

# New Economic cooperation of China with Sub-Saharan Africa in Belt and Road Initiative

Weldegebriel Abrha Hagoss & Xia Youfu

## Abstract:

This study was conducted to investigate the effect of Chinese investment and trade on the business environment and Economic growth of Sub-Saharan Africa countries in the perspective of Belt and Road Initiative to improving the regional business environment and economy. The contribution of Chinese FDI and Trade has a positive significant effect to the economic growth of SSA and to linking with the international Business. The study used the BRI countries before and after starts from 2007-2011 and 2012-2018 respectively in 36 SSA countries. The new cooperation of Sino- SSA countries is not a threat and normalized the negative attitude of some western researchers about Sino-Africa. In order to more emphasize for all countries both China and SSA countries should do and revise their policy towards BRI. Also, it has an advantage to SSA countries and this study will help for the future base of Sino-Africa Belt and Road initiative research and emphasized both relationships.



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## Introduction

### Overview of BRI concept

In the last three decades, China has transformed from an agricultural, independent and inward seeing state into a global economic powerhouse next to United States (Cheung & Lee, 2015). Related to this the Chinese growing figure in the system of international, China has pursued to utilize influence on the global stage, from Latin America, Middle East, South East Asia, to Africa (Aaron L. Friedberg, 2005). To achieving its influence on the global stage the 21st Century Silk Road Economic Belt Initiative, informally known as “One Belt, One Road initiative” is a one way of China’s “global grand strategy” (ZiroMwatela & Changfeng, 2016b). The idea of China’s “One Belt One Road” (OBOR) initiative is derived from the ancient “Silk Road”, a route on land extending from the inland of China and provinces of western across central Asia, over the Middle East and ending of Europe. The Another road is also “21st Century Maritime Silk Road”, which starting from China’s Fujian seaboard, to the Malacca Straits, round the horn of Africa and through the Red Sea into the Mediterranean, ending in Venice. In the fifteenth century in China’s Ming Dynasty historical sea routes, Maritime Silk Road in which was a kind of to explore and trade with the outside world. The overland “Belt” links China to Central and South Asia and onward to Europe. While, the maritime “Road” links China to the South East Asian nations, the countries of Gulf, African East and North, and to Europe. The Silk Road Economic Belt and the 21st Century Maritime Silk Road which is called Belt and Road Initiative (BR) was introduced in 2013 by President Xi Jinping to guide China’s international cooperation for the years to come (Habova, 2015; Xi, 2013). Depends to president Xi, the BRI called it “the project of the century” Chen/Lin (2018). (Griffiths, 2017), The project has a targeted completion date of 2049, which coincides with the 100th anniversary of the People’s Republic of China (Powers, 2019). The Belt and Road Initiative listed some estimates as one of the largest infrastructure and investment projects in history, covering more than 68 countries, including 65% of the world’s population and 40% of the global gross domestic product as of 2017 (Chin et al., 2019; Enikeeva, 2017; Y. Liu & Lin, 2018; Musabelliu, 2017).

The China’s President Xi Jinping proposed in 2013 the Belt and Road Initiative (BRI) to improve cooperation and connectivity on a transcontinental balance in a speech to the Indonesian Parliament (Lan, 2014; “Xi ” 2013). According to the decision makers of Chinese “the Belt and Road Initiative should strengthen China’s mutually beneficial cooperation with countries in Asia, Europe and Africa and the rest of the world,” by focusing on projects like infrastructure connectivity, resource development, industrial investment, trade and economic cooperation, cultural exchanges, financial cooperation, encourage world peace and development, maritime cooperation and ecological protection” (“Vision and Actions,” 2014). Still the scope of the initiative is under study, Chinese government has never announced an official list which has a common confusion which countries are exactly included in the BR Initiative (Helen Chin, Winnie, 2016). But, currently it has two main components, each supported by important infrastructure investments: the “Belt” (Silk Road Economic Belt) and “Road” (New Maritime Silk Road). From this point of view, six economic overland corridors have been identified: these are 1), China to Mongolia to Russia Economic Corridor, the New Eurasian Land Bridge, 2), China to Central Asia to West Asia Economic Corridor, 3), China to Indochina Peninsula Economic Corridor, 4), China to Pakistan Economic Corridor, and 5), Bangladesh to China to India to Myanmar Economic Corridor (Liu Xiaowei, 2019). More than a millennium the Silk Road served as the world’s first trade “super high way” formally the Belt and Road Initiative emphasizes five areas of cooperation listed below as stated by (L. A. Johnston, 2016).

### **Coordinating development policies and strategies**

With the BRI China can promote cooperation of intergovernmental with communication instruments and macro policy interchange. Besides, among BRI countries sharing of political trust and policy ideas will be raised which China also can give policy guarantee to come for future projects and trade cooperation at regional level (BDO, 2015). Still now, for on jointly contributing and building the BRI China signed 100 collaboration contracts with 86 countries, international organizations and regions. Besides, 54 BRI economies from 106 countries of bilateral tax treaties, contracts and preparations with the region signed by China (Ernst&Young (2018).

### **Shaping infrastructure connectivity and network facilities**

As many countries inline in the BRI still has a lack of a technical standard systems and proper network infrastructure which the BRI gives priority to connectivity of infrastructure. This is also important to bring connectivity of infrastructure of BRI countries which have a plan to build infrastructure network for links the some parts of the world like Asia, Europe and Africa. In the transport sector includes highways, railways and sea ports, energy, aviation and communications BDO (2015). The infrastructure construction and its operational management will allow environmental fiendish to control climate change through green and low-carbon NDRC (2015). The new initiative of Belt and Road of China signed with 61 BRI countries project in 2017 with the value of USD 144.3 billion with increasing every year by 15% Ernst &Young (2018).

### **Establishment of trade and investment facilitation**

The BRI will have a chance to extended collaboration through trade and investment acceleration by solving its obstacles in the BRI countries to ensure a complete business environment. Due to this the BRI countries will get a new area for economic growth and improved and develop a trade structure. Besides, the objectives of BRI further on bilateral investment negotiation with protection and avoidance double taxation contracts. Through this investment and trade will integrated and trade also will promoting (BDO (2015. The policy makers of China encourage Chinese enterprises to build construction infrastructure in other countries in line with the Belt and Road (NDRC, 2015).

### **Increasing Financial Integration**

For the successful of BRI countries the financial integration is very important. Under this in the planning stage there are three systems will be implemented, mainly in Asia: investment and financing, currency stability and credit information systems. The Major financial organizations are the BRICS New Development Bank, AIIB, the Silk Road Fund and the China Development Bank (CDB) are very crucial facilitate the cooperation of multilateral financial (BDO, 2015). AIIB is opening in 2016 which has issued loans worth USD 4.2 billion approved for 24 projects. The Silk Road Fund also funded around USD 7 billion since 2015 for 17 projects. Particularly the mergers & acquisitions (M&A) of China to overseas in the BRI countries recorded of USD 48.2 billion Ernst&Young (2018).

### **Expanding cultural and social exchanges**

The cultural and academic exchanges among BRI countries can contribute to the upgrade of public support like economic and political cooperation through expanding of multilateral and bilateral collaboration (BDO, 2015). China Also wants expand the collaboration in science and technology through research and development centers, joint labs, and think tanks and transfer global technology and maritime collaboration centers. The BRI countries also create youth employment, training for entrepreneurship, and development of vocational skill linked

to science and technology (NDRC, 2015). Generally the BRI creates trade and regional production chains through a transformational system from traditional to the dynamic of FDI comparative benefits based inter to intra-industry trade (Chen/Lin, 2018). Similarly, the relationships of Sino-African countries have grown from the Bandung conference since 1955. In the recent decades the impact of Chinese growth and enterprise across African countries in both economic and political rising has attract the attention of the World (Karim & Islam, 2018). The relationship of Sino- Africa has dramatically growing and changed for Africa's development conditions. The politics and identity of Africa's, the new Sino-Africa partnership, which rhetorically stresses friendly, equal rights, respect, and characterizes an enormous increase in self-esteem. The fact that no longer treated poor recipient continent but seen as contributes significantly in investment and trade partner. Strategies for the exploitation of this partnership for its own development process currently exist on the Chinese side, while they are lacking on the African side (Hofmann et al., 2007). In the last 15 years the investment of China's in Africa has rapidly increased and China has become Africa's largest trading partner. This increased interdependence has accompanied by principles of South-South cooperation (Cotula et al., 2016).

