To what extent does China's Investments in African Railways Mirror Western Colonial Practices?

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Citation: Mathurin, Shaquille (2022) To what extent does China's Investments in African Railways Mirror Western Colonial Practices? The Mathurin Hybrid Initiative, Development, Corruption & Infrastructure, 1-9: https://www.mathurinhybridinitiative.org/development-corruption-infrastructure

1: Introduction

From as early as the 7th century, China and Africa have been in direct contact via sea routes and have maintained good trade and cultural exchanges. In more recent times, during the 1955 Bandung Conference, leaders from 29 Asian and African states met to discuss political and economic cooperation between the participating nations in the wake of decolonisation. Additionally, African nations were among the first to recognise the legitimacy of the victorious Chinese Communist Party (CCP) after the Chinese Civil War. With the proposed international solidarity between Asian and African states and the commitment of African leaders to recognise the CCP, China began constructing crucial infrastructures such as hospitals and schools in Africa (Shepard, 2019). China continues to invest billions of dollars and construct African infrastructure projects and have become the continent's most important trading partner and foreign investor.

Despite the historical and contemporary indicators of friendly relations between China and Africa, China has been accused of neo-colonialising African states by setting up debt traps. Coined by Brahma Chellaney (2017), debt trap diplomacy is when a creditor extends massive loans to a government for political and economic leverage. During the colonial era, western powers would also use infrastructure projects to further advance their political and economic interests on the African continent, with the primary purpose of extracting natural resources. This raises the question, to what extent does China's investments in African railways mirror western colonial practices? In this essay I argue that China's investments in African railways, unlike the colonial era, are mutually beneficial and necessary for Africa's development. To sufficiently answer my research question, section 2 will outline my theoretical approach while section 3 discusses colonial infrastructure practices. This will be followed by section 4, which consists of a case study of the Chinese built Madaraka Express, in which I will explore similarities and differences between Chinese investments in African infrastructure to colonial practices.

2: Theoretical Framework

The nature of this research topic is difficult to analyse with a single theoretical perspective. Therefore, this essay will comprise of a pluralist approach, combing modernisation theory and international political economy (IPE). In broad terms, modernisation theory analyses the process of state development and social evolution (Goorha, 2010). As various forms of infrastructures, such as communications or transport become more sophisticated, urbanisation and social mobility increases. Modernisation theorists argue that the advancement of scientific, transportation and technological infrastructures in a state will encourage economic prosperity (Githaiga, 2021: 260-261). A critique of Modernisation theory is that it often fails to consider "structural mechanisms of interactions between societies" (Tipp, 1973: 212), hence why this essay will also consider the role of IPE. IPE is a subdiscipline of political science that analyses the interaction between domestic and international factors on economic policies. In this field of study, scholars examine how domestic politics shapes foreign economic policymaking and the impact of international economic relationships on domestic politics (Frieden and Martin, 2003:119). Tipp (1973: 212) claims that any modernisation theoretical framework that fails to consider the role of international political relationships, trade and the cross-national flow of capital would have significant shortcomings. This reinforces the need to incorporate both modernisation theory and IPE in this essay.

3: Western Colonial Analysis

During what Rosa Luxemburg (1913: 419, 421) describes as the "imperialist phase of capitalist accumulation", colonial powers would provide loans to growing capitalist states to maintain some degree of influence. Foreign loans were used to apply pressure on local governments in Africa to exercise suitable foreign and commercial policies that favoured western interests. While analysing the impact of the international capitalist economy on colonial Africa, Walter Rodney (1972: 149) addresses exploitation of African land and labour to "repatriate the profits to the so-called mother country". This exploitation of African resources to profit colonial powers involved developing infrastructure designed for the purpose of extraction. As African labour was cheap, with labourers earning barely enough to survive, colonial powers turned a huge profit from extraction-based practices (Rodney, 1972: 149). Railways were an integral tool of the extraction process for colonial powers, as they promoted the development of agricultural and mineral resources for western markets (Omosini, 1971: 492). As a result, rail construction in Africa was regularly the largest single expense of colonial budgets (Jedwab and Moradi, 2013).

