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13. Africa's Perceptions, Prospects, and Strategies towards the US-China Tech Competition

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Introduction

The Western ideals of democracy and human rights are popular in Africa. Though not necessarily loved by many governments, they are popular enough that they have become a norm to which even rulers who trample them must pay lip service. But there is an idea that is even more popular in a continent that has suffered subservience for centuries, and that is sovereignty. In the contest between the US and China for the shaping of what Africa's tech environment should look like, the US and its Western allies have a few handicaps, among which Africa's aspiration to sovereignty is the most significant. Sovereignty does not mean, for Africa, the same thing as for the US or China. It is not about being the center and focus of the world: it is about survival – in the guise of economic development and transformation. In this struggle for development, it is not the wish of African countries to have to choose between the US/West and China. Western aid, both multilateral and bilateral, is crucial to development in many African countries. But the investment model of Chinese aid is friendlier to development and sovereignty in Africa in a long-term, structural sense, despite the risks, real or imagined, associated with growing Chinese influence. The Information and Communication Technologies (ICT) sector is a good illustration for this argument.

Africa's infrastructure problem

The vital challenge of Africa is its marginalization in the global economy. Historically, Africa has been central for the building of the Western-run economic world system, via its labor and natural resources, but it did not develop into a place attractive for Western capital, especially investment in production. Economists teach that there are three factors of production: land, labor, and capital. Infrastructure must surely be counted a fourth, since it is an indispensable input of growth. And among the parameters that make Africa less attractive than most other world regions, this is very clearly the most important. The continent has no shortage of "land," i.e., natural resources. It has a surfeit of unskilled labor, while skilled labor can be trained and/or imported (rich Arabian Gulf states import most of their skilled labor). And capital follows markets in which production and trade combine into cycles that reward investors with profit. But neither production nor trade can grow in any sustainable, let alone profitable way with unreliable electricity, poor or no roads and rail, and dilapidated wires and mail. Modern infrastructure was built in Africa in the early 20th century to serve colonial enterprise, which orientated it towards extraction, with roads and rail connecting sources of colonial products to ports. After the retreat of colonial empires, this infrastructure mostly decayed, except where enclave economies survived or were installed by international capital (mostly Western).

This history has created a context where use of infrastructure incurs higher cost than elsewhere while taking more time to yield lower returns. According to the African Development Bank (AfDB), Africa loses at least 2 percent of annual growth to poor infrastructure,²⁶⁶ a huge figure given the

²⁶⁶) African Development Bank Group. "Tracking Africa's Progress in Figures." Report, May 2014. pg48

rate of long-term economic growth it will take to get the continent in a cycle of development (7 percent in the tallies of the UN's Sustainable Development Goals, a rate not reached across the continent²⁶⁷). Currently, the African vision for ending the region's marginalization, as propounded at the African Union (AU), is to stimulate rapid growth in intra-African trade. Africa is the world region lagging the most in regional trade, a key launchpad of economic development. In 2018, the AU brokered an agreement for an African Continental Free Trade Area (AfCFTA) that enlisted within months 54 of the 55 member states of the regional organization. The ambitious goal was to boost intra-African trade by 52% in 2022 by removing tariffs on 90% of goods tradable among the countries. But even before the COVID-19 pandemic scrambled forecast on international exchanges, political will was hamstrung by the vast physical infrastructure needs on the continent; and even after the AfCFTA has harmonized legal and regulatory practices between countries, businesses and clients lack credible solutions for payment and communication across borders. Without the logistics that rely on sound infrastructure, free trade is a castle built in the air.

In sum, Africa has a strategic and urgent need for infrastructure development, which is a notoriously capital-intensive undertaking. In 2012 for example, the World Bank estimated the need for the building and maintenance of just physical infrastructure on the continent at \$ 93 bn per year, more than double the \$ 45 bn per year then available. And in modern economies, most rewarding trade solutions require wired infrastructure, which has very limited coverage in most African countries.

Yet one can be upbeat even about such a dismal situation and stress, as

267) Begashaw, Belay. "African and the Sustainable Development Goals: a Long Way to Go." Brookings, July 2019.

does the AfDB, that Africa's needs are "a unique opportunity to develop ... infrastructure in a sustainable manner" by "leapfrogging" into "the best innovations from around the world."²⁶⁸) In this view, unencumbered by the deadweight of legacy infrastructure - which most African countries lack in any significant amounts - states in Africa can look forward to increasing productivity in novel ways by embracing the future: Internet technologies, broadband connectivity, 5G. But that, too, requires development investment.

And that's where the US-China geopolitical tussle on ICT development becomes important on the African stage.