The central idea of the international political economy (IPE) of the "One Belt, One Road" initiative, which covers about 65 percent population of the world and one-third of GDP of the world, it is to create feasible economic belts in terms of over land belt and a maritime belt that includes surrounding China's neighboring countries on the original Silk Road through Central Asia, West Asia, Middle East and Europe and facilities of China's port with the African coast, insistent up through the Suez-Canal into the Mediterranean respectively. The OBOR Chinese official plan and vision were visibly indicated in a documentation central section "Vision and Actions on Jointly Building Silk Road Economic Belt and 21st Century Maritime Silk Road" in March 2015 ("Vision and Actions," 2014). In this document has a key message to the world is "peace, development, cooperation and mutual benefit". The OBOR project encompasses billions of Chinese-led investment packages covering a network of infrastructural projects, plus roads, railways, ports, telecommunication systems and energy channels. This can help to improve economic interlink and assist developments across East Africa, Eurasia and more than sixty partner countries. Beijing sees OBOR as a big potential for economic improvement and better security of borders and peace, China's positioning in the western countries for future economic center of gravity. The highest objective of OBOR is to put in the position of global economy as China's dominant player in the coming new world order. The end state of OBOR is the building of a "Community of Common Destiny for Mankind", defined as a new global system of alternative economic, political, and security "interdependencies" with China at the center which Chinese leaders describe OBOR as a national strategy, with economic, political, diplomatic, and military elements, not a simple succession of initiatives (Nantulya, 2019). The initial focus has been infrastructure investment, education, construction materials, railway and highway, automobile, real estate, power grid, and iron and steel (Hoang, 2016).

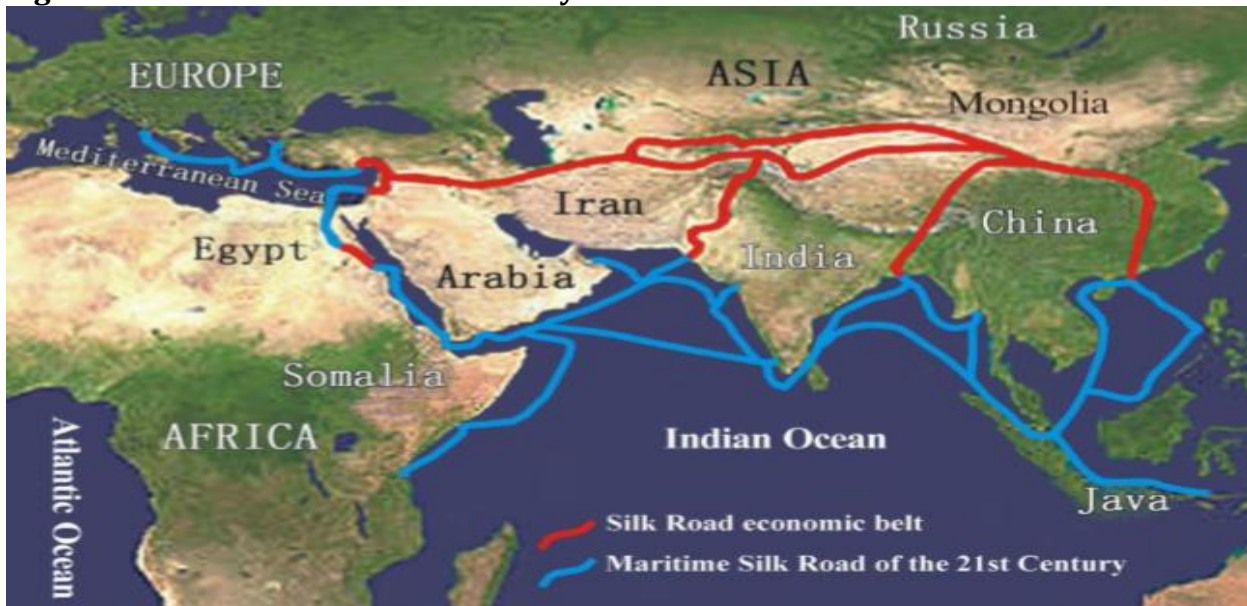
The reaction of China as a whole for its great economic project across the continental has a positive and excited. Except some minority opinion makers, the majority policy makers, academicians, business communities and think thanks of Chinese have understand OBOR Initiative is a new project for emphasizing the objective stated officially by China, which is, to "introduce positive new energy into the world peace and development". Also, it takes as an effective mechanism to succeed the "Chinese Dream", a dream of reinstating and legitimizing the recurrence of China as a world power. Recently, this OBOR initiative has taken one of the hottest issues in both academia and Chinese media ( Feng 2016; Zhao 2015; Zou 2015, Yuan,

2019). From the top active scholars in writing and legitimizing about the OBOR initiative is Wang Yiwei (Wang, 2015,2016,2017a,b,c), who sees as fundamental transformation of China from rule-follower to rule-settler and sees in the angle of a global public create a good relation through international cooperation and expects a benefit from economic expansion outward of China to the neighboring countries and regions.

The final goal of the OBOR initiative is to forward the country's local overloading and capital for infrastructure development of the regional, Chinese industry and production keep to continue healthy and to sustain a low unemployment rate through holding an acceptable GDP economic growth rate. Externally, the objective is to continue the Chinese goods and services transmission to new markets and to increase trade which creates a relation with Central Asia, Southeast Asia and the European countries (Xing, 2018; Zhang Jian, 2014; Zhang, 2016).

### **The strategy of China in the One Belt One Road Initiative in Africa**

Over 2100 years ago in the time of Han Dynasty (206 BC to 24 AD) the original Silk Road was started to develop culture and to promote trade among China, Asia, Europe and Africa which is covered over 7000km (P. Li et al., 2015). The New Economic Silk Road and Belt launched warmly as OBOR initiative was introduced by China's President Xi Jinping as the foundation of his economic and foreign policy in 2013. In the First time in September 2013 in Kazakhstan at the Nazarbayev University he introduced the Silk Road Economic Belt in the second part also followed in October 2013, the 21-Century Maritime Silk Road introduced in Indonesia (Ravi, 2016). China has ever embarked like this the most significant and influential project on (Gimba, 2018) as cited from Varlare & Putten (2015). This project is contained of two codependents and correlated concepts (Silk Road Economic Belt and Maritime Silk Road). The belt is covered a complete set-up of roads, rails ways, gas pipelines and power grids that outing over land from Central China through Central Asia, to Moscow, Rotterdam and Venice (EUR-ASIA) and will included many projects and pass to many countries. The Maritime Silk Road also in the oceanic equivalent. It involves the structure of sea ports starting from the South China Sea, Indian Ocean and the South Pacific Ocean. It will interconnect South East Asia, Oceania, East and North Africa through the Mediterranean. As stated by Varlare & Putten (2015) and cited by (Farooq et al., 2019a; ZiroMwatela & Changfeng, 2016a) the initiative core pillars are "promotion of policy coordination, unimpeded trade, facilitating connectivity, financial integration people-to-people bonds". The objective of this paper will concern the partnership of China and Sub-Saharan African through the lenses of OBOR Initiative. It search to find responses to the degree of Africa's involvement in the global strategy of China's BRI, its status in Africa especially in SSA, the project benefits and their distribution with future opportunities between China and Africa, the effect of Chinese investment and trade in the perspective of the OBOR Initiative with China and Africa (SSA) relations which this research hopes to provide Africa's position in the new China's plan, the importance of China to Africa and vice-versa. Different actors like the western world China is acting as expanding its engagement with Africa being labeled as a new colonialism or neo imperialism(Naidu, 2006).Due to this paper will concern China and Sub-Saharan African belt and road which covers the BRI countries like; Kenya, Djibouti and from North West Africa also Egypt.

**Figure 1 New Silk Road of 21th century**

Source: Li, 2015

### **Financial sources of One Belt, One Road**

The BRI under three continents from the world. Such like Asia, Europe and Africa with the goals of 4.4 billion peoples in 67 countries which directly representing 63 percent of the total population in the global with a GDP of 2.1 trillion US dollars and represents 29 percent of the total GDP in the world (Leverett et al, 2015 as quoted in Fasslabend, 2015) sited in (ZiroMwatela & Changfeng, 2016a). The financial sources of the initiative are the Asia Infrastructural Investment Bank (AIIB, USD100 billion) and the Silk Road Fund (SRF) with USD40 billion funding portfolio which will subsidize the main part of the projects within the BRI (Cheung & Lee, 2015). In December 2014 the Chinese government established the Silk Road Fund (SRF) for development and investment fund with initially total capital fund US\$40bn. The first installment of US\$10bn was contributed by the State Administration of Foreign Exchange (US\$6.5bn), Export-Import Bank of China (US\$1.5bn), China Investment Corporation (US\$1.5bn), and China Development Bank (US\$0.5bn). During The Leaders Roundtable of the BR Forum for International Cooperation held in May 2017 the Chinese President Xi announced that China would increase the Silk Road Fund's capital by an additional RMB100bn to support OBOR's development. The fund is dedicated to supporting infrastructure, resources and energy development, industrial capacity cooperation as well as financial cooperation in countries and regions along the OBOR. Therefore, these funds are very essential for the impact of the project and more creating conducive business environment.

