Kenya and the 21st Century Maritime Silk Road

Implications for China-Africa
Relations

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Abstract: China remains Africa's largest financier of infrastructure, and the Belt and Road Forum held in May 2017 estimated pledge of funds of about US\$40 billion. Reportedly, projects worth much more than the

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pledged funds are in the planning or have been underway, making the “Belt and Road Initiative (BRI)” the biggest development initiative in history. China and Africa need each other in development, and the Asian giant continues to make inroads into Africa, home to minerals, oil, and other resources that help feed China’s phenomenal economic growth. This article intends to discuss the “21st Century Maritime Silk Road (MSR)” under the BRI and its socioeconomic and cultural impact on China-Africa relations, with an emphasis on China’s relationship with Kenya, a founding member of the East Africa community (EAC) that has enjoyed lasting friendship with China. It is concluded that despite the generally positive impact of Chinese economic presence in Africa over the past decades, both China and African countries have much to do to consolidate their mutually beneficial relationship and to achieve the MSR’s target of common prosperity in the long run.

Keywords: “Belt and Road Initiative (BRI); ” “21st Century Maritime Silk Road (MSR); ” transformation; cultural exchange; socioeconomic impact.

In view of China’s expanding economic cooperation with Africa, especially the growing number of infrastructure projects under China’s “Belt and Road Initiative (BRI),” this article discusses the potential benefits and risks that the BRI may bring to Sino-African relations. In particular, the article examines the financial and social effects of the various projects extending along the “21st Century Maritime Silk Road (MSR),” one of the two key components of the BRI, with an emphasis on Kenya, a founding member of the East African Community (EAC) that has been working closely with China over the past years in infrastructure improvement.

Two main questions are addressed in the article: first, what positive and negative effects does China-Africa cooperation in infrastructure projects create on both sides? And second, in what ways can both sides work closely together for more win-win results?

The 21st Century Maritime Silk Road: A New Opportunity for Africa

Sino-African relations have improved fundamentally since the end of the Cold War. In 2006, the Chinese government affirmed that China would

carry on with the tradition of China-Africa friendship for the fundamental interests of both sides and try to promote a new type of strategic partnership with Africa.¹ After a decade of strenuous efforts from both sides, the bilateral relationship has achieved balanced development in political, socioeconomic and cultural aspects, and is gathering new momentum for further improvement.

Today, China is Africa's largest trade partner, while Africa is China's major import source, second largest overseas market for development project contracts and fourth biggest market for investment. Close business cooperation and people-to-people exchange between China and Africa has enormously enhanced employment in Africa and helped China's financial advancement, setting a good example for South-South collaboration and balanced world economic development. In March 2013, Chinese President Xi Jinping visited Africa (Tanzania, South Africa, and Congo) and announced a series of new measures to help enhance Africa's development, particularly under the "21st Century MSR," providing new impetus for the advancement of China-Africa relations.

The ancient Silk Road was established more than two millennia ago during China's Han Dynasty (202 BC to 220 AD) to advance trade and social exchange across China, Asia, Africa and Europe; it secured trade routes of over 7,000 kilometers. Based on the historical example, Chinese President Xi presented the concepts of "Silk Road Economic Belt (SREB)" and "21st Century MSR" consecutively in 2013, later called the "Belt and Road Initiative (BRI)." As the most extensive and ambitious undertaking China has ever embarked on, the BRI has been endorsed by more than 60 nations, and seeks to benefit 63 percent of the world's total population. Moreover, it is anticipated to step up global commercial activities, upgrade industries in related economies and help stabilize the prices of raw materials, including oil. The BRI will not just benefit urban areas of trade or those that are viewed as dynamic markets, but also

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¹Chinese President Hu Jintao expressed this sentiment at the Beijing Summit of the Forum on China-Africa Cooperation (FOCAC) in November 2006. See "President Hu Meets 5 African Presidents in Beijing," State Council of the People's Republic of China, November 5, 2006, http://www.gov.cn/misc/2006-11/03/content_431680.htm.

advance economic and social development in the places along the shipping and commercial routes.

