

China's Investments and Its Alleged Influence in Africa: The Case of Ghana

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China-Africa relations

Background

China-Africa relations as a process took multiple decades to get to where **they** currently are. At the turn of the 20th century, China was in the same stage of development that most modern-day Africa countries are in. The turn of the 20th century brought a lot of social, political, economic conditions that proved critical to the future development of China. **It** saw China slowly trying to integrate areas that were heavily influenced by powerful Western nations at the time, struggling with internal rebellions and replacing the 2000-year-old imperial system with the Republic of China.

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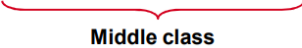
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For most of the 20th century, China cut itself out of the global economy. Much of the time was spent on developing five-year plans that focused on land, social, cultural, and economic reforms. This time period was marked by China struggling to solve political turmoil between Mao Zedong and Deng Ziaoping, creating jobs for the increasingly growing population, and massively expanding the capabilities of the government to provide services like healthcare and agriculture for the largest population on Earth. China's sole focus was on internal reform, so much so that they only began to interact within the global sphere when President Nixon introduced his philosophy of Détente in the '70s.

While China claims to be mutually developing with their African counterparts, the reality of the situation does not seem to reflect this. Firstly, the Going Out Policy provides the Chinese government the unique opportunity to create large amounts of jobs for their citizens. China has a huge and relatively untapped workforce that finally has the chance to pull themselves out of poverty. The availability of cheap labor provides China with a competitive edge where they can create jobs for their citizens while securing huge contracts with African governments. Secondly, the Chinese government gains access to rare resources that other countries do not have access to. Raw resources like bauxite, gold, and oil present in Ghana

make the country an ideal target for the Chinese agenda. In addition to this, they gain access to the developing markets on the African continent. This is particularly important to the future of China when you consider that by 2050, more than a quarter of the world's people will be in Africa, and of those projected 2.5 billion-plus people (world population), 36% of the African population is expected to be in the Rising Middle Class (RMC) section (RMC). When these factors are considered, it is easy to see why the Chinese are aggressively moving to strengthen their relationship with African countries.

Class	Low	Rising Middle	Upper Middle	Wealthy
Annual income per capita (USD)	<1,046	1,047–4,125	4,126–12,745	>12,745
Global population	0.8bn	2.6bn	2.4bn	1.3bn
% of global population	12%	36%	34%	18%



Middle class

China's move to open up to the rest of the world could not have come during a better time. The 70's created the perfect conditions that provided China an edge to start replacing the Western nations as the major creditor for African continents. For starters, the US, the major power of the time, was spending huge sums of money on the Vietnam War while simultaneously dealing with racial tensions that had been building for centuries. Secondly, China's rapid economic growth and increasing middle class allowed China--that has been classified as a Third World country-- to be the perfect partner for the unique needs of African countries.

Towards the end of the 20th century, China started to realize the importance of building their relationship with African governments. Although there were many minor diplomatic meetings with Chinese and African government leaders, diplomatic relations between the two parties took a turn starting with President Jiang Zemin's visit to Egypt, Somalia, and Madagascar, and consequently President Jiang Zemin's visit to Kenya, Ethiopia, Mali, Namibia, and Zimbabwe. Earlier ties with African governments began in the form of ideological warfare. The Chinese began to partner with African governments during the era of Asian and African countries fighting for independence [or decolonization period](#). China intended to use the struggle of these African countries for their own gain by weakening their competitors. The Chinese use these African countries as pawns by supplying their independence efforts, in order to force traditional colonial powers to focus on quelling these independence movements. The best example of this relationship is Dr. Kwame Nkrumah. He became known for wearing Confusionist-inspired suits during the fight for independence. 1999, the Chinese government instituted its Go Out Policy (also referred to as the Going Global Strategy). While this was an effort to promote Chinese investments abroad, it was deeper than that. The Going Out Policy was a sort of lifeline for the Chinese government, and raising a large percentage of their population out of poverty. In actuality, the Going Out Policy was a means of creating jobs and boosting China's economy, satisfy their need for raw materials for a growing population, and lastly to gain access to the relatively untapped markets of Africa.

