S. companies will be wary of seeking opportunities in a country with an unclear debt profile.

Similarly, Chinese loans are frequently “tied,” meaning that borrowing governments must select a Chinese company to lead the project. One report claims that 70 percent of Chinese-backed contracts are awarded to Chinese companies.²⁵ This leaves fewer opportunities for U.S. firms given that governments have a finite borrowing capacity, which for some governments is increasingly taken up by Chinese loans that primarily benefit Chinese companies.

The present and future opportunities in Africa that United States companies risk increasingly missing because of China’s anti-competitive activities are significant. By 2030, an estimated 19 African economies will be growing by 5 percent or more per year, and the continent will likely constitute a \$3 trillion economy.²⁶ The African Development Bank predicts that consumer spending in Africa will grow to \$1.4 trillion 2020.²⁷ The continent also has 60 percent of the world’s uncultivated arable land, approximately 7.5 percent of the world’s known oil and gas reserves, and the largest or second-largest global reserves of 10 key minerals.²⁸

Third, Beijing’s influence in Africa makes it harder for the United States to achieve its national interests on a strategically important continent. Africa touches three of the world’s eight maritime chokepoints, abuts Europe and Asia, and has thousands of miles of Atlantic and Indian Ocean coastline. Powers such as China, Russia, Turkey, Saudi Arabia, Japan, India, and many others are jockeying for influence on the continent. Furthermore, included in Africa’s share of the world’s mineral reserves are 22 of the 33 mineral commodities the United States deems critical to its economy and national defense, and for which the U.S. is more than 50 percent import reliant.²⁹

We are already witnessing the consequences to United States interests of China’s growing Africa presence. One study finds that increasing amounts of Chinese commercially-oriented financial flows to countries correlates with those countries voting less frequently with the United States, and more frequently with China, at the U.N.³⁰ China has increasingly isolated Taiwan, an American ally, in part by luring away all but one of its African supporters. Africans also on average perceive the United States only slightly more positively as a model of national development over China, suggesting that one element of American “soft power,” that difficult to measure but important facilitator of U.S. interests, is not as robust as we would wish.

²⁴ Beijing’s actions suggest it does not wish to be constrained by international practices on lending. For instance, it has refused invitations to join the Paris Club, a group of creditor nations that abide by agreed standards on such issues as debt sustainability. For discussion of Beijing’s refusal to join the Paris Club, see “Multilateral Economic Institutions and U.S. Foreign Policy,” U.S. Senate Committee on Foreign Relations Subcommittee on Multilateral International Development, Multilateral Institutions, and International Economic, Energy, and Environmental Policy, November 27, 2018, <https://www.foreign.senate.gov/hearings/multilateral-economic-institutions-and-us-foreign-policy-11272018>.

²⁵ Yun Sun, “China’s Aid to Africa: Monster or Messiah?,” Brookings, February 7, 2014, <https://www.brookings.edu/opinions/chinas-aid-to-africa-monster-or-messiah/>.

²⁶ Michael Lalor, et al., “Connectivity Redefined,” EY’s Attractiveness Program Africa, May 2017, [http://www.ey.com/Publication/vwLUAssets/eyafrika-attractiveness-report/\\$FILE/ey-afrika-attractiveness-report.pdf](http://www.ey.com/Publication/vwLUAssets/eyafrika-attractiveness-report/$FILE/ey-afrika-attractiveness-report.pdf).

²⁷ “Future of Africa’s Youth Does Not Lie in Migration to Europe, Adesina Tells G7,” African Development Bank Group, May, 29, 2017, <https://www.afdb.org/en/news-and-events/future-of-africas-youth-does-not-lie-in-migration-to-europe-adesina-tells-g7-17056/>.

²⁸ 2014 Minerals Yearbook: Africa, United States Geological Survey of the U.S. Department of Interior, December 2017, <https://minerals.usgs.gov/minerals/pubs/country/2014/myb3-sum-2014-africa.pdf>.

²⁹ The U.S. currently imports at least some of its supply of 15 of those 22 critical mineral commodities from China and/or Russia. China dominates the global supply chain for cobalt—necessary for making lithium-ion batteries which may be critical to powering self-driving cars, a potentially massive industry in the near future—50 percent of which is produced in the Democratic Republic of Congo. For the statistics on Cobalt, see Scott Patterson and Russell Gold, “There’s a Global Race to Control Batteries—and China Is Winning,” *The Wall Street Journal*, February 11, 2018, <https://www.wsj.com/articles/theres-a-global-race-to-control-batteriesand-china-is-winning-1518374815?mod=e2tw>. The 22 critical mineral commodities found in Africa are Aluminum, Antimony, Arsenic, Barite, Cesium, Chromium, Cobalt, Fluorspar, Graphite, Lithium, Manganese, Niobium, Platinum-Group Metals, Rare Earths, Rubidium, Tantalum, Tin, Titanium Mineral Concentrate, Tungsten, Uranium, Vanadium, and Zirconium. Variety of sources compiled by author.

³⁰ Damian Raess, Wanlin Ren, and Patrick Wagner, “Chinese Commercially-Oriented Financial Flows and UN Voting Realignment,” University of Reading, University of Bern, December 2017, http://wp.peio.me/wp-content/uploads/2018/01/PEIO11_paper_62.pdf.

