

Constructivism

Business



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BUSTER**

China is among the top ten economies in the world, despite having a population of more than one billion people. However, go to places as Kenya, Uganda, Angola, Tanzania, and you will note one thing; road, water, the Internet and power infrastructure are developing rapidly. One may ask why infrastructure is developing in these countries. All of them have one thing in common; Chinese companies fund them, or they have a Chinese contractor. The economic interests of China in Africa are growing at a fast rate.

The aim of this paper is to analyze the reasons behind this growth, identifying the pros and cons of such a move. One of the reasons for expansion into Africa is China's need to support its fast growing industrial and economic growth. Beijing is fast growing. Africa is rich in cheap raw materials, which China needs to further its industrial plans (Lipsey 1982). The country also needs massive oil reserves to ensure its industrial plans. Businesses and industries have been scouring the world looking for sources of minerals and petroleum.

After recognition of the cheap market from Africa, the shift has been to ownership or control of African mines and petroleum oilrigs (Stansel 2007). The other reason why China is investing so much in Africa is to feed its large population. China's population surpasses the one billion mark. The food reserves of this country are diminishing, owing to the poor agricultural capacity it possesses. China is a very powerful country economically, and it needs to feed its growing urban population.

Urban development is using tillable and fertile soils. Africa, especially East Africa, has rich agricultural land. There are thousands of vast fertile lands in

Africa, untilled because of the lack of resources for agriculture. It is the agricultural export that China bears an interest (Lipsey 1982). I have been to several countries in East Africa. One of the things I have noticed is that if there is any major infrastructural project going on, there has to be a Chinese firm doing it.

Another major observation is that a good proportion of the workers is of Chinese origin. The unemployment levels in China are high, and exceed ten percent; this is an equivalent of more than one hundred million Chinese men and women. The government of China needs to find employment opportunities for the unemployed population. The only way to create opportunities is to focus on African job markets by instituting infrastructural projects (Stansel 2007). World economies are growing at a breathtaking speed, and China needs to keep at speed with other economic superpowers. Its economy has to grow at all costs.

If the internal economy has no room for further improvement, it makes logic to venture into other markets. Africa offers this other market, as it is cheap. Several countries in East and Southern Africa have been war torn over the last two decades. Angola and Sudan are among these countries. These two countries are rich in oil reserves.

Angola is now a peaceful country unlike Sudan, which still has some political upheavals. The revival of Angola requires heavy investments; China has jumped in to fill this gap. In the process, it is benefitting economically. Nevertheless, is this a case of neo colonialism? Neo colonialism refers to a case where super powers behave like economic colonizers in the post-

colonial era. After the United States and the United Kingdom, China is the third largest economic partner for African countries (Piaget1950).

There is a stark difference between the colonialism of early and mid-20th century, and the African economic domination by China. The country does not forcibly acquire resources from African countries, but rather gets invitations from African governments to invest. The Chinese government treats its economic partners as diplomatic equals.