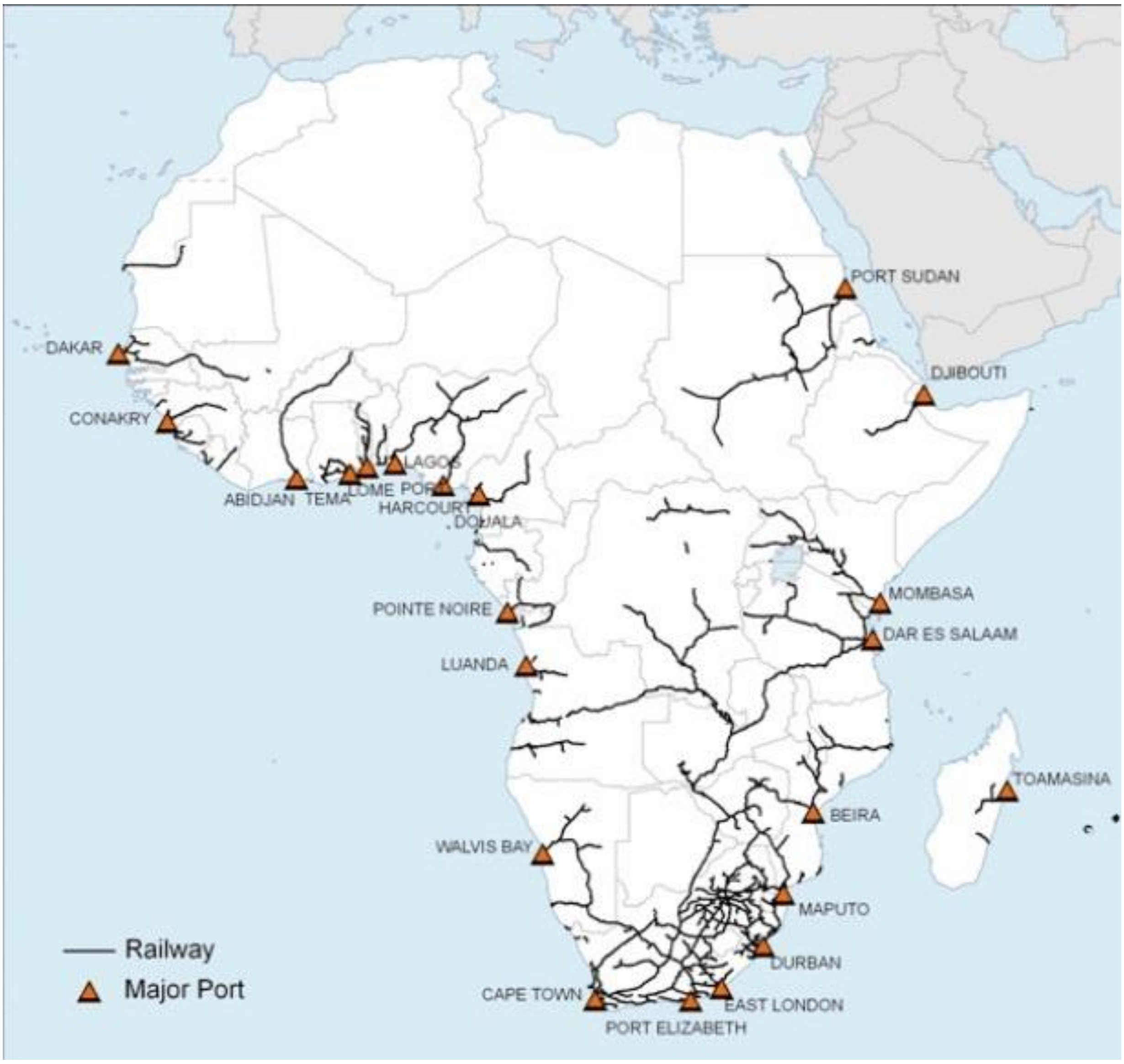


Figure 1
Source: Curator (2015)