Beijing also built its first permanent overseas military base in Djibouti, nearby to the United States' only permanent African military base. Earlier this year, high-powered lasers emanating from the Chinese base injured United States military aviators flying in the area. And while there has been no noticeable effect yet, China's ownership of Djiboutian debt equivalent to about 75 percent of Djibouti's GDP³¹ gives it significant leverage over a country key to United States interests in Africa.

China has ample other opportunities in Africa to surveil and harass the United States. Early this year, a French newspaper reported that Beijing bugged the Chinese-built African Union headquarters in Addis Ababa, and daily exploited its servers. It is a near certainty that Beijing listened to, along with many others, United States officials' sensitive conversations with African counterparts.

Huawei, the company that provided the compromised ICT equipment to the African Union, is one of China's national champion companies. It, along with ZTE, another major telecom company with close ties to the CCP,³² has built more than 40 telecom networks in over 30 African countries, and national and government networks in more than 20 African countries.³³ The Chinese Government has also financed, and/or Chinese companies have built, sensitive government installations such as state houses and parliaments in at least nineteen African countries.³⁴

The CCP may lack the capacity or inclination to monitor all the buildings and ICT networks Chinese companies have built in Africa. Yet it would be surprising if they did not create vulnerabilities in the networks that allow them easy access, or bug at least some of the politically sensitive buildings.

U.S. STRATEGIC PRIORITIES, AND HOW TO ACHIEVE THEM

Some elements of Chinese activity in Africa could indirectly benefit the United States. The increased economic growth that comes from some of China's engagements positively affects all countries involved in Africa. Beijing also appears more willing to use its influence with some African countries to try to achieve resolution to conflicts, including those the United States seeks to end. Chinese medical teams have as well served on the continent for decades, contributing to improved public health on the continent.

In net, however, China's activities in Africa negatively affect United States interests. Since the time of Mao, the CCP has viewed the U.S., with varying levels of intensity according to the geopolitics of the time, as a competitor.³⁵ Xi and the coterie of CCP leadership around him appear convinced more than ever that the United States is trying to thwart China's rise to what they believe is its rightful place as an unassailable global power. That suggests the CCP will escalate its many activities that harm American interests, including in Africa.

Three strategic priorities should guide the United States response in Africa to this challenge:

1. Buttress democracy against Beijing's illiberal effect on African governance;
2. Facilitate regulatory and normative environments that ensure United States companies' ability to compete for the continent's rapidly growing economic opportunities on an equal footing with Chinese companies; and
3. Maintain and expand the status, means, and positioning of the United States in Africa to protect its current and future interests.

³¹ John 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>.

³² Elsa Kania, "Much Ado about Huawei (Part 1)," Australian Strategic Policy Institute, March 27, 2018, <https://www.aspistrategist.org.au/much-ado-huawei-part-1/> and Nick McKenzie and Angus Grigg, "China's ZTE was Built to Spy and Bribe, Court Documents Allege," *The Sydney Morning Herald*, May 31, 2018, <https://www.smh.com.au/business/companies/china-s-zte-was-built-to-spy-and-bribe-court-documents-allege-20180531-p4ziqd.html>.

³³ Andrea Marshall, "China's Mighty Telecom Footprint in Africa," New Security Learning, February 14, 2011, <http://www.newsecuritylearning.com/index.php/archive/75-chinas-mighty-telecom-footprint-in-africa>.

³⁴ The countries are Burundi, Comoros, Cote d'Ivoire, the Democratic Republic of Congo, Gabon, Guinea, Guinea-Bissau, Lesotho, Liberia, Malawi, Mali, Republic of Congo, Senegal, Seychelles, Sierra Leone, Sudan, Togo, Uganda, and Zimbabwe. Variety of sources compiled by author.

³⁵ Joshua Meservey, "China's Propaganda in Africa Hurts United States Interests—and the U.S. Must Counter It," *The Heritage Foundation Issue Brief* No. 4920, November 19, 2018, <https://www.heritage.org/sites/default/files/2018-11/IB4920.pdf>.

There is no single means to achieve these priorities. It will take a broad-based, strategic approach that uses all elements of American power. To start, the U.S. should:

- *Focus on achievable goals.* The United States should not try to persuade African governments to abandon their relationships with Beijing as they are unlikely to do so, and because some of the investment and loans China provides does help African countries. The United States 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 United States or its companies have a competitive advantage or strong strategic reason for competing.
- *Craft a government-wide messaging strategy on Chinese activity in Africa.* The messages must be tailored to specific audiences, and be delivered in the spirit of friendly concern from a worried ally. Part of the messaging should include pointing out, in appropriately subtle and sensitive ways, the misleading and self-serving nature of Chinese propaganda, and the routine corruption in which many Chinese companies engage, despite the frequent Chinese rhetoric about pursuing a sincere friendship with Africa. This effort should include seeking, compiling, and publicizing reports of Chinese corruption scandals in Africa.
- *Mobilize the many United States civil society organizations concerned about China's effect on democratic and economic norms in Africa.* Many of these organizations have deep Africa experience, and can help to push back on Beijing's propaganda.
- *Deepen cooperation with allies whose interests align with those of the United States.* American allies such as Japan and India are increasingly active in Africa, and share the United States' concerns about Chinese engagement on the continent.
- *Prioritize the fight against African corruption.* Corruption is a competitive advantage for Chinese companies. Ideas for ameliorating this problem include helping countries strengthen their civil societies, promoting economic freedom, and elevating the fight against graft as part of U.S. development assistance. The U.S. should also leverage technology and the power of crowds by helping civil society organizations create tools to track and publicize corruption. Apps similar to Waze, which uses crowdsourced information to monitor traffic, could track corruption, and even create heat maps and lists of particularly corrupt government offices.
- *Call on China to abide by its commitments agreed to in the U.N. Convention Against Corruption* that requires countries to establish laws criminalizing bribing foreign officials to gain business advantage. Beijing is unlikely to heed such calls, but they are another avenue by which the United States can demonstrate China's lack of commitment to fighting corruption in Africa.
- *Encourage Beijing and its debtors to abide by international norms on lending and to be transparent about terms and conditions.* The details of Chinese lending are frequently opaque, making it harder for African publics to hold their leaders accountable for economic decisions.
- *Ensure that the new United States International Development Finance Corporation focuses on projects that directly support the United States' efforts to protect its interest from China's challenge.* Supporting the United States in its strategic competition with China was one of the stated purposes of USIDFC.³⁶ Congress should vigorously exercise its oversight authority to ensure it does so.
- *Increase its engagement with Africa and reorient the focus of some extant initiatives.* Such measures should include focusing the U.S.'s overseas development assistance on enhancing countries' free-market systems and encouraging accountable and competent governance; increasing the efficiency of U.S. aid by eliminating "buy American" provisions and subsidies to United States shipping companies that deliver aid; boosting trade beyond the African Growth and Opportunity Act; and making the United States–Africa Leaders Summit a regular event.

³⁶ Brett D. Schaefer and James M. Roberts, "Government's Track Record Suggests BUILD Act Wouldn't 'Pour Money' Into Africa," The Heritage Foundation, August 7, 2018, <https://www.heritage.org/africa/commentary/governments-track-record-suggests-build-act-wouldnt-pour-money-africa>.

- *Advocate for foundational American values.* The United States should take every opportunity to communicate to African publics and leaders how its system promotes the values proven to best facilitate human flourishing: representative government, rule of law, free markets, and individual freedom.

Thank you again for this opportunity to testify, and I look forward to any questions you may have.

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Senator ERNST. Thank you very much. Very good testimony.

And what we will do now is open up for questions. And each of the participants will have 5 minutes. And we'll rotate through, as many times as we can. If we are joined by other members, they will have the opportunity for questions, as well.

So, I will start with all of our witnesses, if you would. What are China's military and broader security objectives in Africa? And in what areas are their objectives then contrary to our own United States interests?

Mrs. SUN, why don't we start with you, please.

Mrs. SUN. Thank you very much for the question.

So, looking broadly at China's global strategic and military ambition, one of the key component of the Chinese desire is to have a blue-water navy, and standing in the way is the obstacle that China does not have a overseas base. And traditionally, there is also this belief, in China, that not to have deployment of Chinese troops in the military overseas is one of the principles of the—operation. So, in order to build China's maritime strong-power status, China needs a blue-water navy. And to have the blue-water navy, China needs overseas bases. And the Djibouti military base is the first step. And the Chinese—senior officials have not been shy, at least privately, in meetings with the American interlocutors to express their desire to have more overseas bases, and have Djibouti to be the first one.

Thank you.

Senator ERNST. Thank you.

Mr. DEVERMONT.

Mr. DEVERMONT. Thank you, Senator, for the question.

I think that China's military goals are multifaceted. First, it's about strategic depth, as my colleague said, being able to have a wider logistic network so they can project power easy, quickly.

Two, I think it's to respond to the threats that are posed towards Chinese nationals. Chinese nationals, like United States nationals, are kidnapped. Chinese nationals, like United States nationals, are caught up in instability. And China, I think, has increasingly recognized that it wasn't properly positioned. In fact, during the instability in Libya, they had to commandeer a cruise ship and rent buses to do a non-combatant evacuation of its citizens out of Libya; give you a sense of its limitations.

Three, I think that it's also about a counter-narrative it allows them to project, to argue that they're providing a global good. China is now the second-largest financial contributor out of the U.N. Security Council members to peacekeeping, and the largest peacekeeping contributor of the five Security Council members. They have about 2,000 peacekeepers, advisers, and police currently deployed sub-Saharan Africa, and this allows China to say that they're providing global good, contributing security. And it particularly is relevant as they make the argument about the U.S. position.

And then, third, their military is tied and integrated with their economic advantages. Putting bases in Africa, and doing these security engagements, gives them the opportunity to sell weapons and to tie it to other projects that benefit the Chinese economy.

Thank you.

Senator ERNST. Thank you.

Mr. Meservey.

Mr. MESERVEY. Yeah, I agree with all that my colleagues said, and I'll just emphasize a few points, and reiterate some others.