Western indifference, Chinese solutions

There are two big differences in the relations of China and the US with Africa. First, China has a developmental state, the US does not; and second, China has an African policy, the US does not. A developmental state - such as the ones all African countries had in the 1960s - actively coordinates public economic policy and private economic activity according to a governmental plan and vision. In China, the plan includes a global expansion of trade that aims at guaranteeing long-term access to raw materials and markets, seen as indispensable for China's own continuing development. It also includes, as a means to an end, the construction or acquisition, and at any rate the development of the tools that would facilitate such access: ports, roads, rail, ICTs. This instrumental objective is achieved via "lean and mean" private enterprise consistently supported by public policy, including in terms of finance. Western states, least of all the US, do not operate in this way (although they did in an earlier phase of their economic development).

268) African Development Bank Group. "Tracking Africa's Progress in Figures." Report, May 2014. pg48

In this context, Africa became a favored terrain for the deployment of China's plans largely because the West, in the Afropessimistic mood that dates back to the 1980s, had lost interest in what *The Economist* magazine, in an (in)famous headline of May 2000, called "The Hopeless Continent." Six years after that publication, France's president Nicolas Sarkozy said during a visit to Mali that "economically, France does not need Africa." If the leader of the Western country most entangled with Africa could make such a claim, one can only imagine what others might be thinking. At any rate this was taking stock of the fact that Africa had been virtually excluded from international commerce. In 2003, the World Trade Organization (WTO) recorded that Africa's share of world exports had fallen from 6% in 1980 to 2% in 2002, and its share of world imports from 4.6% in 1980 to 2.1% in 2002. With its vanishing export earnings and high political risk - due to instability - the continent was too much of a tough terrain for a Western capital used to snug and secure business environments in many other parts of the world. On the other hand, just a year after the dispiriting WTO report, Chen Jian, then China's deputy Minister of Commerce, quietly announced that "China will further expand telecom cooperation with African nations in line with mutual benefits and common development. The Chinese government will support its telecom enterprises to run more telecom services in Africa."²⁶⁹)

And so, it did. Between 2005 - when the plan announced by Chen Jian went into action - and 2020, Chinese tech investments and contracts in sub-Saharan Africa alone totaled \$7.19 bn, according to China Global Investment Tracker. Unruffled by Africa's "tough terrain," ZTE built 50% of Africa's 3G networks and Huawei built 70% of its 4G networks, in a context where, by 2019, such broadband connections have outstripped 2G

²⁶⁹) IDE-JETRO. "China in Africa." 2009. Chapter 9: "China's Telecommunication's Footprint in Africa."

connectivity.²⁷⁰) In term of handsets, which is the prime source of African access to broadband connectivity, the International Data Corporation (IDC) records that Chinese brands, with their cheap and slick products, make up over 64% of Africa's smartphone market (Huawei makes up about 9% of the market).²⁷¹) China is also taking the lead in the supply of other critical ICT technology to Africa, including data centers and trunk lines. Thus, in just fifteen years, China has become not just the dominant, but more significantly, the indispensable ICT partner of Africa. In the present international climate, that is a problem.

Elephants' fight

The US' quarrel with China is about world supremacy and political values. The US intends to stay "top nation," to use the phrase from the satirical book *1066 and all that*. And China appears increasingly an existential threat to the West's liberal-democratic ideals, of which the US is the self-proclaimed guardian. The threat is all the more serious because of China's spectacular economic prowess in a system which was presumably tailored to fit only liberal economic policy. In recent years, the flashing point of that new "yellow peril" is 5G technology and the way it is poised to shape the information society crucial to the politics and prosperity of advanced liberal democracies. The US has designed a policy response which, ultimately, risks rending the Internet itself, splitting it into a US-dominated Internet, and a Chinese-dominated one. Voices from the US - such as Google's former CEO Eric Schmidt and State Department advisor

270) Hruby, Aubrey. "The Digital Infrastructure Imperative in African Markets." Atlantic Council, April 2021.

271) Manek, Sheila. "Africa's Smartphone Market Grows in Q3 2020, but Feature Phone Shipments Decline." IDC, December 2020.

Jared Cohen – charge that this may result from China heading a combine of sophisticated autocracies which liberal democracies simply must oppose. In this developing ICT war, the US is already pressuring states and world regions to take its side. Africa, presented in this narrative as prey to a Chinese “charm offensive,” is no exception.