On the surface, China's Going Out Policy might seem like any other government program, but in actuality, it was critical to the future of the country. The Going Out Policy is brilliant. In its simplest form, the Chinese government is trying to use the labor potential of its citizens to create and/or deepen relationships with African governments in exchange for access to raw materials and relatively untapped markets. They do this by building

infrastructure for countries that have oftentimes been overlooked by the powerful economic powerhouses of the West and brokering deals under the guise of “mutual development” for access to rare and essential resources like oil, untapped markets currently developing in Africa, and the creation of jobs for Chinese citizens.

What were the results of the Going Out Policy?

While the Chinese government has paraded the slogan of mutual development to their African allies, these policies are predatory. While it might seem that the Chinese pitching less expensive projects are good, it breeds dependency of African governments for three reasons. Firstly, the cheap costs of building sometimes result in the projects being done in record time, but not the best of their ability. Like the National Theatre in Ghana, there are many Chinese-built infrastructures that started to fall apart mere weeks after their completion. Secondly, African governments agree to large scale contracts that create a vast amount of projects that require huge sums of money for their maintenance and/or upgrade. Thirdly, the Going Out Policy results in many countries surrendering a percentage of their resources, including those they find in the future, to the Chinese as some sort of collateral to the Chinese as a form of payment. This form of payment is the most damaging to African development since these African governments are enslaved to their debt to the Chinese government, while simultaneously committing a huge portion of raw resources that can be used to further develop the country to the better-off Chinese development. In the end, African governments are left owing huge sums of money to the Chinese for projects that did not necessarily want built, projects that keep bleeding money from the national budget for their maintenance, and the loss of large sums of profit from natural resources they offered to the Chinese as collateral.

During the short time China began focusing on their relationships with African countries, China has been able to raise 19% of its population out of poverty in 1980 to 58% in 2017, while the same cannot be said for the African partners they claim to be “mutually developing” with (China and their middle class).

Why Ghana?

My research was focused on Ghana for a lot of reasons. For one, I was born there, and I lived there until I was fourteen years old. My upbringing provided me the unique opportunity to understand the data surrounding Chinese and Ghanaian relations, as well as understand better why certain conditions developed the way they did. Secondly, Ghana is an economic and political powerhouse on the African continent. Ghana’s development in the region and its abundance of raw resources such as gold, oil, and bauxite place a target on Ghana, one that makes it hard for the Chinese to ignore. Thirdly, although African countries are developing at a rapid pace, Ghana has always been one of the fastest-growing economies in the world (Ghanaweb.com). As such, there is a huge need for building large scale infrastructures in a rapid manner, making Chinese the perfect partner for Ghana. Previously, historical partners like the US made it difficult for countries like Ghana to secure huge loans for infrastructure projects by surrounding it with a lot of bureaucratic “red tape”. Compared to these former partners of the West, the Chinese approve loans quickly, offer large sums of money upfront for these infrastructure projects, and they build them in record times, making it an easy choice for these African governments. While these conditions seem ideal for rapidly developing nations like Ghana, it was important for me to research how some of these deals are structured, what are some social and political impacts for these African countries, and how do these deals impact the future development of African countries, including my home country of Ghana.