Figure 1 shows how African railways were developed for the process of extraction of raw materials. The colonial railway networks shown in figure 1 were not designed to interconnect population centres but were designed to connect resource-rich land to African ports for shipments to Europe. For example, in Britain's "Cape Colony" in modern day South Africa, railway infrastructure was essential to connect South African ports to the rich diamond fields in the city of Kimberley. The promotion of the diamond industry was recognised as an opportunity for development of South Africa and would expand the fiscal capacity of the colony (Easton and Gwaindepi, 2021). Paid for by British loans, the construction of the railways to Kimberley would not be profitable until they could reach the diamond fields. The considerable distance of Kimberly to South African ports meant that a disproportionate number of resources were used for the railway's construction. 70% of all resources allocated to the Cape Colony's infrastructure portfolio was used for the construction of railways to boost the mining sector (Easton and Gwaindepi, 2021). Therefore, other infrastructure items crucial to communities such as public buildings or roads were heavily underdeveloped. Additionally, western diamond companies like De Beers who operated in South Africa paid minimal tax, meaning the debt of the railway's construction fell onto poor African taxpayers (Easton and Gwaindepi, 202).

Furthermore, the exploitation of workers and forced labour for the construction of infrastructure projects during the colonisation of Africa was commonplace. The ideological preconception that African's were lazy was used to justify not paying African workers appropriate wages. Therefore, colonial powers regularly forced Africans into the labour market and paid extremely low wages through legal forms of coercion (Okia, 2008: 266). Forced labour for the construction of the railways shown in figure 1 often led to the death of thousands of African workers due to the appalling conditions of construction sites. Between 1921 to 1933, the French forced tens of thousands of African villagers to work on the construction of the Brazzaville to Pointe-Noire Railway in Congo. According to Rodney (1972: 166-167), there was an annual death toll of 25% of the workforce constructing the Brazzaville to Pointe-Noire Railway due to starvation and disease.

4: Case Study of the Madaraka Express

Since gaining independence in 1963, the Madaraka Express is Kenya's largest infrastructure project, aimed at modernising the strained existing colonial transport networks in the country. Construction of the project was spearheaded by the China Road and Bridge Corporation (CRBC), costing US$3.8billion, spanning 480km and becoming operational in 2017. The Madaraka Express serves both passengers and cargo, recording 1.7 million passengers and 5 million tons of goods on Chinese supplied locomotives in 2018 (B1M, 2021), but is designed to carry up to 22 million tons of goods a year. The construction of the railway faced several obstacles, most notably building on the rugged terrain through Kenya's natural habitat. Also, two sections of the railway pass through national parks, causing conservationists to protest its construction (B1M, 2021). According to the Guardian (2018), after fears that the railway would endanger wildlife, the CRBC decided to elevate 6km of track running through the national parks with camouflaged and noise reducing pillars to maintain freedom of movement for animals. Nonetheless, since the railway's completion, travel time between Mombasa and Nairobi has been cut from 10 hours to between 4-5 hours for passengers, while freight trains make the journey in roughly 8 hours (Duddu, 2020).

4.1: Economic Opportunities

During the colonial period, railroads in Kenya were designed by the British to promote the creation of an agricultural export industry for European settlers. To achieve this, thousands of Kenyans were displaced from their homes and were forced to move to areas where cultivation of coffee and tea was more difficult

(Jedwab et al, 2017). However, as shown in figure 2 below, Kenyan communities began to grow over time around the railroad, shaping the economic geography of Kenya today.