Yeah, China has become increasingly concerned about its ability to protect its nationals. There have been some ugly incidents, anti-Chinese riots and things of that nature, but then there's also been the Libya meltdown, where thousands of Chinese nationals were caught, had to be evacuated. South Sudan has seen similar unrests that have compromised Chinese nationals. They also want to enhance their prestige, like face and prestige is very important to the CCP government. And, as my colleague was saying, they can pose—or project themselves as a responsible global actor by engaging in some of these activities. They also want influence in critical regions. That's why they chose Djibouti. That wasn't an accident. Bab-el-Mandeb Strait actually carries about 50 percent of China's oil imports. So, like the U.S., they want to ensure that their prerogatives are protected at a global shipping chokepoint.

Weapons sales, yes. I also think that there is an element of the Chinese military getting practice, frankly. So, as they engage in these more complex operations, like evacuations, but also operating in austere environments, in semi-arid environments, environments they might not have access to in China itself, that gives them valuable experience in warfighting.

Senator ERNST. Very good.

And, just briefly, any one of you, Do we see any overlap where their military presence would be a benefit to the United States?

Mr. DEVERMONT. I think that the peacekeeping side of the house is important. The big conclusion of the 2015 Peacekeeping Summit is that we need more specialized peacekeeping units. And China, most of their units are engineering battalions; they don't do a lot

of fighters. And so, in that respect, under the rubric of the U.N., I think that can be argued as a positive.

Senator ERNST. So, having some sort of oversight, then it can be beneficial. But, I think maybe most of us would agree that, for the better part, our interests are maybe not the same as their interests.

Mr. DEVERMONT. I agree, ma'am.

Senator ERNST. Okay. Thank you very much.

Next, we'll move to the Ranking Member.

Senator HEINRICH. We have, rightfully, talked a lot about China and what they are doing to seize the strategic high ground across the continent. I want to flip that on its head a little bit. And, Mr. Devermont, you've touched on this, but I want to ask all of you. Let's talk about what the opportunities are in Africa that, currently, we are missing. Because it seems like much of this is a vacuum that China has been happy to fill. So, why are we allowing that vacuum to occur? And what are some strategic fairly-low-hanging-fruit kind of things that we should be doing right now to make sure that they're not operating in a vacuum across the continent?

And that's for all of you, frankly.

Mrs. Sun?

Mrs. SUN. Sure. I will go first.

I think for a very long time, the narrative about United States and China sharing common interests in Africa is not new. And that narrative has been present in both governments and in both policy communities. And there have been many dialogues and many communications between the two about how and on what issues the two governments and two countries can cooperate with each other.

However, having said that, on a lot of issues United States and China simply share, there are convergent interests, but there are also divergent interests. For example, in terms of foreign aid, the Chinese implement a very different set of criteria and a very different set of goals in their foreign aid practice. More than half of their foreign aid is used to cover the interest—the differences of the interests of—

Senator HEINRICH. I get that. I want to know what the United States should be doing.

Mr. Devermont, you mentioned a couple of things, where, for example, the highest-ranking official to visit the—

Mr. DEVERMONT. Yeah.

Senator HEINRICH.—continent in the last couple of years is the Secretary of State?

Mr. DEVERMONT. Yes, sir. I think that we are falling down on our engagement with African leaders. We have only hosted two sub-Saharan leaders in the Oval Office at the start of this administration, President Buhari, of Nigeria, and President Uruhu Kenyatta, of Kenya. Only the Secretary of State has now visited sub-Saharan Africa, former Secretary Tillerson. As my colleague, Josh, said, I think that there is a value in another United States-African Leaders Summit, which was in 2014, which is an important engagement in the same way that FOCAC, the Forum on Chinese-African Cooperation, is an important event for Beijing. And then, I think, on soft power, we need to be thinking about, How do we become the

preeminent destination for Africans to get an education and to make connection with the United States? I also think, on our soft-power engagement, it still is very old and lacks a freshness to it. I'll point to President Macron of France's recent trip to Nigeria, where he went to a music venue known as The Shrine and really engaged with Nigerians in a very electrifying way. And most of our engagement still is jazz ambassadors and bluegrass bands, and it's not connecting to a really vibrant music, film, sports, entertainment culture in sub-Saharan Africa that could allow us to leverage one of our strengths, which is our cultural exports.

Senator HEINRICH. Mr. Meservey, do you have thoughts?

Mr. MESERVEY. Yeah. Again, to reemphasize, the Africa Leaders Summit, I think, is a great idea. China does a similar thing every 3 years, have been, for a number of years now, and many other countries—India does—Japan, et cetera. I think Oval Office visits, really important. I would like to see more commercial attaches in Africa that can really facilitate some of these United States companies getting into the continent. I think embassies need to be more involved in proactively seeking out opportunities for American companies, providing American companies with information, facilitating relationships, things of that nature. Make it more of a focus for these embassies.

Yeah, I agree that Hollywood actually—like our film industry is a major soft-power tool that we have, and I think—but, there is a huge entertainment industry in Africa—Nollywood, of course, famously. So, I think looking for synergies there. I actually saw, recently, I think Netflix is going to show a Nollywood film for the first time. So, I think that's positive. I think there's a lot more that we could be doing there, that the government could be facilitating or encouraging.