### **The presence of 'One Belt, One Road' initiative in African countries**

China is adding more countries to sideways of the Indian Ocean to the BRI even without an official MoU and deliberately China's approach to selected African countries, current regulatory and institutional reforms in its international cooperation and foreign aid mechanisms recommend that the BRI will have a far-reaching impact on African countries (Jiang, 2018). This China's international cooperation incremental will affect African countries in one way or another, hence debates on how African countries could benefit from the BRI for their future development and business environment is becoming important.

The BRI for the time being will remain in a Eurasian centered initiative, but step by step it will be increasing in the future of Sino- Africa relations. So far, the only two African countries South Africa and Egypt have signed with China on the memorandum of understanding (MOU) of BRI and gradually the East Coast of Africa becoming part of the initiative. In spite of the lack of clarity how the right role belongs to African countries which the east African countries are like Djibouti, Kenya, Tanzania, Mozambique, and Madagascar are very essential for the hubs to expansion of the BRI to the whole African countries. The countries of landlocked like Ethiopia and Rwanda will have a good opportunity to use the initiative for their industrialization and development because of their strategic importance for the initiative (Demissie, 2018). The East African countries will have positively influence for BRI future development in the region. All East African countries have geopolitical importance to China which has a shipping route connecting the Indian Ocean and the Mediterranean Sea (Demissie, 2018). According to Xinhua News Agency 2015, from Africa three countries directly involved in the new belt and road initiative; these are Egypt, Kenya and Djibouti. But, the degree of their involvement is not clear, indicating with many documents Egypt as the only African country to be included in BRI. Numerous factors have been recognized for the addition of these only 3 African countries into the central part of China's diplomacy in 21st Century (Farooq et al., 2019a; ZiroMwatela & Changfeng, 2016a). Because, Kenya is where the maritime route connects with Africa, Djibouti is where the Chinese military base is located and Egypt has Suez Canal. Outside that, it is difficult to know which other countries are clearly included (Van der Merwe, 2019). The three channels of engagement through OBOR (government, business and media) taking into account how to integrate the countries and regions clearly into China's government-business-media (GBM) with mode of networked capital accumulation.

### **International Politics, Security of Belt and Road initiative with Africa**

The international geopolitics has been considered by the power of politics. Traditionally the region horn of Africa and the Suez-Canal has been a Western-controlled zone with the US and US alliances being the principal guarantor for the security maritime. Any powerful state controls that regional security and the maritime trade routes between Asia, Europe and Africa. From the three African countries part of OBOR Egypt and Djibouti are strategically located at the core of global geo-politics play area. Now Djibouti is somewhat exceptional as it hosts military bases for France, US and recently China. Even though the fight against pirates has one of the propellants behind this geopolitics, one can't fairly push the power struggles as presence the real element for these having great powers such a heavy military being there in the region. The entry of China into Djibouti and the region could side and straighten of security partnerships that have new strengthened of global order since 1945 (Tomlinson, 2016).

The strategic geographical location of Egypt at the Suez Canal gives an essential status, the reason why in the first time Egypt the only African state sign bilateral agreements with China on OBOR in official. The BRI could not afford simply to exclude Egypt. In the other way, there is a logical assumption for the inclusion of Djibouti than from the official pronouncements. As stated above the reason behind is under the quest for global dominance and the geopolitics of the horn of Africa. Djibouti and Egypt are very critical with 30% of world shipping passing through the entrance of the Red Sea from the Indian Ocean and on to the Suez Canal (Tomlinson, 2016). Kenya is included as the third African country on the semi-official route map of the OBOR, by both governments there is no official declaration has been made. It is an interesting example inclusion makes as no direct political, security, trade or other economic link can be remarked from the beginning. Kenya is neither resource rich nor high trading partner with Beijing. Its location is far the East African Coastline of the Indian Ocean, in relation to some other key partners of China still, can provide indicators into why it was



chosen into OBOR. Geographically, the main oil exporter to China is through Kenya borders of South Sudan. With the violence between South Sudan and Sudan being far from over, the China's real need to find an alternative route to export oil to China (Zhou, 2014). Kenya deals this alternative hereafter maybe clarifying her presence in the project of OBOR.

### **Regional presence in One Belt One Road**

Geographically Countries included in this project from global are three, fourteen, three and twenty countries of Africa, Middle –East, Asia and Europe respectively. From African continent Kenya, Djibouti and Egypt are involved and the others also from Middle-East, Asia and Europe. the initiative reach geographically from 67 countries only three countries representing from 54 African countries which is 4% means insignificant number (L. Johnston, 2016; ZiroMwatela & Changfeng, 2016a). The World Bank estimates a cumulative GDP of USD341.8 billion for these three African countries combined in 2018, with Egypt contributing the largest share of 332.9 billion US dollars in 2016 and in 2018 250.9 billion US dollars in GDP (World Bank, 2019). Together, these countries also have a combined population of over 138 million people 2018.

### **Main projects and it expected Impact by Country**

#### **Expected Impact in Kenya**

With a GDP of 87.91 billion US dollars and a population of 51.4 million as at 2018 (World Bank, 2019), Kenya is the point of pass of maritime silk road from Asia to Africa. From the projects upgrading the building of a new Kenyan port of Lamu, Mombasa Port, building a new standard railway line connecting Mombasa port, Nairobi and other neighboring land locked countries. The pipeline and railway is visualized to link the Kenyan ports, to oil fields in Uganda and South Sudan, although joining with Ethiopia, Burundi, and Rwanda facilitating export trade products for these countries. Having secured maritime access to Kenya, China has also optimized the opportunity for OBOR expansion into the African hinterland via rail or roads (ZiroMwatela & Changfeng, 2016b). The expected railway line is to cover 2,700km with phase I, from this the construction underway Mombasa to Nairobi is 610 kilometer stretch. The estimated cost of this railway line 25 billion US dollars being covering 90% of the costs by the principal financier of China's Exim Bank (L. A. Johnston, 2016; S. Li, 2017; ZiroMwatela & Changfeng, 2016a) as sited in (BBC, 2014 and CNN, 2016). It is unclear financing for the construction of the new pipeline and Port, with doubt on what the role of BRI institutions AIIB and SRF have in the Kenya. It is unprofitable with the lack of a clear bilateral agreement especially how Kenya and China will work in the new Silk Road venture.

The significant impact on the infrastructural front in Kenya, with an estimated USD 25 billion FDI capital on the modernization railway, new pipeline from Kenya to South Sudan by USD 4 billion, although to complete Lamu port with related infrastructure investment will be USD 27 billion (Achuka, 2016). Kenya cannot raise this capital, but the BRI and its associated financial institutions can cover and link the deficit of finance. After the projects wholly operational will have a benefit oil export from South Sudan and Uganda, the conflict of Sudan and south Sudan directed to challenges on exporting oil to China and other countries. Before conflict the successful oil production by Sudan, China imported 5% of its oil from Sudan (Shinn, 2014, "Vision and Actions " 2014). However, due to the result of separation by conflict between the North and South, 25% of the oil fields retained by Sudan, while South Sudan retained 75% oil fields. The conflict is under agreement, but still China's investment in the oil of Sudan not reach as optimum production of oil has not achieved. Therefore, the Kenyan route deals a chance for South Sudan to export oil to China without being unsatisfied by the North Sudan, a win-win position for South Sudan and China. On the other hand, discoveries of oil fields in



Northern Uganda expand oil import source markets for China. Because of Uganda is landlocked which can export its oil through Kenya. With the secure of Kenyan route, China also following any forecasts for future Belt Road development into the African surroundings, while getting a strategic port for any security challenge in the horn of Africa (L. Johnston, 2016; ZiroMwatela & Changfeng, 2016a).