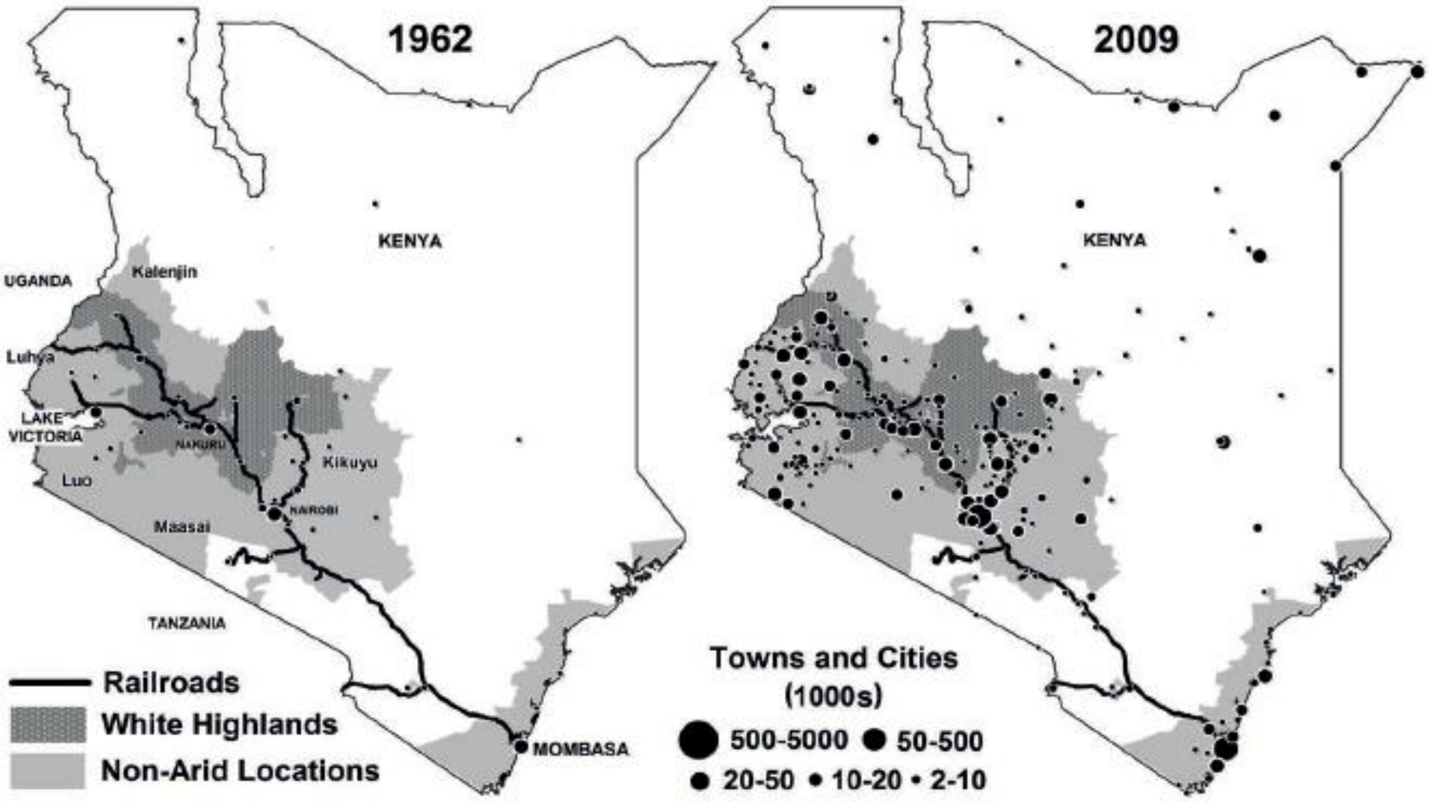


Figure 2
Source: Jedwab et al (2017)

