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**A Chinese “armed globalization”?**

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## *A Chinese “armed globalization”?*

### *Abstract:*

*This article shows how China has been using the projection of its armed forces for supporting its economic interests abroad during the last few years. This paradigm of “armed globalization”, strongly linked with geoeconomics, can be clearly seen in the regions of Africa and South Asia through a comparative study of the evolution of Chinese trade and FDI, linked with the military presence of the PLA in these areas.*

### *Keywords:*

*China. Globalization. Africa. South Asia. Geoeconomics.*

**\*NOTA:** Las ideas contenidas en los **Documentos de Opinión** son responsabilidad de sus autores, sin que reflejen necesariamente el pensamiento del IEEE o del Ministerio de Defensa.

## A Chinese “armed globalization”?

### Resumen:

El presente artículo muestra cómo China ha estado usando la proyección de sus fuerzas armadas para apoyar sus intereses económicos en el extranjero durante los últimos años. Este paradigma de “globalización armada”, fuertemente basado en la geoeconomía, se puede ver claramente en las regiones de África y el sur de Asia a través de un estudio comparativo de la evolución del comercio y del IED chinos, en relación directa con la presencia militar del PLA en dichas zonas.

### Palabras clave:

China, Globalización, África, Asia del sur, Geoeconomía

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## Introduction

Recently, China has emerged as a major power in the international arena, and the concerns about its growing influence have usually taken two different dimensions: its economic power and its military projection. In fact, there is a connection between these two variables, because China’s economic interests are being followed by an increasing projection of its military presence over key areas, namely Africa and South Asia, seeking to secure these economic assets. This tendency can be taken as an example of an incipient “armed globalization”.

Countries and private investors alike need both physical and legal security and stability for pursuing their legitimate economic interests. Traditionally, such environments could only be provided by each State at national stage, but globalization has created a growing interconnection and expansion of these interests beyond the State-level. Thus, each globalized country is projecting its economic interests beyond the territorial limits of its sovereignty and, therefore, the security and stability of these interests cannot be provided by traditional military means<sup>1</sup>.

“Armed globalization” can be defined as the usage of a country’s economic power to leverage and assure a military foothold in some strategic areas outside its territorial boundaries. This, in return, creates a secure environment in which those economic interests can thrive.

Geoeconomics play a pivotal role in this system, and China has used this mechanism for fostering its global influence. In the year 2000, this country only represented 1.6% of the global power share (11<sup>th</sup> global position); soaring to reach the 8% (2<sup>nd</sup> global position, second only to the USA) in 2019, mainly due to its economic power. By 2019, China’s economic presence forms the main source of its global power projection<sup>2</sup>, constituting the

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<sup>1</sup> NEETHLING, Theo. “China's international peacekeeping contributions and the evolution of contemporary Chinese strategic considerations”. Strategic Review for Southern Africa, Vol 37, No 2. 2015. P, 18-49. Available at:

[https://www.up.ac.za/media/shared/85/Strategic%20Review/Vol%2037%20\(2\)/neethling-pp7-28.zp74607.pdf](https://www.up.ac.za/media/shared/85/Strategic%20Review/Vol%2037%20(2)/neethling-pp7-28.zp74607.pdf) , consulted on : 5/05/2020.

<sup>2</sup> “Índice de Presencia Global Elcano”. Real Instituto Elcano. Available at: <http://www.globalpresence.realinstitutoelcano.org/es/> , consulted on : 29/12/2019

62.6% of its share. Trade and Foreign Direct Investment (FDI) have been the major economic assets for this country, being both these variables heavily dependent on external security and stability.

China is very dependent on trade<sup>3</sup>, as this activity has held important and relatively growing and stable percentages of the Chinese GDP since 1990. As a traditionally export-oriented developing economy<sup>4</sup>, China needs raw materials and energy<sup>5</sup> that its industry transforms into manufactured products for exportation<sup>6</sup>.

Chinese foreign direct investment has shown a positive trend since 1990. In 2017, China invested in 6.236 overseas enterprises from 174 countries<sup>7</sup> (a total amount of 120.08 billion USD) and successfully fulfilled 341 overseas Mergers and Acquisition (M&A) projects (a total value of 96.2 billion USD).

In geographical terms, Europe was the biggest recipient of Beijing’s FDI in the 2016-2017 period<sup>8</sup>, accounting for a significant increase from 18% in 2013 to 53.4% in 2017. Asia was the second largest target of Chinese FDI, mainly because of the One-Belt-One-Road (OBOR) Initiative.

Within the growing global projection of China’s economic interests, it is possible to locate two regions in which China’s army is being actively used to secure said interests<sup>9</sup> abroad: South Asia and Africa, which are also pivotal areas for the OBOR Initiative.

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<sup>3</sup> DICKEN, Peter. “The centre of gravity shifts: transforming the geographies of the global economy”. Sage Publications, London, 2015. P, 30-31, 37. Available at:

<https://study.sagepub.com/dicken7e/student-resources/chapter-2> , consulted on : 18/03/2020

<sup>4</sup> SCOBELL, A. et al. *At the Dawn of Belt and Road. China in the developing world*. The RAND Corporation, 2018. P, 173-176. Available at: [https://www.rand.org/pubs/research\\_reports/RR2273.html](https://www.rand.org/pubs/research_reports/RR2273.html) , consulted on: 18/03/2020

<sup>5</sup> PIGATO, Miria A. & TANG, Wenxia. “China and Africa: Expanding Economic Ties in an Evolving Global Context”. *World Bank. Investing in Africa Forum*, 2015. p, 3, 5. Available at: <https://openknowledge.worldbank.org/handle/10986/21788> , consulted on: 21/03/2020.