### **Projected Impact in Egypt**

The Maritime Silk road is impractical without Egypt as argued by (Du, 2016; Olander, 2016). This makes Egypt an essential member of BRI. That's why the only African country the president of Egypt Abdel Fattah Al-Sisi formally signed with China regards to the OBOR initiative MOU in January 2016. Between the Indian Ocean and the Mediterranean Sea the transit point is Suez Canal. The finance of the core project related with road Egypt receives USD 1 billion from China as a gift to Egyptian central bank, USD700 million Chinese loans to the National Bank of Egypt. Separately, the expansion over a 10-year period of the Suez Canal with the huge amount of sums USD 230 million, and a new administrative capital building for Egypt have been also initiated with the huge amount of sums USD 45 billion being the costs that will cover by China (L. Johnston, 2016; ZiroMwatela & Changfeng, 2016a).

OBOR initiative in Egypt has other expected positive impacts. Over 10,000 jobs will create for Egyptians from the China-Egypt Suez Economic Zone initiative. Egypt also will get a brand new administrative capital apart from Cairo the capital city of Egypt. President Al-Sisi gets to have a partner in China for his aspiring projects. On the Chinese side, with the completion and operation of the Suez Canal falling under Chinese control, this comes with considerable influences on dynamics of power and security within the region previously dominated by the West (Raphael.Z.et.al, 2016). "imagine the New Suez Canal, completed with Chinese financing and managed by a Chinese company as the gateway between Europe and Asia" as (Du, 2016; Olander, 2016) says. The benefits will be enormous. Chinese footsteps in in terms of global security and specially the Mediterranean region will be handled.

### **Projected Impact in Djibouti**

The participation of Djibouti in the new OBOR is not clear like Egypt. But, in Djibouti 14 megaprojects as part of the BRI are funded by China with 9.8 billion US dollars capital. These are apart from the Chinese military base at port Dolareh, which is the main investment expected at moderating the security interests in maritime routes in East Africa and the Indian Ocean (Edens, 2015). As it is the first Chinese military base of any kind outside of Chinese soil which has a strategic importance to China (Linehan, 2016). Formally, the base is used to control anti-piracy in the area, but assumption is common that it could be used to protector the trade weapons connecting Asia and Europe, through the Suez Canal which China is updating. The base will act as "comprehensive supply point" for Chinese ships, with landing place for loading and off-loading cargo. The estimated cost for the military base construction is USD 590 billion which being primarily supported by China (Z. Liu, 2016). The Chinese Military expert Li Jie summarized the important of this responsibility; the depot will play a significant role in the BRI strategy and enable China to respond rapidly to emergencies in North Africa, Middle East and South Asia (Cheung & Lee, 2015). With a population of 958,920 in 2018, and a combined GDP of 2.956 billion US dollars, Djibouti does not more significant for Chinese products in terms of market and trade. In addition to trade expansion China's entry with a military base makes Djibouti to be the most essential partner in political and security problems for three of the five permanent members of the UNSC. Beside from China, Djibouti also hosts a French military base and the biggest US base in Africa, Camp Lemonnier. Russia is also supposed to harbor motivations of setting up a base in Djibouti (Edens, 2015;

Linehan, 2016; Musabelliu, 2017). This has forced the small horn of Africa nation to the desired status of being almost invulnerable in world politics. Beside from the politics, in terms of economically, the USD 2.956 billion dollar GDP African country (World Bank, 2019), is in dire need of capital. As part of the OBOR financing, China financed 9.8 billion US dollars to infrastructural projects except the base of military port, which cost of additional USD 590 billion (Colombant, 2012). This is a significant development in its infrastructural investment. China also gets a strategic position in the geo-politics of North Africa, Middle East and Europe, a sphere formerly dominated by the US. Linehan (2016) reported that, the entry of China's into Djibouti was aggressively opposed by the US, even going to proposing the US to double for the rent for Camp Lemonnier, due to the consequences to the geo-politics of the region (Colombant, 2012). Therefore, China has visibly scored one contrary to the US in the horn of Africa. This, joined with her control of the Suez Canal, will give her enormous powers.

### **Chinese investment in Sub-Saharan Africa in Belt and Road Initiative context and its opportunities and Challenges**

The presence of Africa in the Initiative is very small. While more focused on the growing on Sino-African relationships, the involvement of Africa in the project may not support as China places Africa as a continent. Three countries from Africa out of sixty seven in the OBOR which is not support the privilege that Africa is an essential ally to China. In detail, in the policy paper of China 2015 in Africa does not mention OBOR in Africa. Chinese policy makers are increasingly looking for outflow and inflow investment prospects which like this economic and emerging growth finance fall under the framework of BRI. This paper is stated above focusing to link BRI to Africa the least-economically developed from the world and the home of rich unexploited human and natural resource capital.

### **Opportunities of OBOR in Africa**

#### **The Economic Drivers of the OBOR initiative**

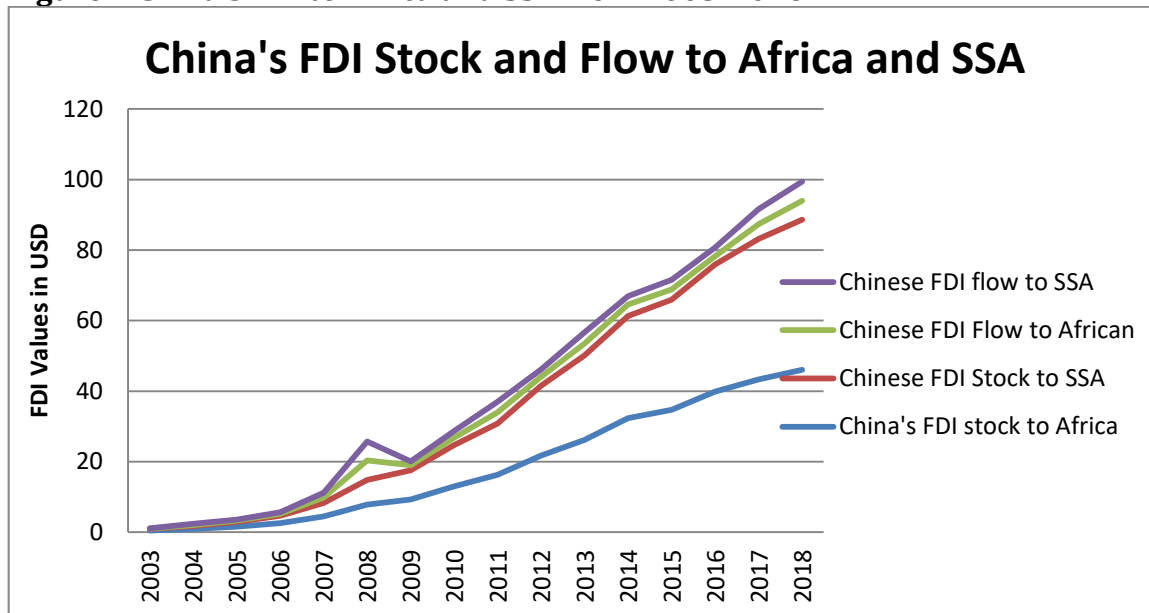
FDI has an important role in the BRI which has affects both BRI and non-BRI countries. The breakdown of BRI countries FDI inflows comes more from the non-BRI countries because FDI inflows from developed countries which are not a part of BRI. Currently, China is the dominant and biggest in BRI which is the major investor constantly increasing its share since 2008 (Chen & Lin, 2018). China had a most FDI recipient for three decades; Now China is emerging as an important overseas investor. When we see from 2003-2018 the China's investment FDI stock and FDI flow to Africa is a total 300.665bln USD and 39.0526ln USD respectively. The investment China's FDI Stock and FDI flow to Sub-Saharan Africa also 273.8846bln USD and 36.32901bln USD respectively. Chinese FDI Flow to SSA Countries from 2003 USD 0.07014bn growing to in 2018 USD 5.38911bn in the difference of USD 5.31897.

The Chinese FDI stock and flow to BRI countries in Africa is highly increased from before BRI announcement 2012 to 2018 after the announcement of BRI in 2013 is increased by 100.5 percent Chinese stock and 142.4 percent Chinese flow increased as mentioned below in the figure 3.