To Africa, the 21st Century MSR is of specific potential, as it “makes ready for more prominent transport network, provincial participation, exchange and advancement.”² In March 2015, China’s National Development and Reform Commission (NDRC), together with the Ministries of Foreign Affairs and Commerce, put forth an action plan for executing the BRI, which called for “five connectivities” including policy coordination, infrastructure connection, trade facilitation, financial integration, and people-to-people exchange. As presented in a 2015 talk by Ou Xiaoli, Counsel for the NDRC Department of Western Region, implementation of the action plan will center on two areas: first, building six economic cooperation corridors and key maritime pivot points; and second, strengthening cooperation in areas including infrastructure connection, trade and investment, resource exploration and finance.³ The SREB relates to the six economic corridors, namely, Eurasian land bridge, China-Mongolia-Russia, China-Central Asia-West Asia, the China-Indochina peninsula, China-Pakistan, and Bangladesh-China-India-Myanmar. The MSR relates to the maritime route; there are plans to build transport routes connecting major sea ports along the Belt and Road to strengthen Asia-Europe-Africa connectivity.

Africa is reflected in the initiative with Kenya identified as a key maritime pivot point. The maritime route also involves ports along the eastern coast of Africa, Horn of Africa and North Africa. With the initiative, a number of routes for transferring goods to Africa and within Africa are opening up. For instance, the Gwadar port in Pakistan, a maritime pivot

**China’s 21st Century
MSR injects new
momentum to
China-Africa
relations.**

²Adefolake Adeyeye, “China-Africa Relations: Musings from the Belt and Road Initiative,” NTU-SBF Center for African Studies, March 13, 2017, <https://www.ntusbfcas.com/african-business-insights/content/china-africa-relations-musings-from-the-belt-and-road-initiative>.

³“China Issues First Shipping Index Abroad,” China Daily, October 26, 2015, http://www.chinadaily.com.cn/m/ningbo/2015-10/26/content_22282080.htm.

point, has opened a new trade route for exporting goods to the Middle East and Africa. Chinese goods for export are transported from Xinjiang to Gwadar, using routes upgraded and developed under the China-Pakistan Economic Corridor (CPEC).

While China has been actively engaged in Africa since 1960, the MSR promises an intensification of Chinese investment on the continent, particularly in infrastructural ventures. Now, the MSR is poised to become a route linking Europe, Asia and Africa through the sea, with two ports in Kenya — Mombasa and Lamu — as important links to expand trade and connectivity with the African continent.⁴ As an indicator, over the past few years, China has initiated more exchanges and interaction with African countries. It was estimated that by 2014, China's total investment on the continent surpassed US\$240 billion, and that the number would keep increasing by an average of 16 percent each year afterwards.⁵ The major focus of Chinese investment is infrastructure construction, especially on networks of railways, highways and regional aviation. Other investment areas include the energy sector and manufacturing industry. Evidently, such investments and projects can both help realize the BRI and contribute to the revitalization and development of Africa.

The MSR involves the construction of a network of sea ports in the South China Sea, the Indian Ocean and the South Pacific Ocean. It will essentially connect Southeast Asia, Oceania, East Africa and North Africa, even the Mediterranean in the long-term plan. The African section of the MSR covers three countries: Kenya, Djibouti and Egypt. While no detailed project list has been made public yet, a major component of the MSR will involve the building of enormous infrastructure projects such as high-speed railways, highways and truck roads, air and sea ports, utility stations and power grids, oil and natural gas pipelines, and telecommunication networks.⁶

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⁴Jean-Marc F. Blanchard and Colin Flint, "The Geopolitics of China's Maritime Silk Road Initiative," *Geopolitics*, Vol. 22, No. 2 (2017), pp. 223–245.

⁵"'Belt & Road' Initiative: Increased Connectivity Linking China, Africa," Chongyang Institute for Financial Studies, December 7, 2015, http://rdcy-sf.ruc.edu.cn/index.php?s=/English/Index/news_cont/id/17059.html.

⁶Christopher Len, "China's 21st Century Maritime Silk Road Initiative, Energy Security and SLOC Access," *Maritime Affairs*, Vol. 11, No. 1 (2015), pp. 1–18.

The MSR will also entail the construction of large industrial parks and special economic zones (SEZs), coupled with manufacturing plants within these areas. Apart from these SEZs and industrial park investment dynamics, the MSR will witness further investment in shipping, construction, energy, commerce, tourism, information technology, biotechnology and alternative energy. In addition, the MSR will encompass trade fairs, exhibition halls and other structures that facilitate and support economic activities along the entire breadth of the MSR.