China-Africa relations

Since the 2000s, the relationships between China and Ghana have greatly increased. These relationships have been years in the making, starting from the visit of then-President Kwame Nkrumah to China, and then reciprocal visits to Ghana by then-Premier Zhou Enlai. This was within the liberation and Non-Aligned Movement framework where Nkrumah played an important role in creating a Third-World coalition to counter-balance former European colonial nations with their economic infrastructures. The Chinese arrival also corresponds to the building years that started with President Rawlings and continued since then with other presidents. The Chinese relationship with Ghana began in the 1940s when a sizable number of entrepreneurs mainly from Hong Kong and Shanghai started coming to Ghana because of some economic reforms in the People's Republic of China (PRC). Since that time, there has been a lot of improvement in the relationship between the two countries. For one, the migration of people from PRC has expanded to include migrants from more areas like Guangdong, Henan, and Taiwan. Additionally, Chinese investments in Ghana went from a mere \$4.4 million to \$1.6 billion in 2014 alone. While the chunk of investments in Ghana has been focused on the infrastructure projects, the manufacturing sector, and the trading sector, the Chinese have a role to play in almost all aspects of Ghana's economics (wikipedia sources).

Figure 1 and 2 shows the increased trade and investment between China and Africa

FIGURE 1

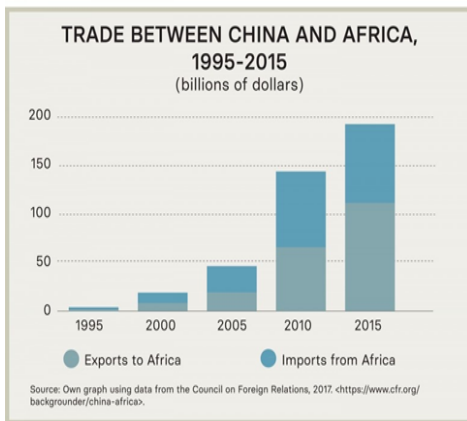
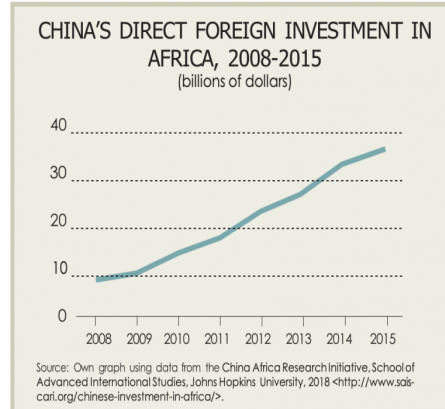


FIGURE 2



Research / Methodology. Explain the steps you are taking to do your research.

Throughout my childhood, I heard family members outside of Ghana talking about how bad the country was, and how bad the politicians were at improving the state of the country for its citizens. While I was too young to chime in with my thoughts, these conversations struck me. I always wondered why African countries were painted in a negative light, be it on a local or international level. This got me interested in the majors of Global Studies and Leadership because I saw them as a means to understand some of the complex systems and conditions that have created the dependency African countries have on the developed world. During my first year of college at the University of Richmond, I came across intellectually stimulating books about some of the struggles of African development. Books like *China's Second Continent* by Howard W. French and *India in Africa: Changing Geographies of Power* by ? made me curious why such developed countries like the US and

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developing nations like China and India have been in Africa trying to help for decades but have not managed to accomplish much. As such, I began to get more curious about how much is being invested to develop African countries, how much debt these contracts result in, and how these developmental strategies are adapted to fit the different situations in each African country. Based on the information I learned in my freshman classes in Global Studies and my first-year experience, I learned that tracking Chinese investments and correlating investment periods with voting patterns on the UN general assembly floor was the best way to investigate Chinese long-term/enduring influence on African countries. I expected the investments to be a form of control imposed on these African governments due to their bidding, and as such, I predicted that as investments increase, Ghana is going to vote more in line with the Chinese government on the floor of the US General Assembly. The best way I found for tracking Chinese investment in Africa was by using information compiled by [aiddata.org](#), a think tank based out of William and Mary in Williamsburg, Virginia.