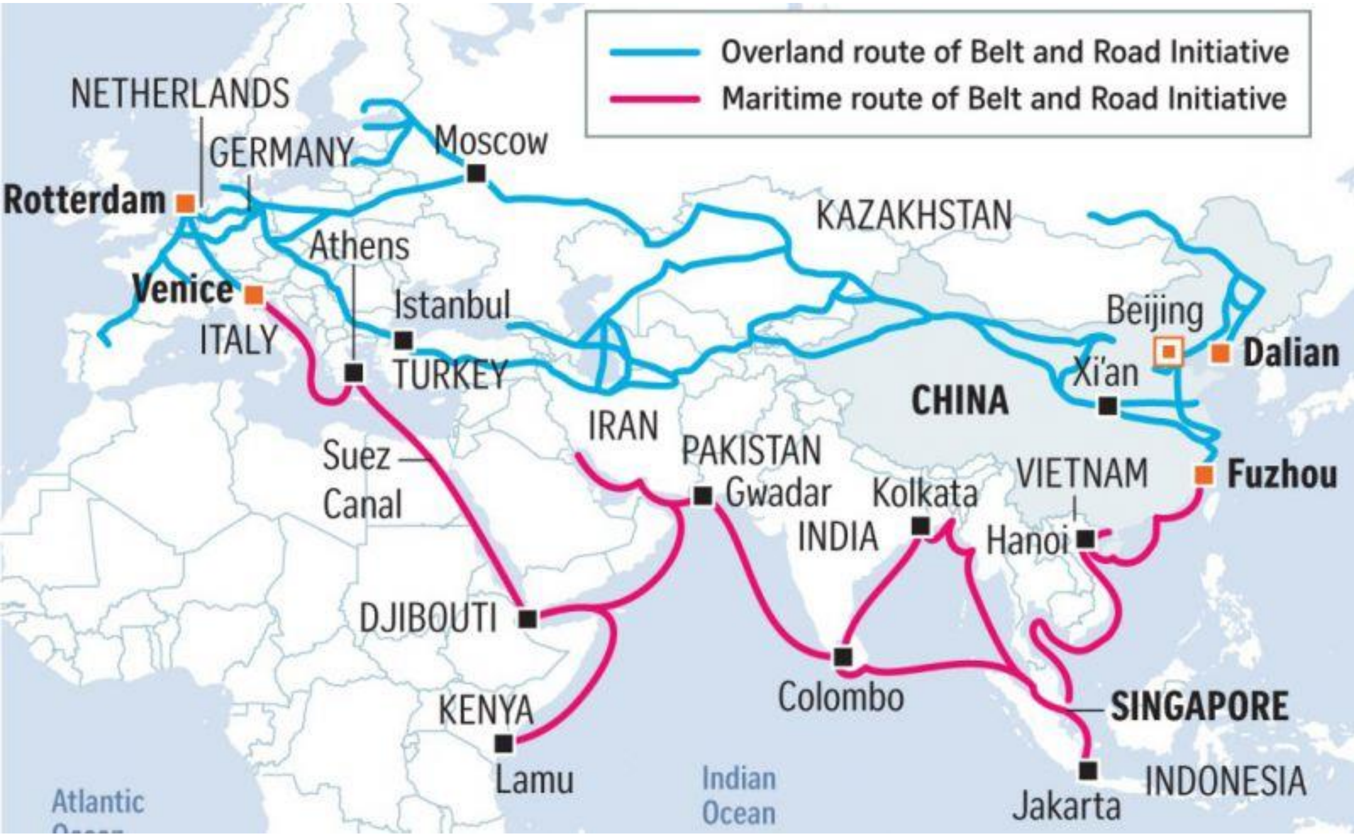
Unlike the colonial railways in East Africa that intentionally bypassed highly populated arears (Jedwab et al, 2017), the Madaraka Express connects some of Kenya's largest cities, with a USD$1.5 billion extension from Nairobi to Naivasha opening in 2019. There are also additional plans connect the railway to the capitals of landlocked Uganda, Rwanda, Ethiopia and South Sudan (Duddu, 2020). Rides through Kenya's Safari parks and shorter journey times has the potential to boost Kenya's tourism sector, with 70% of passengers between 2017-2019 being local tourists (Marsh, 2019). Additionally, the Madaraka Express is projected to handle 40% of Mombasa Port's traffic, with plans to carry up to 26 cargo trains a day (Marsh, 2019). As Kenya has one of the highest death rates from road traffic incidents in the world, the Madaraka Express provides a safer mode of transport for commuters while also reducing Kenya's excessive lorry traffic issues. Linking East Africa's largest port in Mombasa to the Kenyan capital of Nairobi, the railway also has the potential to unlock significant development opportunities in other sectors. For example, the railway has aided the development of Kenya's mining, oil, energy and agriculture sectors, as well as socioeconomic benefits such as employment growth (Patel, 2022).