China has been working rigorously to bring the MSR to completion. So far, it has created the US\$40 billion Silk Road Fund (SRF), an infrastructure financing vehicle that will supply funds for construction of the MSR and other infrastructure. Also, it has established the \$50 billion Asian Infrastructure Investment Bank (AIIB), although its function is not confined to funding MSR-related projects. Beijing is also making other funding sources available for the MSR. For instance, China Development Bank reportedly plans to contribute more than US\$890 billion for new investment.⁷

However, the MSR is not just about hard infrastructure. The development of soft infrastructure is also an integral part of the MSR. For the MSR to achieve its full potential, nations along the MSR will need to, among other things, conclude or build upon existing free trade agreements in order to remove barriers to the exchange of goods, negotiate aid accords for projects, and conclude bilateral investment treaties that create a favorable ecosystem for infrastructure deals and construction initiatives, as well as liberalize market sectors for foreign investment and come to terms on agreements that allow for greater cargo and passenger flights and establish or bolster financial institutions. To help promote the process, China has made plans to give training

China has poured tremendous investment in building infrastructure along the MSR.

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⁷"Liuda Jingjizoulang Cheng 'Yidaiyilu' Gujia, Guokaihang Touzi 8900yi [Six Economic Corridors Become the Backbone of the 'Belt and Road'; China Development Bank to Invest \$890]," Information Office of the State Council of People's Republic of China, June 2, 2015, <http://www.scio.gov.cn/ztk/wh/slxxy/31213/Document/1436404/1436404.htm>.

opportunities to more than 20,000 so-called “connectivity professionals,” ensuring that there is adequate talent to nurture the development of the MSR.⁸

In turn, the 21st Century MSR will benefit China’s economic development in many aspects as well. Above all, it helps sustain and boost China’s growth by leveraging the MSR to promote trade and support industries with surplus capacity to sell more goods. The MSR also boosts China’s growth indirectly by supporting the development of countries involved in the MSR through the provision of aid, investment and loans, new markets, and technology. In the words of China EXIM Bank spokesperson, the MSR is “not only a boon for local growth but [it will also] facilitate a unified regional market and industrial value chains.”⁹

Beyond the above, China intends to use the MSR to facilitate the usage of its massive foreign currency reserves by funding MSR-related projects. It is also expected that the MSR will reduce China’s trade frictions with the Western world, although the current trade frictions between China and the United States seem to indicate the futility of such efforts.

The domestic objectives of the MSR for China are often neglected, but they should not be. It is expected that the MSR will accelerate regional development at the provincial and city level, enhance national integration and economic coordination among China’s sub-national divisions, and help advance China’s “Go West” initiative focused on the western provinces.¹⁰

Kenya on the 21st Century Maritime Silk Road

Since declaration of independence in 1963, Kenya has been one of the most stable countries and economic bases in Africa, and has thus become an important window and bridge for the outside world to access trade,

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⁸Patrick Mutua Kioko, “A Study on Chinese Economic Relations with Africa: Case Study Kenya,” February 5, 2012, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1998050.

⁹“China Exim Bank Boosts Lending to Belt and Road Projects,” *Global Times*, January 14, 2016, <http://www.globaltimes.cn/content/963636.shtml>.

¹⁰Michael Chege, “Economic Relations between Kenya and China, 1963–2007,” Center for Strategic and International Studies, June 4, 2008, https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/media/csis/pubs/080603_chege_kenyachina.pdf.

investment, and technological cooperation with Africa. Beginning in the 1990s, Kenya's domestic economy has developed steadily, creating an ever-larger market for international commodities. With deepening regional integration in eastern Africa in recent years, more foreign direct investment (FDI) and overseas businesses have come to Kenya, treating it as a gateway to east and central African markets. In 2008, the government of Kenya launched a national strategy called "Vision Kenya 2030," concentrating on the three areas of legislation, economy, and society, rigorously promoting development and striving to transform Kenya into a middle-income emerging market by 2030. To realize the Vision, the Kenyan government is taking every effort to improve infrastructure nationwide so as to enhance the local economy.