China increased to fill the gap of infrastructure in Africa in the BRI perspective and mostly concentrated in developing countries and low-income economies while the Chinese FDI also mostly concentrated in developed and large economies Chen/Lin (2018). Especially in the energy sector dominated since 2007 and transportation also has increased significantly in the BRI. Because of energy is an important for China FDI and increasing construction in transport infrastructure since 2014 Chen/Lin (2018) and investing more than total USD 170 billion from 2014 - 2017 in construction projects and from this 99 billion USD dedicated to BRI countries. So, low income countries had a benefit from Chinese FDI since from the starting of

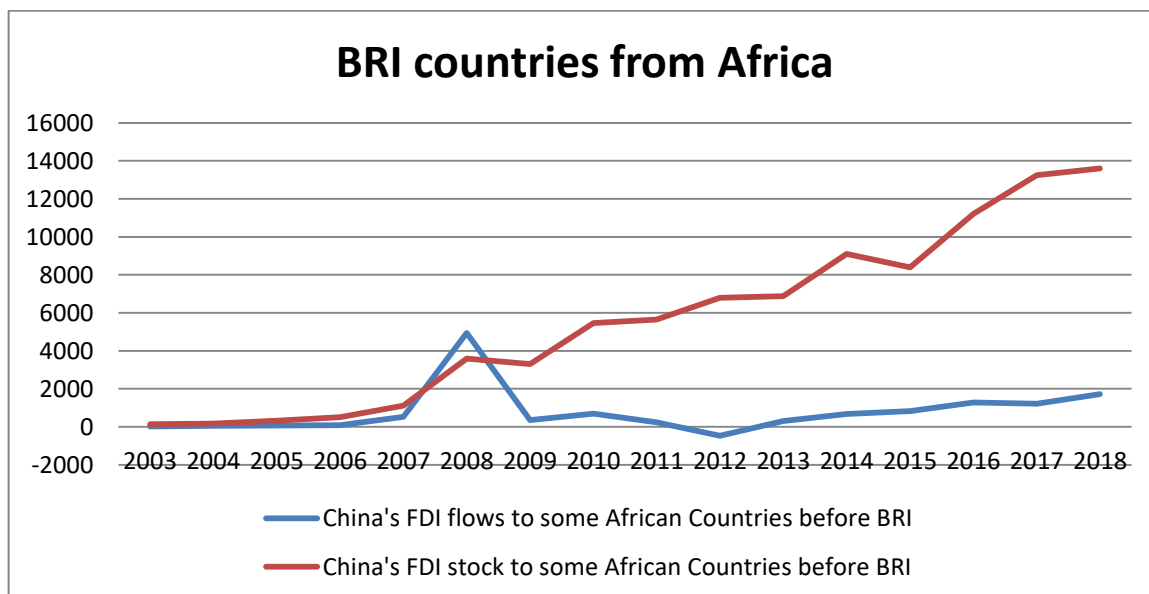
BRI. To sum up China is a big source of finance for the low economy countries of Africa through the line of BRI.

**Figure 2 China's FDI to Africa and SSA from 2003-2018**



SOURCE: Johns Hopkins University SAIS China-Africa Research Initiative, 2019

**Figure 3 Comparative China's FDI stock and flow in BRI Countries of Africa before and after BRI starts**



### Rising infrastructure in Africa

The BR initiative is a new concept used to integrating the goals of foreign policies with economic policies which is a sweet able platform for the Chinese enterprises to export their production to other countries. The Chinese firms of substantial chance and Industrial capacity in the sectors of African construction have introduced a secure stream of African steel and iron ore investments (Ehizuelen, 2017; L. A. Johnston, 2017). From the China's promised US\$60 billion to African countries in late-2015 at the FOCAC summit in Johannesburg, more than half will be spent on building infrastructure(L. Johnston, 2016). The presence of China in

Africa is started since the 1970s. Presently China is working in many mega projects in African infrastructure. Within the OBOR the East African Railway line 2,700km the top one and it includes Kenya, Uganda, Burundi, Rwanda and South-Sudan. Besides, major railway project in Kano-Lagos railway line in Nigeria with 1,315km, the Bengue railway line with 1,302km in Angola (in Angola which brings to total 4,000km railway constructed by China), 560km Belinga-Santa Clara railway in Gabon, 172km railway in Libya and 430km rail in Mauritania etc. Chinese contractors have participated in various types of infrastructure construction projects in traditional markets in Africa, such as railway lines in Kenya, Nigeria, Angola, Sudan, and Ethiopia over the past ten years. In 2016 Company A had finish building the Khartoum-Port Sudan railway and in 2017 company CCCC completed the Mombasa-Nairobi railway. At present, Africa still bids huge infrastructure investment prospects and numerous big projects are under construction or ready to start. For example, the government of Nigeria has selected CRCC for the construction of the Lagos-Calabar Railway, the Lagos-Kano Railway, and the Abuja Rail Mass Transit, with a total value of over US\$20bn to be responsible. CRCC also won from Chad for the construction of Chad-Cameroon Railway and Chad-Sudan Railway by the cost of US\$70bn. This significance is explained by both economics and politics and in particular by China's OBOR and "Maritime Silk Road" initiative (L. A. Johnston, 2016; Mayer, 2018).

**Table 1: China's participation in Africa's transportation sector ongoing and completed projects**

Country	projects	Length (km)	Investment (US\$m)	Contractor
Ethiopia & Djibouti	Djibouti-Ethiopia Railway Line	753	4,000	CRCC, Company A
Kenya	Mombasa-Nairobi Railway	480	3804	CCCC
Sudan	Khartoum-Port Sudan railway	762	1154	Company A
Nigeria	Abuja-Kaduna Railway,	187	850	CRCC
Angola	Benguela Railway,	1344	1830	CRCC
Ethiopia	Addis Ababa Light Rail	32	475	Company A
Nigeria	Lagos-Calabar (coastal) Railway	1402	11100	CRCC
Nigeria	Lagos-Kano Railway	1315	8300	CRCC
Nigeria	Dangote cement plc from 25mn tones production to 70mn tones/year in 8 countries SSA		4340	
Nigeria	Abuja Rail Mass Transit Phase II	33	1473	CRCC
Chad	Chad-Cameroon & Chad-Sudan Railway	1364	7000	CRCC
Mozambique	Mphanda Nkuwa Dam & hydroelectric station	1500 megawatts of power	3100	Not from China
Tanzania	Bagamoyo port	Annual 20mill container port	7000	state-owned China merchants port
South Africa	Modderfontein new city	Housing and entertainment	7000	Shanghai Zendai
Congo DRC	Mines for barter	In Mashamba & Dima basins and kolwezi	6000	
Malawi	Infrastructure	300 megawatts coal-power station,airport,140km road etc.	1700	

### **The role of OBOR on Infrastructure in Africa**

First, When China is involved in all infrastructural projects in Africa attached with the vision of OBOR initiative for improving connectivity among countries, the initiative will compromise a centralized, clear vision, and intensive effort in restructuring infrastructural development in Africa (Farooq et al., 2019b; ZiroMwatela & Changfeng, 2016a). Second, financial source for the development of infrastructural in Africa gets from several Chinese bank loans entered through individual bilateral agreements with project owner countries. The capital flow is centrally monitored by OBOR initiative through the AIIB and the SRF. This is the continual strengthened of the signing a memorandum of understanding China with the African Union (AU) in January 2015 to connect all 54 countries with high speed rails, ports and roads. The natural trade route between East and West African which is the traditional “equatorial land bridge” is a good starting point for expansion of OBOR in Africa. This route begins in Kenya, Rwanda, Uganda, the Congo, Burundi, Central African Republic, to the West in Douala Cameroon.

One Belt One Road launched in 2014, internationally this Initiative is used to reshaping the China's signature vision for its global activities. The BRI is strategic and comprehensive in scope and an essential component of the Communist Party of China's (CPC's) twin objectives of achieving national transformation and restoring China as a Great. It covers three continents and touches 60 percent population of the world. In this new project more than 65 countries that have signed on to the program (including around 20 from Africa) which accounts for 30 percent of the world's GDP and 75 percent of its energy reserves (Nantulya, 2019).