Senator HEINRICH. Are we getting the tone right?

Mr. MESERVEY. The tone?

Senator HEINRICH. Yeah. Or has—

Mr. MESERVEY. Some—

Senator HEINRICH.—our engagement with Africa been patronizing and, in some cases, downright denigrating?

Mr. MESERVEY. Yeah, I would agree with that. It really—it can—the tone can vary. And I think that's—I mentioned the messaging that we need to do, that the tone is really important, because there's obvious sensitivities on the continent. The U.S. is not a colonial power, but it's still lumped in, frequently, with colonial power. So, very, very important to get the tone right, to speak to them as partners, to treat them as partners. But, that will also require demanding some accountability—

Senator HEINRICH. Absolutely.

Mr. MESERVEY.—and reorienting, as I mentioned, the focus more away from aid and towards, you know, free enterprise activities, things of that nature.

Senator HEINRICH. Great.

Thank you all.

Senator ERNST. Thank you.

Senator PETERS.

Senator PETERS. Thank you, Madam Chair.

Thank you, to our witnesses here today.

I have recently read a report from—it's the Center for International Private Enterprise, which talks about how we need to protect democracies, particularly in Africa, from a flood of what they call "corrosive capital" that corrodes these emerging and developing democracies, primarily because of lack of transparency. But, one issue in particular I'd like to have of you comment on is that there is they talk about a widely-held belief that Chinese loans come with no strings attached, and that gives them an advantage in order to put these loans out, relative to loans from either the U.S. or from international organizations, which puts strings, such as human rights, anticorruption, issues that we, of course, care very deeply about, here in the United States, but that it's false that Chinese have no strings, because they look for things to be sole-sourced with Chinese firms, they want a dominant equity share in projects, you have to have the mass importation of Chinese workers into these countries. I mean, the list goes on. Could each of you talk a little bit about this corrosive capitalism, as referred to by this organization, whether or not you believe that is something we should be concerned about, and, more importantly, how do we deal with it?

Start with you, Mr. Meservey.

Mr. MESERVEY. Thank you for the question, Senator.

Yeah, I've read the report. I thought it was excellent. I agree with its findings. And I referenced, in my written testimony and my oral testimony, the routine corruption that African companies engage in that wins them all sorts of favors and makes it very hard for others to compete. There was an interesting survey done that found anywhere from 60 to 87 percent of Chinese companies admit to paying bribes to obtain licenses and things of that nature. U.S. companies will find—or leaders will find themselves in jail if they do something similar.

So, I think that the way to combat this—it's obviously extraordinarily difficult, but you have to focus on civil society, I would say, because, oftentimes, African governments, themselves, are incentivized to engage in this behavior. One of the scourges of the continent is corruption. And so, they're frequently far too willing to engage in this corrupt game.

So, the biggest victims of corruption are the African people, themselves. They're the ones left holding the bag. So, focusing on civil society, increasing their technical capacity, journalists, investigative journalists. There are some very brave people on the continent, writing brave things, and exposing all sorts of misdeeds. So, I think you have to really focus in on civil society.

Senator PETERS. Devermont?

Mr. DEVERMONT. Yeah, thank you, Senator.

I agree that the idea of no strings is a false concept. Not only is there strings in terms of the economic investments, but increasingly there are strings regarding the politics. The former Assistant Secretary of State for Africa, Linda Thomas-Greenfield, publicly said that, for the first time, the Chinese weren't even saying that we don't interfere in countries' internal affairs anymore. And I think some of the instability in South Sudan and in Zimbabwe have laid bare that, when China has their economic interests at risk, they are going to do and engage in ways to protect those in-

terests. There has been a number of recent exposes and convictions of Chinese corruption. In fact, most recently in our courts, a Chinese businessman was convicted for bribing the Ugandan and Chadian governments for an investment. And we know, from data, such as AidData, a research lab out of the College of William and Mary, that Chinese investment in Africa disproportionately affects the leader's home region or community.

I think the answer, as my colleague said, is civil society. I also think it is urging Africans to ask for better deals. It is possible. Andrew Alli, the former head of the African Finance Corporation, recently talked about how you can get better labor practices, more transparency, but an African Government has to ask for it.

Thank you.

Senator PETERS. Thank you.

Mrs. SUN. In terms of the strings attached through Chinese investment, there are political strings. For example, on the issue of Taiwan and on the issue of Tibet, on the issue of China's domestic human rights record, African countries are expected to support China's position, or at least remain silent. That was also demonstrated in Africans' attitude towards China's position on the South China Sea.

In terms of the economic strings attached, the African governments are supposed to take loans from China to finance projects, which adds to the problem—sustainability. According to Chinese official media, 70 percent of the contracts associated with the infrastructure projects are supposed to deliver to Chinese bidders. The Chinese infrastructure contractors are the ones bringing these projects.

In terms of the participation in corruption in Africa, I would say that China did not create this problem, that this problem was already there before China went to Africa. But, China's willingness to participate in those practices certainly has exasperated the problem.

As for the reaction, of course, civil society free media investigative journalism, I also propose that there should be more understanding and more studies of specific Chinese projects, especially the mega-infrastructure projects in Africa, how they were reached, how they were negotiated, and how the results are being received by the local community.