According to their mission, Aiddata seeks to “equip policy makers and practitioners with better evidence to improve how sustainable development investments are targeted, monitored, and evaluated. In its essence, Aiddata.org serves to educate people on government by documenting investments, their location, their progress, and even their purpose. Since Aiddata.org had the same goal of improving development as my research, it was an easy decision to base most of my research on their well-researched information. Aiddata provided me with all the investments made by the Chinese government in Ghana, along with their investment year, completion status, and their locations, so it was almost a no-brainer for me to allocate a significant amount of time during my research to filtering this. [Good]

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How was aiddata used:

At the beginning of the research, I had to download aiddata.org's excel investment file called all_flow_classes. This excel file contained all the investments made to almost all African countries, with over seventy rows and six thousand columns of comprehensive data. Initially, I spent most of my time "cleaning" the data, creating a form of the excel sheet that only had information pertinent to my research. For example, I filtered the location to Ghana, and kept the time period of investments between 2000 and 2014 to ensure it was both modern enough to matter, but it was also a significant time interval that allowed for me to track changes, while analysing the results in an in-depth manner. I also had to update the various coordinates of Chinese investments in Ghana that were wrongly placed. Out of this "cleaned" excel file, I created a more personalized version that best fit the goals of my research. This personalized version of aiddata.org contained three sheets.

1. Years and the investments - Contains the individual years (from 2000-2014) broken down by their investments,
2. Highest 2010- Voting Patterns - Shows the voting breakdown of the 2000-2001 session of the UN general assembly. It shows all the issues China and Ghana voted on during the 2010/2011 UN General Assembly season, how they voted during the 2010/2011 UN General Assembly season and provides a percentage breakdown of how many times they agreed or disagreed.
3. Lowest 2000- Voting Patterns - Shows the voting breakdown of the 2010-2011 session of the UN general assembly. It shows all the issues China and Ghana voted on during the 2000/2001 UN General Assembly season, how they voted, and provides a percentage breakdown of how many times they agreed or disagreed.

Disclaimer - It must be recognized that the data might have some inconsistencies because I did not work with anyone who personally worked under or in conjunction with aiddata.org to understand the data. A lack of understanding of what the data in a specific column meant might lead to some slightly different findings. It must also be recognized that even the people at aiddata.org were not perfect in their dealings. This primarily resulted from the fact that some of the people who worked on assembling the database might have not been as familiar with places in Africa, like myself who was born there [and know the geography quite well](#). My map-making process best exemplified this. Yes, I do not expect [all](#) researchers in the US to know all the rural areas of Ghana, but there were numerous times where I had to change the coordinates of easily findable locations that Chinese invested in. A simple google search of the Baba Yara Sports Stadium for example [would have, provided](#) researchers [with](#) the exact location, with coordinates, of this landmark in Ghana.

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How did I end up with these divisions

While China began to get more interested in strengthening its African relations in the 90's, China moved to a more aggressive approach starting in the 2000s. The shift started with the creation of The Forum on China-Africa Cooperation (FOCAC) in October 2000. From there, they further tried to strengthen relationships between China and Africa by instituting high-level visits like Ghanaian President Kufuor's visit to China in 2002, and China's President Hu Jintao's 2003 visit to Ghana. These visits were a representation of the growing relationship between China and Ghana, since they were having frequent visits between the two countries. As a result, it made more sense to track the changes of investments from 2000 through to a relative modern time of China and Africa's relationship.