China's friendship with Kenya dates back to more than 600 years ago, when Zheng He, the great navigator of the Ming Dynasty, arrived in Kenya's Malindi during the fourth voyage of his Treasure Fleet. In 1963, China was the fourth country in the world to recognize Kenya's independence and establish diplomatic relations with it. Since then, in particular after the end of the Cold War, both countries have been engaged in an increasing number of high-level political and military exchanges. General Liu Jingsong, Commander of the Lanzhou Military Region, led China's first military delegation to Kenya in December 1996; Major General Nick Leshan, Commander of the Kenyan Air Force, paid a return visit in 1997. Kenyan President Mwai Kibaki visited Beijing in August 2005. In 2013, President Uhuru Kenyatta visited China and held talks with Chinese President Xi, signing economic deals worth US\$5 billion. In the next year, Chinese Premier Li Keqiang visited Nairobi on his Africa tour. He and President Kenyatta witnessed the signing of 17 deals to fund multiple infrastructure and other projects, including establishment of the China-Africa Development Bank.¹¹ In 2013, President Xi and President Uhuru Kenyatta jointly kicked off the China-Kenya Comprehensive Cooperative Partnership. In May 2017, President Xi and President Kenyatta declared to further upgrade their relationship into a Comprehensive Strategic Partnership.

Such shared political trust has laid a solid ground for China-Kenya cooperation in other fields. So far, both countries have signed a number of

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¹¹"Kenya, China Mark 40-year Diplomatic Ties," Xinhua News, December 11, 2013, <http://www.china.org.cn/english/international/82128.htm>.

bilateral agreements on economic, trade, technological and cultural cooperation.¹² Kenya is a major source of raw materials for China's industry, whose finished products constitute the largest imports for Kenya, mainly including household electric appliances, industrial and agricultural tools, textile goods, commodities for daily use, building materials, and drugs. At present, there are more than 70 large Chinese companies doing business in Kenya, the largest among them being Jiangsu International Economic and Technological Cooperation Co., China Road Bridge Construction Corporation, and China Import and Export Group.

As noted in a World Bank report, Chinese businesses in Kenya employ, on average, 360 local employees, far greater than the average 147 local employees employed by other foreign invested enterprises in Kenya.¹³ China's Xinhua News Agency set up a branch office in Nairobi in 1985; and starting from 1982, China has provided dozens of scholarships to Kenyan students every year. Furthermore, China has provided significant aid or low-interest loans to fund the construction of the Moi International Sports Center and methane-generating pits, the expansion of Eldret Hospital, and building of the Gambogi-Serem Highway, among other projects.¹⁴

In general, China's diplomatic relations, trade, FDI and aid to Kenya have generated a mixed impact, resulting in both gains and losses. On the one hand, large amounts of imports from China provide Kenyan consumers with affordable industrial products, although sometimes with rather poor quality. On the other hand, cheap Chinese goods put many local producers and family businesses out of jobs. A number of firms have collapsed as well due to their inability to compete with their more experienced and state-backed Chinese counterparts.

In recent years, Chinese enterprises have been increasingly engaged in infrastructure building, trade, manufacturing, services and other sectors;

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¹²For more detail, see "Bilateral Relations Between China and Kenya," Embassy of the People's Republic of China in the Republic of Kenya, <http://ke.china-embassy.org/eng/old/sbgx/t169682.htm>.

¹³"Kenya: A Long History of Beneficial Relations," Forum on China-Africa Cooperation, August 30, 2017, <http://www.focac.org/eng/zxxx/t1488481.htm/>.

¹⁴Chinese Foreign Ministry, "Exchanges and Cooperation in the Fields of Culture and Military Affairs," October 10, 2006, <http://www.china.org.cn/english/features/focac/183441.htm/>.

and they are working hard to integrate into the local market. Overall, they actively uphold their social responsibilities during business operations in Africa, and thus have earned much community trust and helped create a favorable local business environment. Nevertheless, there is still frequent violation of local workers' rights as well as disregard of their health, safety and welfare by some Chinese construction companies. As a result, local governments have issued stronger legal provisions for the protection of Kenyan workers.¹⁵