At the advancing edge of ICT innovations, China, a latecomer, lags behind in terms of operating systems and control over the kind of software, content and communication tools that are accessible on smartphones outside its domestic market. But it has taken the lead regarding 5G connectivity. The US wants to break that lead, citing the danger that it would be used by the illiberal world power to shape the information society of the future and leverage control to spy on and disrupt the governing centers of democracies. In recent years, China’s heightened anti-democratic or anti-liberal domestic policies – including increased censorship and intensive legal surveillance and monitoring of the population via ICTs – serve to justify such fears. As it actively organizes its own 5G development, the US has more or less successfully hampered the deployment of China’s 5G solutions in the West, even though they are cheaper and more efficient. It has also exerted pressure in Africa, not always unsuccessfully. At this stage, 5G deployment is still incipient worldwide. There are only 3% of mobile phone connections on 5G in the world, and while Asia, which is in the lead, has 5% of mobile connections on that service, the lead African country, South Africa, has less than 1% of mobile connections on it. Such figures only give to the supply of 5G service the looks of a race, since progress will come swiftly in rich markets. It is expected to be slower in Africa. But even there, the GSMA, the mobile telecommunications industry trade body, estimates that if 5G connections will make up only 3% of total mobile connections in Africa by 2025, there will be commercial 5G services in at least seven national markets in the

region at that date.²⁷²⁾

Given Africa's urgent need for gains in infrastructure, the US angst about Chinese lead in a "race" over 5G services often appears as political whim from the African vantage point. Regarding Chinese spying, African leaders were unfazed when French newspaper *Le Monde* broke with the story that China had bugged the AU headquarters in Addis Ababa in January 2018 (they already knew). Eric Olander, managing editor of the China Africa Project, points out that, as the revelations of Edward Snowden on the US National Security Agency detailed, collecting massive amounts of information via ICTs is not an exceptionally Chinese behavior, it is common "in international statecraft." On another score, the dual thirst of African countries for sovereignty and for ICT expansion can lead to states replicating Chinese political "characteristics" where sovereignty is equated with authoritarian governance via ICTs. In June 2021, Senegal, inaugurated a data storage center that will store all state data and repatriate all national data, with finance from a Chinese loan and equipment and technical support from Huawei.²⁷³⁾ If, as Senegal's President Macky Sall said, this would protect the country's sovereignty in terms of data storage, it will also provide the government with full access to the information on the servers, and the power to act on that information. In places where authoritarian governance is often a temptation, this is an apparent breach of the "free and open Internet" principles that the US promotes. And since it was accomplished with Chinese help, it seems to confirm the worries about China pushing the spread of technologically sophisticated autocracy. But as Iginio Gagliardone points out in China, *Africa and the Future of the*

272) GSMA. "G5 in Sub-Saharan Africa: Laying the Foundations." 2019.

273) Swinhoe, Dan. "Senegal to migrate all government data and applications to new government data center." DCD, June 2021.

Internet,²⁷⁴⁾ authoritarians in Africa have much more often exploited US-backed anti-terrorism agenda and securitization of development to legitimize repression of online activity than they have relied on any Chinese approach. And it is “Pegasus,” a software provided by a liberal democracy – Israel – that was used, in illiberal states in Africa and elsewhere, to pry on political opponents and civil society activists, not a Chinese instrument.

In fact, in Gagliardone’s analysis, given China’s need for increased access to resources and markets, and its latecomer status in Africa, it has been keener on market penetration, including by adjusting to the liberal political culture encountered in some of the countries – Ghana or Kenya, e.g. – than on exporting any political model, as Western countries usually seek to do.²⁷⁵⁾ This points not only to the pragmatism of Chinese engagement with Africa on the tech terrain, but also to the fact that it is shaped by an interaction of broad interests, determined by Africa’s quest for sovereignty and economic development on the one hand, and China’s vision of global relevance or dominance on the other hand. China’s policy is well accepted in Africa because China, despite its greater overall agency, appears to pursue its interests while recognizing those of Africa, in contrast to the West; but the West also has the benefit that its liberal-democratic discourse has strong resonance in Africa, especially in the civil society. In the end, what makes the difference is that China is willing to invest in Africa’s needs, and the West does not know if it wants to. And one is reminded of the African proverb that says, “when the elephants fight, it is the grass that suffers.” In the ICT clash between the American and Chinese elephants, Africa is looking for ways to get its ride while avoiding being the grass. Any strategic thinking

274) Gagliardone, Iginio. *China, Africa and the Future of the Internet*. London: Zedbooks, 2019.

275) Ibid.

in Africa would depend on changing options in the fast-evolving tech industry, but the rule of thumb is to help companies to reduce or avoid single supplier risk, even among Chinese suppliers. This can be done passively, as when African governments did not ban operators from using Huawei equipment, or actively, when governments look to support domestic operators on their choice of vendor despite outside pressures. Thus, in March 2021, the Kenyan government supported Safaricom, East Africa's biggest telecoms operator in its multivendor strategy - trialing both Huawei and Finnish rival Nokia - *and* in navigating US pushbacks.²⁷⁶⁾

²⁷⁶⁾ Mureithi, Carlos. "Kenya becomes the second African country to roll out 5G." Quartz Africa, April 2021.