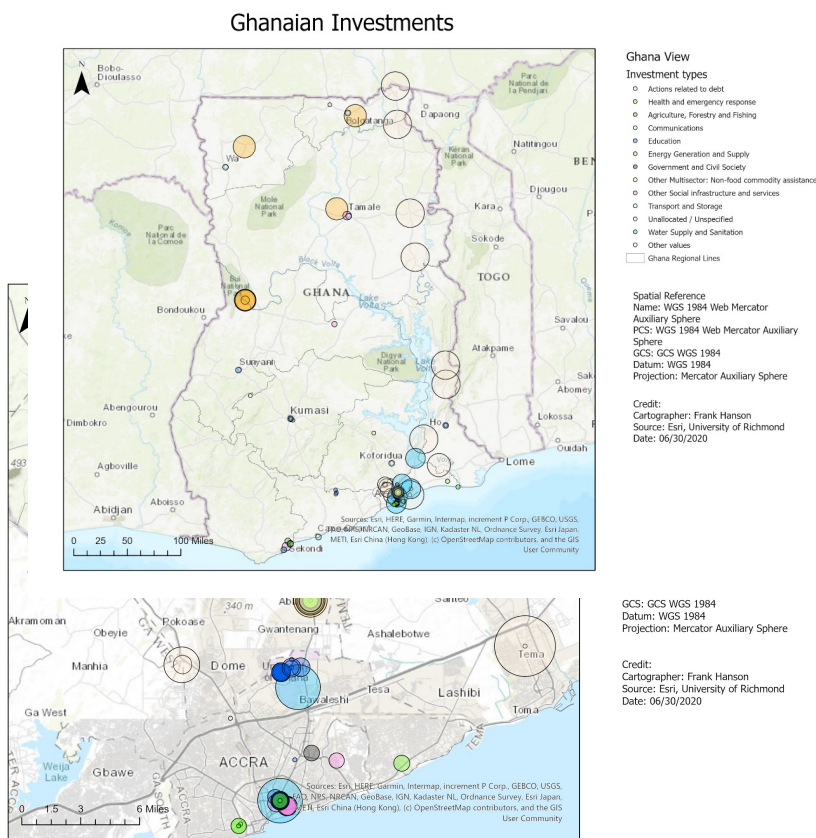
In terms of how I chose the years to focus on voting patterns and breakdowns, I had to realize that taking the most contrasting years of investment will be more efficient than tracking voting patterns for every year between 2000-2014. In respect to how I chose 2000/2001 and 2010/2011 UN General Assembly sessions, it was reaffirmed by documents suggested by librarians on how to combine this information. Since the focus of my research was to track how Chinese investment affects the votes of Ghana on the international level, it was only right to compare voting patterns of the year that had the most Chinese investment (2010) and that of the year that had the lowest Chinese investment (2000). In 2000, no Chinese investment was recorded by Aiddata.org in Ghana, while 2010 brought a \$5.4 billion investment from China alone. As one might expect, China and Ghana must vote the most identical in 2010 since it is the year that Ghana received the most investment.

Map-making process

After creating the different sheets of excel that facilitated map-making I began to create the maps. With school resources, I was able to access ArcGIS Pro. ArcGIS pro is a software by Esri that simplifies Geographic Information Systems (GIS) while simultaneously expanding what it could achieve. In order to transform the excel sheets I had derived from Aiddata.org into a form the ArcGIS pro could understand, I had to resave the excel file into a CSV file. At this point in time, the GIS software internalizes the coordinates of the various investment projects and maps them on the map, displaying the importance of my catching and updating these project locations. From then on, I had to import a shape file of the borders of Ghana to make Ghana easily identifiable. To complete the map, I worked on improving the visuals and formatting the symbology, font size, colors, and even how to simplify the data to make it as simple as possible. In terms of the symbology and color, I assigned a color for each of the different categories of investments, as well as making the size of the points

(circles that showed investment) correlate with the amount of investment (in dollars). The bigger the investment amount, the larger the circle and vice versa. The results of the process described above resulted in the map of Ghana presented below. Shortly after the completion of the map, it was obvious that there is a huge cluster of investments in Accra, the capital of Ghana, so a secondary map was needed to ensure visibility for the audience to better analyse how these conditions developed. As such, I created an Accra-centered view of the same map to make it easier to understand the complex dynamics plaguing Accra.

Investments by their location



What did the research show about the voting patterns: [This is one of the most important parts of your research.]