With a GDP of US\$63.4 billion and a population of 46 million as of 2015, Kenya is a natural point of entry for the MSR into Africa from Asia. Through an analysis of documents and news items, we can see clearly the projects linked to the MSR initiative. Among the core projects are upgrading of the Mombasa Port, building of a new ultra-modern port in Lamu, and building of a new standard gauge railway line linking Mombasa port, the capital Nairobi, and the land-locked neighboring countries. The railway and pipeline are planned to link the ports in Kenya to oil fields in South Sudan and Uganda, and even to Ethiopia, Rwanda and Burundi, facilitating exports for those countries. The railway line is expected to cover 2,700 kilometers in phase I, with construction of the 610-kilometer stretch from Mombasa to Nairobi already underway. The estimated cost of the railway line is US\$25 billion, 90 percent of which is financed by China EXIM Bank, while the financing source for the construction of the new port and the pipeline is still unclear.

China is most deeply involved in mega railway projects in Africa, some of which lie on the MSR routes. Apart from the above-mentioned 2,700-kilometer East African Railway line, China is also helping to build the 1,315-kilometer Kano-Lagos railway line in Nigeria, the 1,302-kilometer Bengue railway line in Angola (part of a total of 4,000 kilometers of railway in Angola constructed by China), 560-kilometer Belinga-Santa Clara railway in Gabon, 172-kilometer railway in Libya, and 430-kilometer railway in Mauritania. At the same time, China is constructing port facilities in Kenya (the Lamu port), Tanzania (the Bagamoyo port), Gabon (the Santa Clara port), and Djibouti (the Djibouti port), among others, with most road construction being handled by Chinese contractors with Chinese funding.

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¹⁵"China-Africa Relations: Something Besides Natural Resources," *People's Daily*, March 2, 2015, <http://en.people.cn/n/2015/0302/c90780-8855942.html/>.

The coordination between China and Kenya under the MSR initiative is now an outstanding case in Sino-African cooperation. To Kenya, the most salient impact of the MSR is on improvement of its infrastructure, with an estimated foreign investment of US\$25 billion on railway modernization, \$4 billion on construction of a pipeline from Kenya to South Sudan, and \$27 billion on building the Lamu port and related infrastructure.¹⁶ As Kenya itself cannot muster the funds, the BRI and its associated financial institutions have come in to help. When fully operational, these projects will greatly benefit oil export from Uganda and South Sudan, whose conflicts with the Republic of Sudan have led to challenges on exporting their oil to China and other countries — at the height of oil export by South Sudan before the conflicts, China imported 5 percent of its oil from the country, and now below 2 percent.¹⁷ With the ongoing conflicts, China's investment in Sudanese oil can hardly bear fruit, and thus the Kenyan route offers an opportunity for South Sudan to export oil to China without being frustrated by the Republic of Sudan — a win-win situation for both South Sudan and China. In a similar vein, discovery of oil fields in Northern Uganda also diversifies oil import source markets for China. As a land-locked country, Uganda can export its oil through Kenya. With the secure Kenyan route, China can advance the MSR into the African hinterland in the future. Besides, China can make Mombasa a strategic port of call in the event of any security challenge around the Horn of Africa.

East African countries can benefit greatly from the MSR.

The development of the MSR links the Kenyan port of Mombasa with those in Europe, the Middle East and the Asia Pacific region. As remarked by Professor Michael Chege, a Senior Adviser at Kenya's Ministry of Planning and Devolution, "The new maritime silk road will be a game changer for

¹⁶Raphael ZiroMwatela and Zhao Changfeng, "Africa in China's 'Belt and Road' Initiative: A Critical Analysis," December 12, 2016, <http://www.iosrjournals.org/iosr-jhss/papers/Vol.%2021%20Issue12/Version-1/B2112011021.pdf>.

¹⁷"Nansudan Neizhan Zaiqi, Zhongshiyou Henshou Shang [Civil War Recaptures South Sudan; CNPC Suffers Greatly]," Sina News, July 13, 2016, http://gd.sina.com.cn/energy/int/2016-07-13/nypd-ifxtwiht3718993.shtml?from=gd_cnxh.