I'll stop there. Thank you.

Senator PETERS. Great.

Thank you.

Senator ERNST. Thank you.

We'll go ahead and do another round or two of questioning, given time constraints.

Mr. Devermont, I'd like to address this question with you. In your opening statement, you identify Chinese activities that may undercut United States military access and operations as, quote, "an unmistakable threat," end quote, and you highlight the Chinese military base in Djibouti as particularly concerning, and note that China has invested, or has plans to invest, in other ports. And you name those: Cameroon, Guinea, Madagascar, Mozambique, and others. Will you please explain in more detail how China might try to limit United States military access and operations in Africa?

Mr. DEVERMONT. Sure. Thank you for the question, ma'am.

So, looking at Djibouti, I mentioned the lasering of our pilots. I think that's the clearest example. And there are, I think, questions that remain about our ability to move up and down the coast as they sit on that central chokepoint.

One of the challenges with looking at these ports and divining which ones will become a military logistics hub and which one will be just a commercial investment is that the Chinese are doing economic, political, security investments at the same time. And I think, as a good logician is doing—logistician—they are creating options for themselves. And so, I think, ultimately, they are going to look for a perch on the Atlantic. I'm not sure which one of those places that is going to be. At CSIS, we're interested in taking a much closer look at all of the port investments in sub-Saharan Africa, and trying to give a greater picture, both to the level of investment, the opportunities for it to transition into a military logistics base, and, as your questions asked, ma'am, which of those could actually limit our ability to maneuver through these key waters.

Thank you.

Senator ERNST. So, do you think it's the deterrence, then, is their goal in seeking to keep United States interests from moving freely along their coastline?

Mr. DEVERMONT. I think it gives them the option, if things could heat up, to close down some of those lands.

Senator ERNST. Okay.

And then, you mentioned the lasering, which is used to disrupt our military presence and movement. Have there been other instances that we can identify in the recent past?

Mr. DEVERMONT. That's the only incident I know in sub-Saharan Africa.

Senator ERNST. Okay.

And do you know of any others, Ms. Meservey?

Mr. MESERVEY. I've heard a related story, not involving lasers, but that now the Chinese are complaining to the Djiboutian Government about United States drones flying over the base, and things of that nature. Obviously, Camp Lemonnier and the drone operations out of there are critical to what the United States is doing, not just in sub-Saharan Africa, but also in the Middle East. So, I would not at all be surprised if the Chinese are working to restrict what we can do with drones in Djibouti.

Senator ERNST. Okay. I appreciate that.

So, we are talking about the activity around Djibouti. And I'd like to dig in a little bit further, because it is interesting how the Chinese do want to further develop a blue-water navy. And, Mrs. Sun, maybe you can address this. How can they use their presence in Djibouti to challenge the United States? And what does this tell us about their military ambitions elsewhere in Africa?

Mrs. SUN. Thank you very much, ma'am, for the question.

In terms of China's military ambition, I think Djibouti serves as a learning experience for China, because this is their first overseas base. And they have reached out to other countries who already have the bases in Djibouti, in terms of how to set it up, how to negotiate it with the Djiboutian Government, and also how to operate such a base. So, in the case of Djibouti, like I mentioned, China

started it with a U.N. mandate that was conferred to the naval escort in the Gulf of Aden. When China first proposed to build the overseas base in Djibouti, they used its U.N. mandate to legitimize their demand, because they argued that the base would be serving a U.N. purpose rather than China's own purpose. But, after the base was established, the Chinese narrative started to change and morph towards the—capability overseas. They have conducted live-fire drills in the periphery of the base, and there are discussions in China about potential intervention in African countries to protect the Chinese assets and Chinese nationals in the time of needs.

So, I would say that Djibouti serves as a first example of the Chinese military stepping out of the Chinese territory, and the—like the—has already manifested, this will not be the first one, and it will be the first of a series of development that China will seek.

Senator ERNST. And, just very briefly, as well, since the Chinese messaging has changed over time with the establishment of that base, does that serve as a disincentive for any of the other regions or countries that might consider establishing a Chinese base within their territory?

Mrs. SUN. I think, yes, that is very true, especially the narrative about China's using debt-trap diplomacy to gain their access to ports in Hambantota. That has already warned, for example, the Burmese Government to reduce the size of the deep-sea port that China has proposed to build in their country. We believe this has also prevented the Russian Government from accepting the Chinese proposal to build commercial ports in Arkhangelsk and Murmansk. So, I think these Chinese narratives and their ambition has already signed warning signals to countries around the globe.

Senator ERNST. Okay. Thank you very much.

Senator Heinrich.

Senator HEINRICH. Has there been sufficient consequences for China's breach of the protocol on the blinding laser weapons in Djibouti? We're both signatories to that.

Mr. MESERVEY. There have been none that I know of.

Senator HEINRICH. Would you have suggestions about what an appropriate response might be?

