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**Promotion and protection of all human rights, civil,
political, economic, social and cultural rights,
including the right to development**

**Joint written statement* submitted by Centre du Commerce
International pour le Développement., African Centre for
Democracy and Human Rights Studies, Himalayan Research
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Organisation pour la Communication en Afrique et de
Promotion de la Coopération Economique Internationale -
OCAPROCE Internationale, non-governmental
organizations in special consultative status**

The Secretary-General has received the following written statement which is circulated in accordance with Economic and Social Council resolution 1996/31.

[21 August 2021]

* Issued as received, in the language(s) of submission only.



Social economic rights and transnational corporations in Africa

It is becoming increasingly evident that China is strongly and certainly emerging as the new colonial power in the entire African continent. Historically China has not held any land as compared to the traditional European rivals but there is always a beginning. The hallmarks of the general features which the Chinese nation has with many countries of the African continent point only in that direction unfortunately. Classic example is China exporting finished products made with raw materials sourced from the continent in the captive market setting.

China is building an enormous transnational infrastructure which includes pipelines, highways, and increasingly they appear to be the strategic assets of the PRC rather than the African people. These huge debt ridden infrastructure projects have depleted and destroyed the national treasuries of the native countries and at an exorbitant rate of return, practically impossible to repay. Moreover all the Chinese projects and investments have only handful of local engagements in terms of human resources and other downstream employment opportunities, the lions share being taken up by labourers and other assets from the Middle Kingdom itself.

They contribute practically nothing to job creation, which is doing more harm than good to the host countries because eventually through these infrastructural projects very cheap exports coming back from the mainland will wipe-out and destroy their very fragile local manufacturing capacities. African continent is the primary victim of this new Chinese global model. The propping up of industries in mainland China relies solely on extraction of raw materials, energy resources including agricultural commodities from all over the world especially Africa.

China is currently present in 39 African countries and is their biggest trading partner, tens of billions of dollars of investments in the shape of loans have already been accepted by cash starved African nations, which come with a multitude of strings attached. The loans are issued to the countries through economic concessions, political support or a combination of both. Though trade increases bilaterally, with these loans and so called development, there exists a disproportionate imbalance in the trade in favour of PRC. For example in Zambia, China has invested heavily in copper mines. All the men and machinery being used in these mines are directly being imported from mainland China completely ignoring the local population and their aspirations. This has led to a surge in unemployment in and around those regions, besides ion the deliberate ignorance of safety regulations and other environmental guidelines practiced by these Chinese companies.

It is estimated the China has lent approximately 100 billion US dollars in the African continent and this figure is only due to grow. Africa on the other hand has serious infrastructure gaps. In the continent over 600 million Africans have no access to electricity. Interestingly, 40% of the Chinese loans are paid for power generation and transmission projects. Another 30% of the loans cater for modernising the crumbling African transport infrastructure. These projects as good as they may sound also rely on land acquisitions which are mostly debatable. There have been allegations and reports about large scale migrations of Chinese peasants to the African hinterland for industrial grade farming to generate agriculture produce only to be shipped back to the mainland China, and not a single morsel for the hungry millions in the continent.

The roads, railways, pipelines, and ports that China is helping to construct in many countries as part of its new Silk Road Project have no checkpoints that bar entry by nationality. They make trading with China easier, but they also facilitate trade with other nations, including those in the West. Much criticized Silk Road Project, has been depicted by the Wall Street Journal, not a publication making light of the rise of China, in an article entitled “China’s Imperial Overreach”– as “poorly defined, horribly mismanaged and visibly failing.” In East Africa there have been multiple efforts to expose their citizens to the Chinese culture especially the language.

In Kenya, Mandarin is often offered as a selective language as part of the National School curriculum. In Uganda, it is a compulsory subject in some schools as well. It is just the

beginning of the new wave of colonisation in the African continent. As part of the Belt and Road initiative almost more than 10,000 Chinese companies which are privately owned are now operating inside Africa with a huge settlement of Chinese entrepreneurs in places such as Nigeria and Senegal. The influx of Chinese workers has ignited a new debate and discourse in the African communities, which severely resent these newly arrived foreigners.

China unfortunately has yet to find the tool to defend its actions of shipping both men and machinery. The new arrivals often have hostile approaches to the domicile populations and a total contempt and disregard for indigenous values and norms. To that end, Chinese cultural programs embracing indigenous ways of life, such as tribal chiefdom in Nigeria, have been designed to counteract these anti-China sentiments. With the coronavirus pandemic causing immense devastations around the world African countries will be severely hit economically post the Virus, which has irreparably dented the already fragile African economy.

As most of the world was hit with lockdowns, countries in Africa are no different. African nations are actively seeking debt relief and financial stimulus packages in order to restart their economy and cater to the population. Finance ministers of various African nations have unilaterally demanded waiver of all forms of interest including bilateral and multilateral debt, and the lions share of which belongs to the Chinese state. Waiver of interest for the short and the medium term is a relief which is sought immediately in order for these countries to bounce back. However, China is hesitant and would like to see this as an opportunity to entrap these countries in its web of debt trap. As a matter of fact, 35 low income sub-Saharan African nations are going through a tough phase of debt distress, another nine are on the brink of disaster slipping into the risk of red zone. Interestingly, China happens to be the sole and the largest lender to all these countries. As the global supply chains have been disrupted after the outbreak of the Coronavirus Pandemic, the Economic Commission for Africa (ECA), an agency of the United Nations (UN) in the region has predicted that the GDP growth rate of the African continent would drop from 3.2 per cent to 2 per cent. In fact, according to the London-based Jubilee Debt Campaign, an organisation pushing for waiving debts to the poorest of countries, China is estimated to hold one-fifth of the total debt in the continent.

The primary tool which the Chinese state uses to lure African nations especially is of infrastructural benefits, at exorbitant commercial rates, deliberately designed to weaken the economy. These unsustainable debts have had backlashes in countries like Sierra Leone, where the government has stood up to renegotiate the terms of repayment and in some instances have completely backed out of these Chinese projects. Ethiopia's dependence on Chinese technology and debt finance has left serious challenges for the country and its neighbours. In 2018, Addis Ababa negotiated with China restructuring the loan period from 15 to 30 years. It is feared that due to heavy borrowing by next-door neighbour Kenya, China may soon seize the port of Mombasa.

All these activities are only evidence of China's behaviour as a new economic colonial power in Africa which suffered due to European colonialism for hundreds of years. As in history, Africa has freed herself from the shackles of bondage in the past and hence need to work amongst themselves and with other key players to overcome this penultimate challenge. There must be alternate arrangements that could be worked out between the African nations and the US and European powers. It is for the African people to take control of their destiny and make cost correction in order to overcome this takeover trap.

It is good to build infrastructure, but that is not enough to eradicate poverty. Our organizations support respect for the United Nations principles of sustainable investment in order to create sustainable jobs to lift young people out of poverty through a sustainable model.

Africa Centre for Democracy and Human Rights Studies, Himalayan, Research and Cultural Foundation, Rencontre Africaine Pour la Défense des Droits de l'Homme, Organisation pour la Communication en Afrique et de Promotion de Promotion de la Coopération Economique Internationale, Union InterAfricaine des Droits de l'Homme, Conseil Mondial de la Diaspora Panafricaine, Nord Sud XXI, NGO(s) without consultative status, also share the views expressed in this statement.