Kenya as we explore opportunities in the new economic hubs like China and the gulf.”¹⁸ James Ndegwa, Deputy CEO of Kenya National Chamber of Commerce and Industry, also observes that “Kenya seeks to position itself as the gateway to east and central Africa while at the same time position itself as a point of exit for all products destined to Asia and Europe through port of Mombasa;” and thus “Kenya will also be a major beneficiary of the silk road strategy through LAPSET project.”¹⁹

As mentioned previously, the MSR also involves ports along the eastern coast of Africa, Horn of Africa and North Africa. Within Africa, benefits of the MSR can be seen in the transport and other infrastructure connectivity built by the Chinese, particularly in east Africa. For example, Kenya and Djibouti have had infrastructure projects carried out by Chinese companies, heavily financed by China EXIM Bank, including the US\$3.8 billion standard gauge railway (SGR) from Mombasa to Nairobi. The 609-kilometer railway project was developed by China Road and Bridge Corporation, and 90 percent of the funding was provided by China EXIM Bank, with the remaining 10 percent provided by the Kenyan government. Other phases of the SGR will seek to connect Mombasa to Uganda, Rwanda, and South Sudan, fueling the potential for increased economic growth and development for all those countries. China is also involved in the Lamu port project in Kenya. China Communications Construction Company has invested nearly US\$480 million in the construction of three berths. Upon completion, the new port will serve as a key passage on the South Sudan-Ethiopia Transport Corridor.

To show his zeal and support for the MSR, Kenyan President Uhuru Kenyatta attended the BRI summit held in Beijing in May 2017, along with Ethiopian Prime Minister, Egyptian Minister of Trade and Industry, and Tunisian Minister of Culture, among other African leaders. While China's BRI may be of concern to other African countries, Kenya sees great opportunities in the BRI, in particular the MSR, for Africa's development as set out in the African Union's "Agenda 2063."

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¹⁸Christine Lagat, "Kenyan Scholars say China's Maritime Silk Road to Open New Frontiers of Growth," *China Daily*, May 5, 2014, http://www.chinadaily.com.cn/world/2014livisitafrica/2014-05/05/content_17485307.htm.

¹⁹*Ibid.*

Undoubtedly, the MSR will increase the volume of exports and jobs as well as foster cultural and people-to-people exchange, creating a vast interconnected economic zone from the rapidly developing Asia Pacific region to the eastern coast of Africa. It offers an opportunity for the African and Chinese people to rediscover each other after over 600 years of engagement. There is great potential and hope for revived trade and investment, as well as the promotion of technology transfer and human interaction to new levels. Besides, the MSR will help reinforce the existing bilateral consultation mechanisms and inter-governmental links, which, in turn, will contribute to ever closer cooperation between China and African countries in different fields.

Challenges Ahead for China-Africa Relations

While there are more opportunities for the deepening of the China-Africa relationship as the MSR proceeds, new challenges are emerging for both sides on their way to closer exchange and cooperation. A major challenge is growing criticism, especially from Western countries like the United States, on China's "neo-colonialism" in Africa,²⁰ an allegation that China has always refuted. Take Chinese companies' performance in Africa, for example. Without a doubt, Chinese companies are Africa's first choice for infrastructure building because projects can be completed quickly and cheaply with minimal bureaucratic procrastination. Yet there is concern that the cheap fix in the short term may turn out to be expensive in the long run, as large-scale Chinese projects in infrastructure, mining and agriculture may bring about displacement and environmental damage to the livelihoods of host communities in Africa. Besides, many Chinese companies tend to bring their own workers for construction projects rather than hire the local labor, which is not helpful to the development of local job markets.

The second challenge is the negative social effect that the MSR may cause as it proceeds. In many African countries, the civil society tends to

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²⁰See, for example, Al Mariam, "Chinese Neocolonialism in Africa: The Dragon Eating the African Lion and Cheetah? (Part I)," Al Mariam's Commentaries, September 3, 2017 <http://almariam.com/2017/09/03/chinese-neocolonialism-in-africa-the-dragon-eating-the-african-lion-and-cheetah-part-i/>; Jean-Marc F. Blanchard, "Revisiting the Resurrected Debate About Chinese Neocolonialism," The Diplomat, February 8, 2018, <https://thediplomat.com/2018/02/revisiting-the-resurrected-debate-about-chinese-neocolonialism/>.