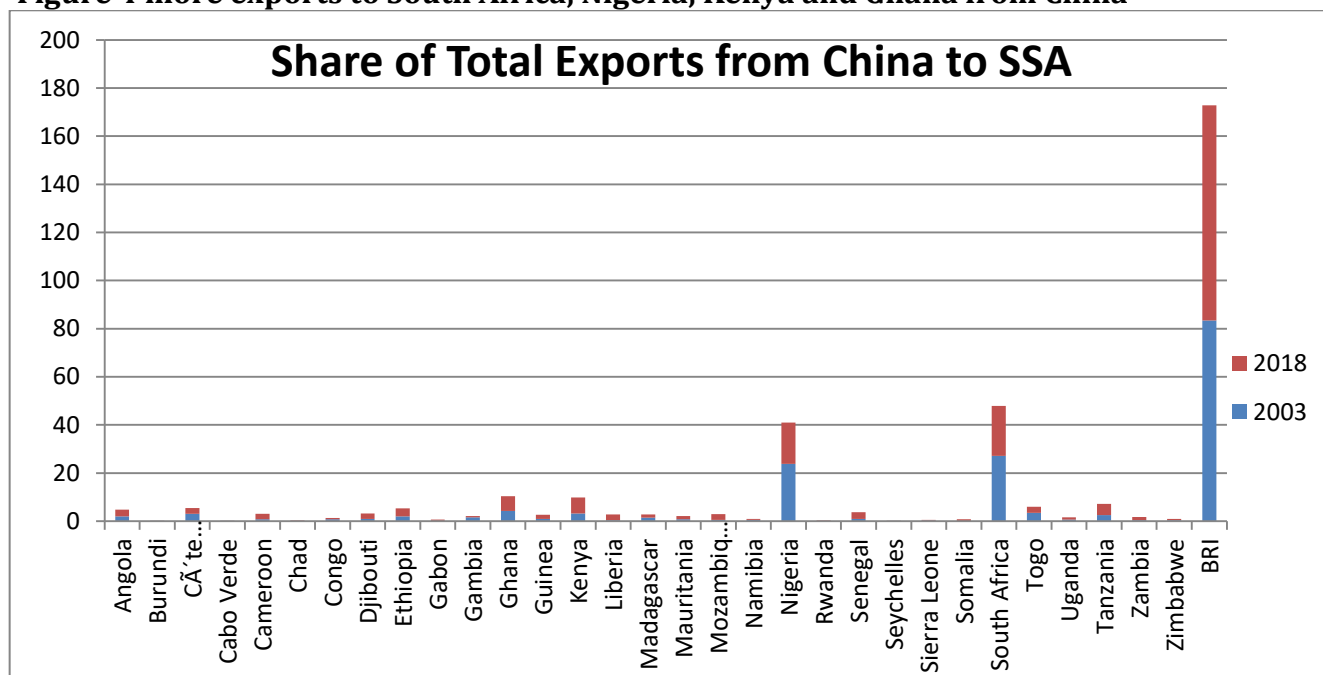
### **Sub-Saharan Africa under BRI**

Currently SSA is represented by more than 30 countries that make up 11% of BRI-country GDP and more than a quarter of its population. If successfully implemented, the multi-billion-dollar investment drive under BRI could revenue significant rewards for SSA, helping improve infrastructure deficits, increase exports and raise closer integration, and complement the region's youthful demographics and rapidly urbanizing population. In the 21st century China's importance as an export destination has grown significantly, rising from USD10.12bn of total exports in 2003 to USD 104.75bn in 2018 to African Countries. The total Trade between China and Africa reached 204.03 billion US dollars in 2018 (Johns Hopkins, 2019). China imports from Africa mainly natural resources like oil (64%), iron ore and metals (24%), food and other agricultural products (5%), the remaining 7 % is comprised of finished products (Lu, 2011). on the other hand Africa ready to available market for Chinese products. China has become the key export partner for many of the SSA economies participating in the BRI which has the total export of China to SSA in 2003 USD 7.49bn rising in 2018 for USD 78.31bn at the same time China's total import from Africa in 2003 USD 7.41bn which is rising in 2018 USD to total import USD 99.28bn, the total China's import from SSA also in 2003 USD 7.10bn raised to USD 91.30bn in 2018 and accounting for more exports to South Africa, Nigeria, Kenya and Ghana from China as shown in the figure 5 below.

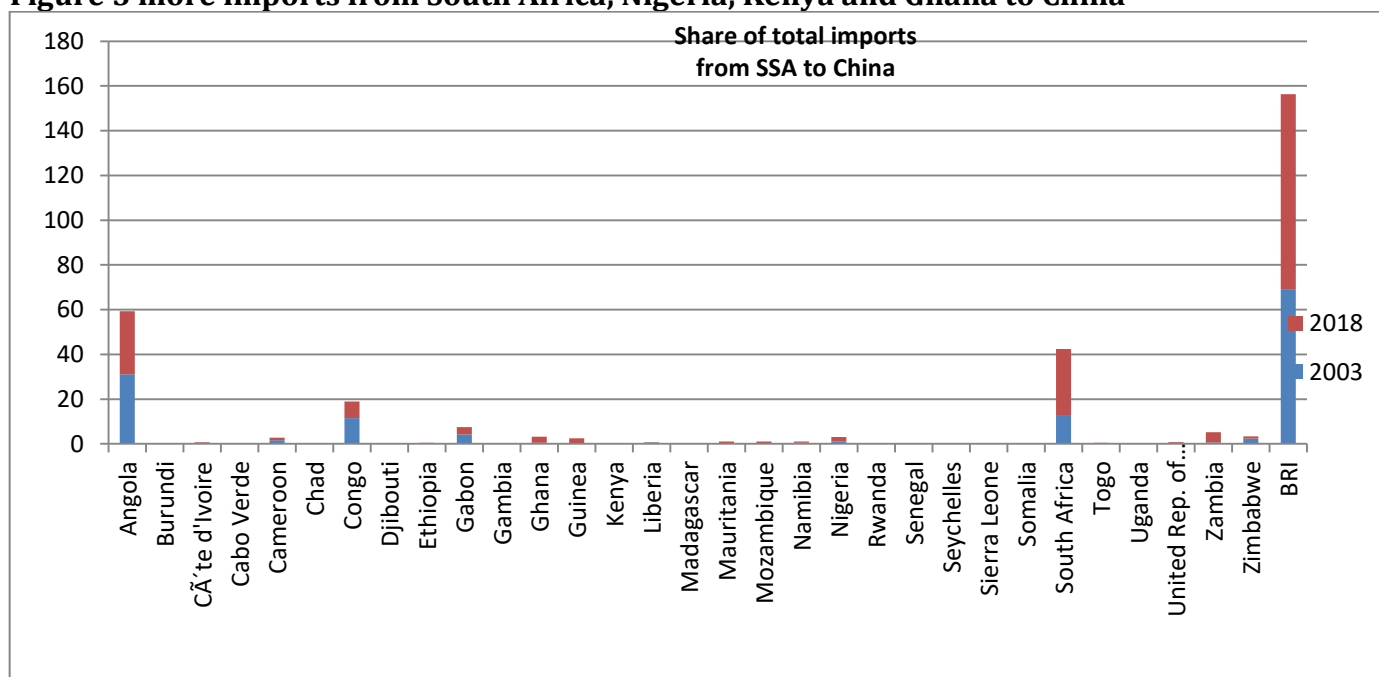
Besides, more imports from Angola, Congo, Gabon, South Africa and Zambia to China shown increasing from 2003 to 2018 as seen in figure 5. However, the trade between Africa and China has serious concerns over the imbalance trade. Trade imports from Africa to China were declined by up to 40% while profitable relations minimized by 18.3% when it compared to 2014. This can be recognized to the growing and slowing down of Chinese economy (ZiroMwatela & Changfeng, 2016a) cited at (Mail & Guardian, 13th Jan 2016). The Sino-African trade needs more concerted efforts to improve the trade imbalances and OBOR can solve such like opportunities for compensation. From the top ten trading partners in Africa is not involved in the OBOR initiative. Even the main trading partner of China and

parallel to BRICS partner South Africa is not involved in the BRI is difficult to reason out. To solve the effect of improving intra Africa trade will support to implementation of the OBOR Successfully in whole African continent.

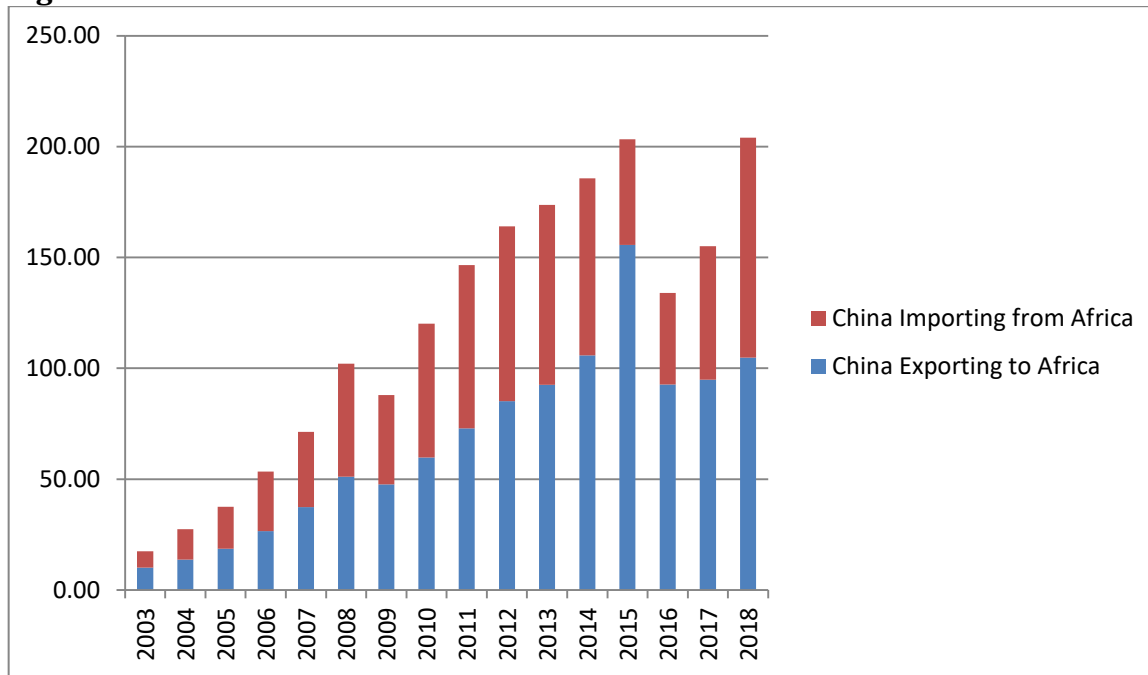
**Figure 4 more exports to South Africa, Nigeria, Kenya and Ghana from China**