4.2: Labour Issues

As discussed in section 3 of this essay, there was a common practice of forced labour by western colonial powers to construct railways in Africa. Colonial powers abused the lack of labour laws and subjected workers to brutal conditions. For the construction and operation of the Madaraka Express, there have been several issues between Chinese and African employees and difficult working conditions. There have been reports that highly skilled Kenyan workers have been underworked and assigned minor roles, while Chinese employees obtain higher ranking positions. However, there have been growing efforts to provide Kenyan employees with middle and high-level management positions (Ondieki, 2020). Although, Kenyan workers have complained about many operational items being written in Chinese and multiple reports of Kenyan employees not receiving their payslips (Ondieki, 2020). Chinese officials have also been accused of racially abusing Kenyan workers, with some Kenyan employees going as far as claiming they are experiencing neo-colonialism (Wafula, 2018). Though the treatment of Kenyan employees of the Madaraka Express may not be as bad as the treatment of local labourers during the colonial era and despite China making strives to transfer technical skills to Kenyan employees, the issue of race and unfair treatment of African workers remain the same.

4.3: Debt Trap Diplomacy?

Rosa Luxemburg's 1913 article, "The Accumulation of Capital" provides useful information on the practices undertaken by colonial powers to finance infrastructure projects. Luxemburg (1913: 421) claims that during the 19th century, foreign loans for railway construction in Africa was used as a tool for



imperial policy with the economic monopolisation of African communities and land. In comparison, Chellaney (2017) argues that China is engaging in debt trap diplomacy by luring developing states into unsustainable loans for infrastructure projects to advance China's geostrategic interests. By extending loans to strategically located developing states, countries find themselves increasingly vulnerable to Chinese influence. In the Belt and Road initiative (BRI) shown in figure 3 below, China has been financing and constructing infrastructure projects, not just in Africa, but in much of Asia and Europe. Chellaney (2017) claims this is a way for China to facilitate their access to natural resources and/or to open new markets for their export-based economy.

Figure 3
Source: Asia Green Real Estate.

In the case of the Madaraka Express, a 2013 World Bank Africa Transport Unit report concluded it would be financially more appropriate for Kenya to renovate the existing metre gauge network rather than investing in a new standard gauge railway, while still accommodating Kenya's projected traffic for 2030. Despite the clear warning signs of the feasibility of such a project, in 2014, the Kenyan government signed an agreement with the China Roads and Bridges Corporation to begin construction of a new standard gauge railway.

As mentioned, the state-owned China Exim Bank is responsible for 90% of the funding of the Madaraka Express, with a USD$3.2 loan to the Kenyan government. By the end of 2018, 22% of Kenya's external debt was to China, with debt service payments reaching US$888 million in 2020. However, as a part of the G20 Debt Service Suspension Initiative, Chinese lenders paused repayments (Carmody et al, 2022). Nevertheless, as a part of the loan agreements, the Kenyan government is legally required to pay a fixed quarterly operation fee to the railway's Chinese owned operator, Afristar, US$28.8 million. Kenya's failure to pay the quarterly fee to Afristar, has accumulated an addition debt of around US$350 million. Unless the high fixed operation fee is slashed in renegotiations between the Kenyan government and Chinese lenders, operation of the Madaraka Express may come to a halt, casting a serious doubt on the economic feasibility of the project (Carmody et al, 2022). Chellaney (2017) suggests that to some degree, it is better for the Chinese government if infrastructure projects paid for by Chinese banks become failures, as this would mean it would be harder for developing states to pay back loans. Thus, realist scholars may argue that the deeper the tax burden of smaller countries to China, the more soft power they will obtain. A key interest of the CCP is to strengthen its political legitimacy and increase its international influence and as a prerequisite for Chinese aid and investment, African leaders must support the CCP's "One China" policy (Hanauer and Morris, 2014). China also recognises Africa as the fastest growing market, but with less secure economic and political environments, providing Chinese diplomats better opportunities to negotiate favourable trade deals (Nantulya, 2018).