oppose various infrastructure projects that are deemed to have adverse effects on the community. For instance, in Kenya, the government had to pay millions of dollars as compensation to communities affected by building the SGR line. In some cases, the project has to be suspended by the courts until all compensation is settled. Environmentalists also took the government to court on the railway line passing through the Nairobi National Park, arguing that it would affect the natural habitat of wildlife within the park. Local laws are sometimes very complicated and time is needed to fully understand and abide by them. Unfortunately, Chinese companies do not always have the patience to familiarize themselves and understand these legislation before starting business. In this sense, ineffective communication is a major hurdle for future progress of the MSR.²¹

Behind China's trillion-dollar attempt to build a modern Silk Road is a lending program of unprecedented breadth, one that will not only help build ports, roads and rail links, but could also cause many problems to local banks and national economic programs. At the heart of the massive Chinese funds are China's two policy lenders, China Development Bank (CDB) and EXIM Bank, which have already provided US\$200 billion in loans throughout Asia, the Middle East and Africa. As the MSR grows, so do risks for policy banks, commercial lenders and borrowers, all of whom are entangled in projects with questionable business logic, bankers and business evaluation companies. Besides, several Chinese economic practices — including heavy reliance on imported Chinese labor despite generally high unemployment among indigenous populations, indifference to workers' rights, direct or indirect support for corrupt and/or dictatorial regimes, to name but a few — are fostering grassroots resentment, which may significantly undermine China's popularity and thus weaken the advance of the MSR.²²

Yet the biggest challenge to the MSR in Africa is the state of perpetual warfare and chaos experienced throughout the continent.

Lack of peace and stability in Africa poses a major barrier to the MSR's future.

²¹Mwatela and Zhao, "Africa in China's 'Belt and Road' Initiative: A Critical Analysis."

²²Frank Youngman, "A Study of Perspectives on How to Enhance Botswana-China Relations," Stellenbosch Discussion Paper, August 2017, <http://www0.sun.ac.za/ccs/wp-content/uploads/2017/08/CCS-Discussion-Paper-Botswana-China.pdf>.

War and conflicts of different types — anti-colonial, international, anti-terrorist, inter-state, and intrastate — have caused a heavy burden to Africa's development since the early days. At present, terrorism poses a major threat to the security and stability of countries along the MSR, while many countries in Africa are experiencing turbulence from regime change, with the Democratic Republic of Congo being a salient example. Not only does such conflict deteriorate the local environment for investment, it also threatens the safety and efficiency of existing projects, thus undermining the confidence of all parties involved. Therefore, China must work more closely with related African governments to promote the stability and security of those African countries, so as to create a favorable and sustainable investment environment for the MSR initiative to succeed.

Conclusion

The rise of China as a global economic power introduces new opportunities and challenges to the developing world. China's rapid economic growth and investment has exerted a lasting impact on Africa socially and economically, in particular through its bilateral economic and trade relations with African countries and their ever closer consultation and cooperation in international affairs. Over the years, China has become a major source of financial support for many African countries, especially for infrastructure projects in resource-endowed countries and others that are of geo-strategic significance to China. The Maritime Silk Road under the broader BRI is further deepening Sino-African relations and has appeared to develop quite rapidly up to date.

In the case of Kenya, the study discovers that China has invested heavily in the country, contributing to Kenya's economic growth and social development toward the realization of "Vision Kenya 2030." It also finds that despite the widespread negative reports by Western media, Chinese construction companies generally exert positive influence on Kenyan society in delivering quality work, enhancing competitiveness of the whole industry, and having the discipline to deliver within or ahead of deadlines, which helps Kenya to achieve its infrastructure development goals.

The study also validates that China's engagement in finance, education and telecommunications is of great help to Kenya's lasting development. China has contributed significantly to addressing Kenya's infrastructure

deficit. Roads, railways, power grids, and ports are being built at a speed out of anyone's imagination. These projects not only provide Kenyans with a leading source of employment, but the rapid improvement of infrastructure also boosts Kenya's economic performance. As the Kenyan government has exhibited a very positive and cooperative stance toward China's growing presence in the country under the MSR initiative, it needs to make sure that Chinese firms do not profit at the expense of Kenyans and indigenous firms, and that the China-Kenya socioeconomic relationship is perceived to generate win-win outcomes for both countries.

Kenya's case is to different extents echoed by other African countries, particularly those on the Maritime Silk Road. As the Kenya-China Economic and Trade Association observes,

*The increase in China's economic and political involvement in Africa is arguably the most momentous development on the continent today. . . Although Africa and China have been trading with each other for centuries, the level and intensity of their trade relationship have increased dramatically since 2000.*²³

Such intense dynamics generate much effect on Africa at large, both positive and negative.