Mr. MESERVEY. I think it's—obviously, you demarche them and publicly protest as strongly as possible, as has already happened. I think that you have to build in potential countermeasures. My sense is that this was the Chinese exploring technology and trying it out. Again, Africa is somewhat of a testing ground for the Chinese military and Chinese technology. Actually, in Zimbabwe, for instance, they're doing—the Chinese company that is involved in facial recognition. And they need dark-complected faces to—

Senator HEINRICH. Right.

Mr. MESERVEY.—to refine that—

Senator HEINRICH. To get the database.

Mr. MESERVEY.—technology. Yeah.

Senator HEINRICH. Yeah.

Mr. MESERVEY. But, as far as more robust measures, I'm not sure.

Senator HEINRICH. The administration intends to release its new strategy for Africa this week. What changes do each of you hope to see in that?

Anyone?

Mr. DEVERMONT. I'll go.

I am looking for a strategy that thinks through—with respect to the topic of today's conversation, that thinks through a approach towards China's growing presence on the continent that we can implement, that is realistic, that is hardnosed when it needs to be, but has less bluster when it's not necessary. And I think it also requires thinking more broadly about the tools to counter China, and particularly working with the Africans, not talking down to them, but to leveraging their own concerns about Chinese debt or Chinese malign activities, and finding partners globally. I think that we can't do this alone, and we're not the only country or the only member in the global community that's worried about China in Africa.

Thank you.

Senator HEINRICH. It seems like we concentrate a lot of our effort and communications and strategy in Africa around the African elite. And, Mr.—is it Me-SER-very or Me-ser-VERY? Me-SER-very, sorry. You know, you mentioned the need to, at times, shift from a USAID [United States Agency for International Development] kind of approach to more of a business-based approach. It seems like, in a continent where there are so many people without basic services, like electricity, and where there are real business cases now for doing, for example, distributed energy in a way that jumps over the way we've developed in the Western world, that this is a time that ought to be ripe for business diplomacy on the continent in a way that goes directly to the African people, as opposed to always concentrating on the elite, and in places where, you know, you're not reaching the broad numbers that exist there. Do you agree with that observation?

Mr. MESERVEY. Yeah, I do. Part of the challenge, of course, is that these economies are structured around the elites, so engaging is difficult without the elites. And, obviously, we would never be able to do it without them, but I absolutely agree with your fundamental point that we do need to be thinking creatively about how we reach the average African, so to speak, both with our economic activities, but also with our messaging that we've been talking about, and our soft power, and all of our other activities. I think there's opportunities there—

Senator HEINRICH. Despite the fact that so many people don't have basic lighting in their homes, a very large number of people have access to a cellphone. And that—

Mr. MESERVEY. Yeah.

Senator HEINRICH.—creates an awful lot of opportunities.

Mr. MESERVEY. Yeah.

Senator HEINRICH. It seems, also, that the Chinese model of development in Africa is something that we should be thinking about as an opportunity, because some of the pushback that we've seen has been from this model of, you know, when they come in to do infrastructure, they bring Chinese contractors, and they bring Chinese workers. And there's a lot of frustration with that on the continent. And if the United States or other Western democracies could provide an alternative model for that development, that would seem like a real opportunity.

Mr. MESERVEY. Yeah. Just very quickly. An American company is in the final stages of finalizing a plan to build a tarmacked road in Kenya—

Senator HEINRICH. Kenya.

Mr. MESERVEY.—that's going to run parallel to the Standard Gauge Railroad that the Chinese built. I've spoken with the company, and they say that they are very aware of the Chinese model, and so they are going to take every effort to make sure that Kenya workers are employed at all levels of the project, and it's going to be a first-rate project. So, I think that's a real opportunity.

Senator HEINRICH. Thank you.

Senator ERNST. Thank you.

I think we'll do just one more round of questioning so that we can complete the hearing in the next 10 to 15 minutes.

I would like to build on something that Senator Heinrich has brought up. And that is that we do have the President's National Security Advisor, Ambassador Bolton, releasing a new strategy for Africa in a speech tomorrow at the Heritage Foundation. And we have talked a little bit about what the United States can do through soft powers, other means. But, how can we approach this as the United States by also engaging other partner countries? Because it's not just the United States and China engaging in Africa, or maybe should be engaging more in Africa. What other allies, partners, can we reach out to, to strengthen the pushback against the Chinese and their influence in Africa?

Mr. Meservey, I'll start with you, since you're nodding.

Mr. MESERVEY. Yeah. Yeah, sure. No, I vigorously agree. I had that recommendation in my written testimony and in my oral testimony.

Yeah. One of the most skeptical countries of China's OBOR, One Belt One Road, Initiative has been India, from the very beginning. They've been deeply, deeply skeptical. And that's an American ally that I think the United States should be working with. Japan, very skeptical. South Korea, a number of Asian countries, and, increasing, even European countries are starting to become worried, I think. So, yeah, I think that needs to be a conscious effort from the U.S. Government. And we are cooperating on certain security matters. For instance, like the G5-Sahel Security Group. That's very much a European, African, American endeavor.

But, yeah, I think it, as I say, needs to be a conscious effort. I'd like to see more thinking, more of these countries sitting down with the U.S. and thinking through, "Okay, where do our interests align, and how do we maximize our engagements?" Because I think that will be the most effective way of dealing with this problem, because some of our partners have capabilities we don't, and vice versa.