**Figure 5 more imports from South Africa, Nigeria, Kenya and Ghana to China**



Presently the Sino-Africa trade is at about 10-15%, it is the lowest as compared to other continents like Europe has 60% intraregional while North America has 40% trade (Tafirenyika, 2014). Sub-Saharan Africa is an important partner of China which has GDP of USD14.3 trillion according to purchasing power parity, a ready market for Chinese goods and diversifying sources of raw materials for Chinese industry (World Bank, 2019).

**Figure 6 the total trade between Africa and China from 2003-2018**

### **Increase China's Soft-Power in Africa**

China has fellow in its competitors in global influence; using as an advantage for the colonialism and history in Africa and with West. Joseph Nye (1990) defines “soft power” as a concept to explain a one country gets relations with another. This means, the ability of a country gets a support from other country by attraction and persuasion out of the outdated use of military force and pressure but, hard power is a capacity to force others to do something what it wants. This implication is using “military intervention, forced diplomacy and economic sanctions to enforce national interests of the powerful(Joseph Nye, 1990). China had struggled for many years to increase its soft power over the other competitors. The slogan of China's is a “peaceful development” which has required to create a position for Chinese as a development minded global citizen, peace loving, who has honorable intention relations with other countries(Wang, 2010). Definitely, this speech-making has been repeatedly mentioned by Chinese diplomatic officials, Due to this China has gotten many friends. OBOR as an outstanding strategy, directly reductions within the empire of peaceful development as promoted, with its commitment to peace and economic prosperity, and amongst all countries involved. The Sino-Africa relation started to understand by the major international actors that an issue of power politics for the 21st century(Weber, 2010). The forces rising behind China-Africa relations concern by media outlets and research efforts can define on two central refrains. 1) Economic power with its implication, like needs for market competition and critical resources. 2) the competition for position of hegemonic power could sustain in the form of resistance among rising and statuesque powers(Mansbach & Taylor, 2013). In this US hegemony and influence almost dominated the entire world spheres, possibly building soft power is the only way China can success the trust of its neighbor countries, while building the people by both modern economy and military. Without a soft peaceful rise any other strategy might cause for US counterbalancing actions and possibly leading to civil unrest, destabilize Chinese society and other restrict issues accumulation of to sustain its power. This is basically, one objective of OROB. The China's vision of a new modernity, categorized by free flowing ideas, goods, services and people to people arrangement, creating shared economic future, common wealth, would replace distrust, competition and power play through OBOR(Callahan, 2016).



Callahan (2016) discusses in his paper in the topic of "China's "Asian Dream": The BRI and the new regional order" that Beijing is using new ideas like "China dream" and "Asian dream" to build what Chinese leaders call a "community of shared destiny." This community originates in Asia which China at the center of this, and rising gradually to global. This is the nucleus of China's new vision of global governance to replace the Western faced status quo. The principles of China foreign policy shown peace growth through the approaches of friendly which has been growing soft power to the world especially such as in Asia, Africa, Middle East, and Latin America. The soft-power applies as a principle for its bilateral, multilateral and global focusing on common development and win-win position and contradicts the American hard power (Deng, 2001). The OBOR as a source of soft power is not on the projects of the initiative being implemented in Africa, also, the "Beijing consensus" which deals an anti-thesis to the "Washington consensus"(Gill & Huang, 2006). The "Beijing consensus" is encourages development based on the unique natures of each states not support a standard solution to all states, and a "ruthless willingness to experiment and innovate". But, Washington consensus is not. The new idea OBOR is focus on trade between Africa and China, and the presence of the continent in this initiative will increase further the assurance(Manson, 2016). China shows to Africa as a true ally of Africa, thereby promoting the narrative in support of the "Beijing consensus" as the best for Africa to replace the failed "Washington consensus" fronted by the Bretton woods institutions and for many years by the West. Whereas Western stressed on governance, political and economic reform and wants to access development funds in the 1990's (Structured by World Bank and IMF), OBOR and member financial institutions know and accepted on solution fits for all. Hence, it gives the chance of solving their internal matters by helping access the funding what they require for their infrastructural development and others. The huge "soft power" that will arise from this will boost China into great heights in the global political economy(ZiroMwatela & Changfeng, 2016b).

### **Challenges to OBOR in Africa Intra and Inter-State Conflicts**

The main challenge for OBOR initiative in Africa is the experienced continuous warfare. In the Africa's development war and conflicts have demanded a substantial problem since a long time immemorial. The five different types of conflicts that have overwhelmed Africa; imperial, international, anticolonial, intra-state and inter-state conflicts(Ndlovu-Gatsheni, 2012). At present, many countries in Africa are experiencing wars of "regime change" example Democratic Republic of Congo, while the Sudan "War of Devolution" directed to splitting into north and south Sudan. After splitting the South Sudan also started own which is called "inter-communal insurrection" war. Conflicts are unlimited to in Somalia, Rwanda, Uganda, Burundi, Congo Brazzaville, Nigeria, Angola, Liberia, Libya, Kenya, and Central African Republic etc., also in a few African states to become into violence and war within the past decade. when it identified by geo-referenced over 73 different civil conflicts in Africa(Greig et al., 2018). The motive behind the war is to control of enormous natural resources. These wars have come with huge damage of economic and infrastructural to the countries affected by the war. China imports from South Sudan oil approximately 5% at full capacity(Zhou, 2014). So, because of civil war inside of South Sudan and conflict with north Sudan has interrupted the production of oil and following the shipping of oil to China. Zhou (2014) stated that Due to the outbreak of war in 20 December 2013 Operations in oil blocks 1, 2 and 4 have completely shut down while only in Blocks 3 and 7 operate with a minimum staff presence and the others of Chinese oil personnel evacuated from site. As a result Sudan which was reduced the oil production by more than 30% capacity to less than 160,000 barrels per day from 245,000 barrels of oil per day. Also conflicts damaging impact on the physical infrastructure on roads, railway lines and others. There is a case in Angola conflict about over 4,000km rail network was destroyed and it needs repaired for operational again. Therefore, the success of OBOR expansion in Africa

would depend on how China directs the conflict territory of the African forest for full potential to be recognized. China has actively participated in maintaining stability among them.

### **Domestic Opposition to Projects**

There is a highly vibrant civil society in many countries in Africa. This implies to opposition by the group of civil society to various effects on the community. Example in Kenya as a case, for communities affected by the standard gauge railway line government has had to pay millions of dollars as compensation for the project and it is suspended by the courts until compensation has been reached to the communities (Cascais, 2015). By the other side also, environmentalists not supported the project railway line passing through the National Park of Nairobi with their argument it will affecting the natural habitat of wildlife living in the park (Anami, 2016). But finally the project continued by the help of civil society in Kenya and many African countries. This is the first time for Chinese firms faced for their experiencing. Also they will increase costs and implementation time to counterbalance for court presences and consultations with communities. Currently there is no such like experience in OBOR Initiative in the case of Egypt and Djibouti.

### **Methodology**

All the below calculations done through Difference in Difference (DID) which are a statistical technique used to examine the different effect of treatment on a "treatment group" versus a "control group". In this regression result, the years before belt and road initiative took effect were considered as control group whereas the years after belt and road initiative were considered as a treatment group. Based on the regression results of control as well as treatment group were found to be better. This means that in the years since belt and road initiatives began, Chinese FDI, Trade and Debt have significantly improved economic growth as compared to before the belt and road initiative was started. This research taken as a population of study based on the only 36 BRI countries Sub-Saharan African before BRI (2003-2012) and After BRI (2013-2018) started.