Critics of China's growing presence in Africa often assert that China's financing of African infrastructure projects in exchange for the continent's natural resources is of an exploitative nature, a "neo-colonialist" or "neo-imperialist" behavior not very different from what the European powers did a century ago. They contend that China's BRI, especially the MSR, would aggravate the indebtedness of many African countries, and that increasing engagement of Chinese businesses and workers may to certain degree disturb the existing social order in some African countries and lead to higher unemployment rates.

Supporters, however, argue that China's engagement in building infrastructure such as roads, railways and telecommunications systems has been a boon to Africa's manufacturing sector and life of the general public,

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²³Kenya China Economic and Trade Association, *2017 Chinese Enterprises in Kenya Social Responsibility Report* (Nairobi: Chinese Embassy in Kenya, 2017), <http://ke2.mofcom.gov.cn/17en.pdf>.

for it frees up domestic resources in the continent's developing countries for such critical needs as education, employment and health care, and greatly facilitates industrial and commercial activities across the continent.²⁴ They believe that the MSR reflects China's vision of a new political transformation of goods and services, characterized by free-flowing ideas, goods, services and people-to-people interaction, where a shared economic future and common prosperity will replace suspicion and power game in the long run.

The debate over China's role in Africa is certain to continue in the years to come. In the meantime, China and African countries do need to pay more attention to improve their economic and social relationships in order to fully achieve the goal of the MSR — common prosperity.

Above all, China and African countries need to work together to strengthen the social basis for their relationship. In contrast to the rapidly expanding trade and investment between them is the slow progress in cultural, educational and people-to-people exchange. Lack of understanding and misperception is still common among the general public due to different cultures, languages and social norms. That understanding gap can only be bridged by closer social, educational and cultural exchange, in particular among the younger generations. Besides, China should nurture its own non-governmental organizations (NGOs) and civil society groups to create better platforms for public diplomacy and people-to-people exchange with African countries, which have a historical tradition and viable social structure for such "lower-level" exchange.

Next, as the world's second largest economy and one of the major powers, China should make bigger contribution to African peace and security. With the ever increasing investment and work force in Africa, China has a greater stake in maintaining peace and stability in Africa; besides, more active engagement in security issues in Africa helps prove China's commitment to upholding the international system and mitigate doubts of the international community on China expanding its military presence in Africa — such as in Djibouti and the Gulf of Aden — mainly to serve its own geostrategic interest. To make the BRI, especially the Maritime Silk

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²⁴"China's Investments in Africa: What's the Real Story?," Knowledge Wharton, January 19, 2016, <http://knowledge.wharton.upenn.edu/article/chinas-investments-in-africa-whats-the-real-story/>.

Road, truly engage and benefit all countries along the way, it is necessary to add more elements of security cooperation to the rapidly expanding trade, investment and joint infrastructure projects between China and African countries.

Finally, Chinese companies need to better address local concerns on technology transfer, equal employment and workers' rights in Africa. Chinese companies tend to fill technical and managerial positions with Chinese staff, while local workers have little access to learning of new technology or managerial experience. Even worse, some Chinese companies exercise, albeit unconsciously, discrimination against local workers and sometimes violate local law and provisions on workers' rights, such as Kenya's *Employment Act* (2007), which is to ensure equal employment and to protect the health, safety and welfare of local workers. Therefore, it is suggested that in future joint infrastructure projects between China and African countries, a deal should be settled beforehand on the percentage of local workers for technical and managerial staff, so as to facilitate the capacity building of local work force in Africa and ensure win-win cooperation between China and African countries in the long run.

China will continue to be an important partner for African countries in the political, security and economic arenas. The "21st Century Maritime Silk Road" offers an opportunity to deepen Sino-African relations and should be explored further by the leadership of both sides. So far, the MSR's effect on Africa has remained limited and does not mirror the optimism that the Sino-African relationship has attracted over the past decade. China and African countries must work together to seize the opportunity presented by the MSR to enhance their cooperation in all fields, which will benefit not only China and Africa, but also the whole international community as the Maritime Silk Road proceeds.