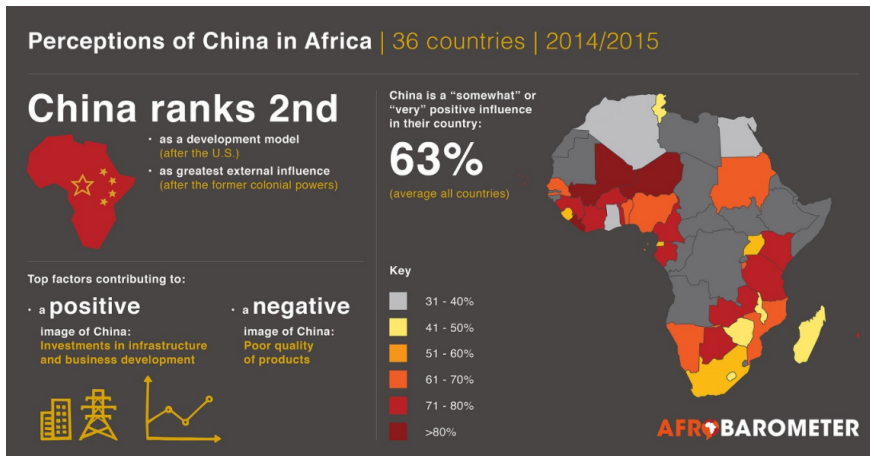
It is important to state the procedures for how votes were decided to be counted as disagreements or agreements. For starters, the UN General Assembly keeps records of how every country in the UN votes. They fall into one of four categories. Y - yes, N - no, A - absentee, _ - undetermined. Whenever these matched for Ghana and China, it was counted as agreement. For example, AA, YY, and such. Whenever these categories did not match, it was counted as a disagreement. For example, YA, or N_, and such was documented as a disagreement. The reasoning for counting votes that were undetermined or absentee as disagreements is because there might be ideological differences or conflicts of interests that led to the decision to not vote. I felt that this is another avenue that can be used to analyze what is going on in the world. Each of these issues can be investigated to find out some of the problems plaguing Chinese-African (in this case Ghanaian) relationships.

On the surface, the data collected from the UN General Assembly seemed to disprove my hypothesis. Even though 2010 had the most economic investment by the Chinese among the years studied at \$5.4 billion, and 2000 had the least economic investment at \$0, 2010 presented the most disagreements on issues between the Chinese and Ghanaian governments. In 2010, out of 71 issues voted on in UN General Assembly meetings, there were 57 agreements that accounted for 78.87%, and 14 disagreements that accounted for 19.71% of the total votes respectively. On the other hand, in 2000. Out of 67 issues voted on in UN General Assembly meetings, there were 62 agreements that accounted for 92.53%, and only 5 disagreements that accounted for 7.462% of the total votes respectively. From this, the hypothesis is disproven because there were less disagreements over issues voted on in UN General Assembly meetings in 2000 and 2010.

What are some of the things that can explain this situation/ or disagreements or agreements?

Although tracking and mapping Chinese investments like this research intends to do, it is not the only way to prove or explain how the Chinese are influencing other African countries and governments like they are in Ghana. It is likely that the Chinese are exchanging funding, labor, and expertise to African governments in exchange for not only votes on the global level, but for constant access to key raw resources and access to developing markets in the region. What this means is that they are not only focused on their role at the UN, but their access to key markets and resources that helps them for decades to come. This research is by no means the end all, be all, but rather a medium to begin the conversation about how actors like China and US that are supposed to help African countries develop are creating relationships and negotiation for their own personal gains. Secondly, these voting patterns might not be an inaccurate description of investments in their respective years. This is due to the simple fact that the investments date was based on when the investments were sent. As such, deals between Ghana and China that takes years to complete might skew the results of the data. These long project times could skew the results by delaying the time period that voting patterns start changing in the US. Additionally, some of the issues that were voted on could be responsible for some of the discrepancies that were observed in the data. In 2000, the UN General Assembly voted on non-contentious issues, while in 2010 came with more sensitive issues like Korea and Iran, humanitarian crises in Myanmar and debating maritime laws that have since become significant between the US and China.