Senator ERNST. Thank you.

Mrs. Sun, did you have any thoughts on that?

Mrs. SUN. Thank you for the question.

I think Japan and India will be two key partners with the United States engagement in Africa, although there is the issue of the size of the investment that the three countries will be able to put on the table. When the Chinese are asked the question that—for example, the four countries in the quad are going to compete with China in terms of the development work in the Indo-Pacific region.

Chinese reaction is that we are willing—we are capable of mobilizing Chinese Government capitals to invest in these efforts. And, in comparison, the size of the capital that the three governments can come up is not really comparable in this sense. So, I particularly agree with the recommendation that private sectors of the United States, and of Japan, and of India, will have to be mobilized to join this effort.

We can make our investment smart, because the Chinese tend to invest in the mega projects that they are—for example, the railway projects, they come with a very large bill. But, they don't have to be for our investment. We can invest on the grassroot level and help the African people on the grassroot level, like the Chinese prioritizing the African elites, we can target a very different audience. And Japan has formed a very sophisticated network of aid projects and aid workers on the ground. I think we should tap into that resource.

Senator ERNST. Very good.

I'm just going to briefly move to a different topic. Mr. Meservey, in your remarks, you talk about the export of Chinese tools and training to African governments for repressing their people. Could you explain a little more in detail what you're seeing in this regard? What does that mean directly to our interests in Africa?

Mr. MESERVEY. Sure. So, the worst example of this is probably Ethiopia, which built a very pervasive surveillance state. And the Chinese provided some of the technology, particularly online technology, for censoring and even shutting down social media, for instance, or things of that nature. And it's not just Ethiopia. We've seen it in a number of countries. This is an unfortunate growing trend in Africa. And, again, Chinese companies have built on the expertise that they've developed in China doing this sort of thing, and are now exporting it across the continent. So, jamming equipment, a whole host of things. And again, I think this hurts United States interests, because, one, it gives the Chinese surveilling capabilities, where they might be able to eavesdrop on U.S. activities, but it also hurts the U.S. decades-long effort to encourage the global growth of democracy.

Senator ERNST. Yeah, very concerning. Thank you.

And, Mr. Heinrich.

Senator HEINRICH. I assume you all are familiar with the Sri Lankan port situation. One of the things that worries me about the situation in Djibouti is the combination of the unique location of that site, the very close proximity of Camp Lemonnier, and the new Chinese base, and then the overlay of one of the examples of a real debt-leverage situation between China and Djibouti. How much does the debt piece of that worry each of you, in terms of where we go into the future on that very crowded spit of land?

Mr. DEVERMONT. I think, in Djibouti, it's the country that I'm probably most worried about Chinese debt, because it's, you know, upwards of 70 to 80 percent, and because, currently, Djibouti has expelled Dubai's ports from Djibouti, and it looks like it, potentially, will go into Chinese hands. Now, what was behind all of that decision, I think is still unclear. But, you can add up the debts, the strategic location, and, essentially, the—

Senator HEINRICH. In other words, the private port was changed from—

Mr. DEVERMONT. Yes.

Senator HEINRICH.—being operated by—

Mr. DEVERMONT. From—yeah, Dubai ports were—to currently under the Djiboutian Government, but there's indications that it—

Senator HEINRICH. To Chinese—

Mr. DEVERMONT.—there's indications that it may move to China. So, I think that's a potent example of what's happening in Djibouti right now.

Senator HEINRICH. How much do you make of the pushback that seems to be beginning to emerge in China, the frustration with the scale of debt relief, of spending on mega projects? You know, there have been some examples of influential university professors and others starting to make a bigger deal in China of the sort of flashy spending that China's doing in Africa. Is that a real situation? Is that something that you view as fairly widescale and legitimate pushback? Is it something that President Xi is taking seriously?

Mrs. SUN. I think that is something that President Xi is taking seriously, because the extravagant spending associated with the Belt and Road Initiative has been criticized constantly and repeatedly in China about economic viability and whether the Chinese foreign reserve can actually afford such squandering and wasteful spending—projects being economically sustainable in the future.

The counterargument from the so-called strategists or the politicians is that China is a great power, China needs to use its financial resources to demonstrate its generosity and the public good China, as a great power, is willing to provide.

But, the most important—that comes from the Chinese bank—from the Chinese bankers, because eventually it will be the China Development Bank and China EXIM Bank—they have to do their spreadsheet, and they have to explain why their investment or their loans are not making the profit that they are supposed to make.

And coming to the example of Djibouti, Djiboutian officials privately have expressed that, in the end, that they don't believe that that will be a big problem, because the Chinese eventually will forgive those debt. But, what they do not mention is that those debt forgiveness or alleviation will come with certain strategic and political compromises, and they will not be in the position to say no to the Chinese.

Senator HEINRICH. Thanks.

Senator ERNST. Okay. Well, I do thank all of our witnesses today. I think we could spend an entire week or so talking about the complications that we have in China—or in Africa with the Chinese influence there. Thank you very much for your time and your input. And we look forward to working with you on these issues in an additional time.

So, thank you very much. Have a good day.

This concludes our hearing.

[Whereupon, at 10:35 a.m., the subcommittee was adjourned.]