However, an increasing number of researchers are labelling the idea of debt trap diplomacy as a myth. Chatham House researchers, Lee Jones and Shahar Hameiri (2020) found that the BRI was not a predatory tool to trap developing countries for geopolitically factors. Jones and Hemeiri suggest that China's financial aid for infrastructures is primarily based on mutually beneficial economic principles. Jones and Hameiri (2020: 28, 19) highlight that developing countries are not "hapless victims" of BRI, but actively play an important role in influencing the outcomes of China's developing financial system and sometimes are the driving force behind infrastructure projects for political reasons. As Eichengreen (1995: 76) highlights, "foreign borrowing are prominent features of infrastructure finance in many developing countries" and the Madaraka Express simply continues this trend.

Moreover, from a modernisation theorist view, Kenya must heavily invest in transportation infrastructure to facilitate development and encourage economic prosperity. In developing countries, studies show that there is a correlation between transport infrastructure and modern development (Githaiga, 2021: 261). As Kenya does not have the fiscal capacity to accumulate enough capital to finance infrastructure projects of this scale, foreign loans are a necessity. Concessional finance from developed countries has significantly decreased in recent years and access to multilateral institutional financial aid has become increasingly difficult (Anam, 2021). The repercussions of this is that many other developing states who have the desire to modernise have very little choice but to seek Chinese financial support.

Furthermore, western loans during the imperial era in Africa were almost entirely designed for economic subjugation and control over African societies for the purpose of imperial policy and extraction of resources (Luxemburg, 1913: 421). Chinese loans to Kenya on the other hand have not subjected African communities to economic control for the purpose of extraction and have provided African nations an opportunity to develop. This has been evident in Tanzania, where Chinese loans for the construction of the Tazara Railway had a generous repayment schedule and promoted "self-reliance rather than dependency" (Monson, 2009: 148). Monson's (2009: 149) research on the Tazara Railway is useful and has similar findings to this essay. Monson concludes that the Tazara Railway significantly improved the lives of locals living along the railway and showed "what poor countries could do when they helped one another".

5: Final Discussion

From a modernisation theorist perspective, development of Kenya's transport infrastructure is an integral factor for Kenyan economic take-off, shown by how the Madaraka Express is having a positive impact on various sectors. Unlike the colonial railways of the past, that were built for extraction, the Madaraka Express is designed to promote economic growth, not only in Kenya, but the wider region of East Africa. I acknowledge western concerns about Chinese loans, construction projects and cases of poor treatment of African workers, however as Kenya does not have the fiscal capacity nor engineering expertise to construct such a project themselves. The increasing difficulty of obtaining western loans, highlighted by (Anam, 2021) makes China an attractive financial partner to African states. Though it can be argued that Kenya is simply a player in China's quest for global economic dominance through the BRI, China has offered Kenya and numerous other countries in Africa the opportunity to modernise and economically grow. As Rodney (1972: 149) states, colonial extraction practices were designed to repatriate profits back to Europe, whereas China's relationship with Africa is far more mutually beneficial and is not neo-colonial in nature. As a result, I disagree with Chellaney's claims that China is engaging in debt trap diplomacy with African states.

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Citation: Mathurin, Shaquille (2022) To what extent does China's Investments in African Railways Mirror Western Colonial Practices? The Mathurin Hybrid Initiative, Development, Corruption & Infrastructure, 1-9: https://www.mathurinhybridinitiative.org/development-corruption-infrastructure

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