What do Africans think about China?



<http://afrobarometer.org/blogs/heres-what-africans-think-about-chinas-influence-their-countries>

The graphics above are a good representation of the image of the Chinese in Africa. It shows the percentage of people in African countries. Not surprisingly, the countries in which less than half of the respondents had a positive opinion about the Chinese included Ghana, along with other countries like Egypt, Lesotho, and Morocco. It should be noted that in both graphics Ghana consistently ranks in the lowest approval of the Chinese. If China is an ideal partner for Ghana because of their relatively fast project completion times and their ability to invest large amounts of capital, why are countries taking some issue with their practices? For one, while China does provide cheaper goods and services to the African government, they do this by undercutting local Africans and making it hard for them to make money. Most people know that the Chinese bring over their own labor and machinery when they come to Africa to work, but most do not fully understand the impacts of this behavior. When the Chinese bring over their own people and machinery, it cheapens the cost of production, but in exchange, the Africans are not provided jobs, they do not get the necessary training to complete such projects for their own country, and they get left with the debt at the end, leading to African dependency on the Chinese.

Secondly, China is getting more out of the relationship than their African counterparts are. As Howard French put it, "one can hardly fault China for seizing on a great bargain" (pg.62). The trade deficit between the Chinese and Ghanaian government allows China to get away with some things they would otherwise have not had the chance to get away with. Two cases that best exemplify this are the environment and the textile industry in China. In the case of the environment, issues are mainly caused by Chinese mining practices. Chinese-Ghanaian mining relationship has gone sour over the years. This is mainly because of illegal mining. The practice is so widespread in Ghana that it has its own name, galamsey. In the Ghanaian constitution, mining is solely "reserved for Ghanaians." (theconversation) This statistic is more relevant when placed in the context that Ghana is now Africa's largest producer of gold. The large increase in gold mining in the region has resulted in a large loss of acres, 50% loss of water available for treatment, and environmental damage to land and water bodies caused by diverting water bodies for the mining process. (theconversation) Surprisingly enough, this is not the worst part for African governments. The kicker is the fact that the Ghanaian government is increasingly punished for cracking down on illegal mining in the country, with the Chinese serving as the primary offenders. The Chinese government keeps retaliating against the Ghanaian government for their raids on illegal mining even though these Chinese take local jobs, threaten the locals with weapons like AKs and pollute rivers. (the guardian). Since the Chinese government retaliates for these raids on their citizens with harsh interests and predatory loans, African governments like Ghana have no choice but to succumb to the whims of the Chinese, leaving some natives feeling neglected by their governments.

Arguably, the Chinese have the biggest impact on the textile industry. The textile industry, in some ways, serves as the fabric of Ghanaian society. In Ghana, textiles are an extension of emotion, sentiments, and people's experiences. People make custom apparel for weddings, funerals, and even graduations. There is a lot of pride taken in having bold and attention-grabbing colors. With textiles playing a huge role in Ghanaian society, it is surprising that the whole industry currently provides only 3,000 jobs, as compared to the 30,000 jobs it provided in the '90s, a timeline that

coincides with the increased migration of Chinese to Ghana. Currently, most of the major textile corporations are not owned by Ghanaians. Printex is the closest it gets to being native. Printex is owned by a Lebanese family that has lived in Ghana for generations. The changes are coming in the wake of an influx in Chinese textiles into the Ghanaian market. The Chinese fabrics are known for their cheap prices and their vivid colors, allowing them to even outcompete the Ghanaians themselves. The textile industry best exemplifies Ghanaian-Chinese relations. In its simplest form, the Chinese are more technologically advanced and experienced that it is hard for African governments like Ghana to compete and to have much of a say on the future of their relationship. In the end, the Chinese are much like the Western creditors that preceded them. Countries like the US provided loans and investments for African countries as a means to an end. Both creditors seek to better the state of their own country by focusing on acquiring resources and allies for the global market.

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