### **DISCUSSION**

#### **The effect of Chinese FDI on the economic growth of SSA with the perspective of BRI**

In the Table 2 represents the result of the effect of Chinese FDI to the economic growth of Sub-Saharan Countries before BRI (2003-2012) and After BRI (2013-2018) starts in only taken with in the part of 36 BRI countries in SSA with the control variables Labor Force, total, Gross fixed capital formation, Natural Resources Rent, Agriculture, forestry, and fishing, value added, Fixed telephone subscriptions. The effect of Chinese FDI on the Economic growth of SSA sampled countries before starts of the BRI from 2003 -2012 has a result of 0.108 percent and when it compare to after BRI from 2013 -2018 in the same sample there have a result 0.112 percent and it increases by 0.004 percent which it indicates the BRI might have an effect for its increasing after the initiative starts. Within the same table, the effect of Chinese FDI on the Economic growth of SSA within the part BRI infrastructure ICT; fixed telephone subscriptions as a variable in the same sample before and after BRI which has a positive enforcement from other influences of Chinese FDI flows to SSA. The result of fixed telephone subscriptions infrastructure is increased from 2003 -2012 before BRI 0.0561 percent to 0.0574 percent after BRI from 2013-2018 in SSA BRI countries. Therefore, the effect of Chinese FDI and FTS (fixed telephone subscriptions) have a significant effect on the economic growth by increasing 0.013 percent which is indicates BRI might have an effect on the economic growth through infrastructure.

**Table 2 the effect of Chinese FDI on Economic Growth in line with before and After BRI in SSA**

Variables	Before BRI	After BRI
Foreign Direct Investment stock from China to SSA	0.108*** (0.0214)	0.112*** (0.0378)
Ln Labor Force, total	0.846*** (0.284)	1.126*** (0.364)
Gross fixed capital formation	0.00153 (0.00198)	0.0114*** (0.00298)
Natural Resources Rent	0.00431* (0.00218)	0.0113*** (0.00236)
Agriculture, forestry, and fishing, value added	-0.0140*** (0.00323)	-0.00389 (0.00483)
Ln Fixed telephone subscriptions	0.0561* (0.0284)	0.0574 (0.0430)
Observations	190	152
R-squared	0.528	0.424

Standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### **The effect of Chinese Trade on the economic growth of SSA with the perspective of BRI**

In the Table 3 results which represents the effect of Chinese Trade to the economic growth of Sub-Saharan Countries before BRI (2003-2012) and After BRI (2013-2018) announced by president Xi in 2013 in the sample 36 BRI countries of SSA with the control variables Labor Force, Trade openness (Chinese export to SSA +Chinese import from SSA (TOPCSSA) and Fixed telephone subscriptions. The effect of Chinese Trade on the Economic growth of SSA sampled countries before starts of the BRI from 2003 -2012 has a result of 0.146 percent and when it compare to after BRI from 2013 -2018 in the same sample there have a result 0.1885 percent and it increases by 0.0425 percent which it indicates the Belt and Road Initiative might have an effect for its increasing after the initiative starts. Within the same table, the effect of Chinese trade on the Economic growth of SSA within the part BRI Information Communication Technology infrastructure (ICT); fixed telephone subscriptions as a variable in the same sample before and after BRI which has a positive enforcement from other influences of Chinese trade with SSA. The result of fixed telephone subscriptions infrastructure is increased from 2003 -2012 before BRI 0.0320 percent to 0.0762 percent after BRI from 2013-2018 in SSA BRI countries. Therefore, the effect of Chinese trade and FTS (fixed telephone subscriptions) have a significant effect on the economic growth by increasing 0.0442 percent which is indicates BRI might have an effect on the economic growth through infrastructure.

**Table 1: the effect of Chinese Trade on Economic Growth in line with before and After BRI in SSA**

Variables	Before BRI	After BRI
Ln Trade openness (Chinese export to SSA +Chinese import from SSA (TOPCSSA)	0.146*** (0.0302)	0.1885*** (0.0455)
Ln Labor Force, total	1.181*** (0.256)	0.0857 (0.400)
Ln Fixed telephone subscriptions	0.0320 (0.0288)	0.0762 (0.0857)
Constant	-11.59*** (3.786)	6.163 (6.597)
Observations	203	186
R-squared	0.480	0.027

Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## CONCLUSION

The main objectives of this research study is to study the New Economic cooperation of China with Sub-Saharan Africa in BRI to forward a recommendation for the prospects of new cooperation of Africa-China on BRI to improving the regional business environment and economy. To examine the contribution of BRI in the SSA countries have addressing 36 BRI countries from SSA before and after implementation of the initiative timing from 2007-2011 and from 2012-2018 of Chinese FDI and trade in the sampled SSA countries included without non BRI countries in SSA.

The effect of Chinese FDI and trade in the perspective of BRI with the effect of Chinese FDI on the Economic growth of SSA sampled countries before starts of the BRI from 2003 -2012 has a result of 0.108 percent and when it compare to after BRI from 2013 -2018 in the same sample there have a result 0.112 percent and it increases by 0.004 percent which it indicates the BRI might have an effect for its increasing after the initiative starts. Also, the effect of Chinese FDI on the Economic growth of SSA within the part BRI ICT infrastructure; fixed telephone subscriptions as a variable in the same sample before and after BRI which has a positive enforcement from other influences of Chinese FDI flows to SSA. The result of fixed telephone subscriptions infrastructure is increased from 2003 -2012 before BRI 0.0561 percent to 0.0574 percent after BRI from 2013-2018 in SSA BRI countries. Therefore, the effect of Chinese FDI and FTS (fixed telephone subscriptions) have a significant effect on the economic growth by increasing 0.013 percent which is indicates BRI might have an effect on the economic growth through infrastructure. In addition, The effect of Chinese Trade on the Economic growth of SSA sampled countries before starts of the BRI from 2003 -2012 has a result of 0.146 percent and when it compare to after BRI from 2013 -2018 in the same sample there have a result 0.1885 percent and it increases by 0.0425 percent which it indicates the BRI might have an effect for its increasing after the initiative starts. Within the same table, the effect of Chinese trade on the Economic growth of SSA within the part BRI ICT infrastructure; fixed telephone subscriptions as a variable in the same sample before and after BRI which has a positive enforcement from other influences of Chinese trade with SSA. The result of fixed telephone subscriptions infrastructure is increased from 2003 -2012 before BRI 0.0320 percent to 0.0762 percent after BRI from 2013-2018 in SSA BRI countries. Therefore, the effect of Chinese trade and FTS (fixed telephone subscriptions) have a significant effect on the economic growth by increasing 0.0442 percent which is indicates BRI might have an effect on the economic growth through infrastructure.

The result of this study showed a positive and significant relationship between the Chinese investment and trade in the perspective of BRI with the economic and business environment of SSA countries. The effect of Chinese FDI and trade in the perspective of BRI with the effect of Chinese FDI on the Economic growth of SSA sampled countries before starts of the BRI from 2003 -2012 has a result of 0.108 percent, 0.146 percent and when it compare to after BRI from 2013 -2018 in the same sample there have a result 0.112 percent, 0.1885 percent and it increases by 0.004 percent and 0.0425 percent respectively which it indicates the BRI might have an effect for its increasing after the initiative starts.

## POLICY RECOMMENDATIONS

Both governments of SSA and Chinese should implement agreeable policies to give guarantee for new improvements in infrastructures, education and new technology. If it will occurred continuously change in policy created and also the Chinese FDI should have assurance new knowledge, capital and infrastructure in the SSA countries to develop their business policy. Therefore, internal strength and growth should have to attract new investment in the region to bring a shift for new knowledge, capital and new infrastructure to in line with the

continuous development cycle to implement the goal of BRI. China is a development model and a respected trading partner for SSA and as well as a source of finance and trade used for alternative. SSA is not a source of commodities as a critical for China local economies. But, SSA is an important for future investment destination of China's investors and firms especially for those who labor intensive sector of manufacturing. So, in order to more emphasize for all countries both China and SSA countries should do and revise their policy towards BRI. China should establish national and international Media only for BRI to create more awareness and to be get a focus point for the international community.

### Future Research

This study will help for deeply future research Chinese BRI with the importance of African countries. In addition this highlight of study of findings will important for future study of the relation Sino-African Countries in line with BRI.

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