<sup>6</sup> “Review of Maritime Transport. 2016”. UNCTAD, 2016. p, 16. Available at:

[https://unctad.org/system/files/official-document/rmt2016\\_en.pdf](https://unctad.org/system/files/official-document/rmt2016_en.pdf)

<sup>7</sup> “World Investment Report, 2018. Investment and new Industrial Policies”. UNCTAD, 2018. P, 4-5. P, 4-5. Available at: <https://unctad.org/webflyer/world-investment-report-2018> , consulted on : 02/04/2020.

<sup>8</sup> HUANG, Betty & XIA, Le. “China. ODI from the Middle Kingdom: What’s next after the big turnaround?”. BBVA Research Economic Watch, 2018. p, 1, 4. Available at: <https://www.bbva.com/en/publicaciones/china-odi-from-the-middle-kingdom-whats-next-after-the-big-turnaround/> , consulted on: 25/03/2020.

<sup>9</sup> NEETHLING, T. *Op. Cit.* P, 9-11.

Even if the economic interests of China in Europe and North America are also important, any attempt of expanding Beijing’s military footprint towards these regions would be likely perceived as an act of hostility<sup>10</sup> and could potentially create an undesirable military or political conflict, and a lose-lose situation. Thus, China is only filling power vacuums<sup>11</sup> through its prowess in geoeconomics, and securing its interests and leadership on developing areas, instead of colliding with other great powers.

### **Armed globalization in South Asia.**

#### ***Chinese economic interests in South Asia: trade.***

Regarding trade, the lion’s share of China’s Asian partners are located in the South of the continent<sup>12</sup>. The true geostrategic importance of South Asia, however, roots in the fact that the vast majority of Beijing’s shipping lanes go through this area and, particularly, through the South China Sea (SCS) and the Indian Ocean<sup>13</sup>.

With over 60% of China’s trade in value traveling by sea, its economy is heavily dependent on the security of these regions<sup>14</sup>. According to data from 2016, China is the biggest importer and exporter through the SCS by total merchandise value<sup>15</sup>.

Chinese FDI in Asia has also been relevant because of the large investments in infrastructures carried out by Beijing within the OBOR Initiative<sup>16</sup>, that seeks to reinforce China’s engagement in the region through trade and investment. Most of China’s current

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<sup>10</sup> *Ibidem.* p, 13,18.

<sup>11</sup> HEGIMBOTHAM, Eric. et al. “The U.S.-China Military Scorecard”. The RAND Corporation, 2017. p, 342-345. Available at: [https://www.rand.org/content/dam/rand/pubs/research\\_reports/RR300/RR392/RAND\\_RR392.pdf](https://www.rand.org/content/dam/rand/pubs/research_reports/RR300/RR392/RAND_RR392.pdf), consulted on: 17/03/2020.

<sup>12</sup> SCOBELL, A. *Op. Cit.*, p, 52-57.

<sup>13</sup> “Shipping Routes from China.” CFC International Freight. Available at: <https://cargofromchina.com/shipping-routes/>, consulted on: 03/01/2020.

<sup>14</sup> “Review of Maritime Transport. 2016”. *Op. Cit.* p, 6, 12.

<sup>15</sup> “How much trade transits the South China Sea?” China Power Initiative. Center for International Strategic Studies. Available at: <https://chinapower.csis.org/much-trade-transits-south-china-sea/#easy-footnote-bottom-1-3073>, consulted on: 03/03/2020.

<sup>16</sup> SCOBELL, A. *Op. Cit.*, p, 51-54.

investments in South Asia are focused on two main goals: fostering economic integration and bypassing the Strait of Malacca<sup>17</sup>.

Chinese investments in Asia have been steadily rising since 2005, reaching 28.01 billion USD in 2017<sup>18</sup>, and they have been tightly interwoven with political interests across the region. China, thus, emerges as the largest investor in the developing Asian region<sup>19</sup>, with those investments being focused towards certain strategically significant countries. For instance: in Malaysia, Myanmar and Thailand, China has recently invested in railways and seaports<sup>20</sup>, like the Kyaukphyu seaport (Myanmar)<sup>21</sup>, that grants access to the Indian Ocean. Beijing has also launched other ambitious projects in South Asia, mainly concerning infrastructures.

Thus, China’s finance in this region is mainly marked by strategic infrastructure projects created to boost local connectivity<sup>22</sup>, and to enhance the economic links with China through the OBOR Initiative. Pivotal countries for the OBOR, like Pakistan and Sri Lanka, are some of the most important targets for Chinese financing. Sri Lanka, for instance, received Chinese loans for a total of 361 million USD for the construction of the Hambantota Port in 2010<sup>23</sup>.

Pakistan also has strong economic ties with China<sup>24</sup>. In 2015, Pakistan received an investment within the OBOR Initiative<sup>25</sup> for the rehabilitation of Gwadar port, as part of the China–Pakistan Economic Corridor (a total of yuan 46 billion<sup>26</sup>). Gwadar, in fact, is

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<sup>17</sup> GANESAN, Narayanan. “Chinese infrastructure investments in Southeast Asia”. *Blick-Wechsel*, Stiftung Aisenhaus, 2018. p, 1. Available at: [http://crossasia-repository.ub.uni-heidelberg.de/4118/1/Blickwechsel\\_Chinese\\_infrastructure\\_investments\\_Ganesan\\_Mai2018.pdf](http://crossasia-repository.ub.uni-heidelberg.de/4118/1/Blickwechsel_Chinese_infrastructure_investments_Ganesan_Mai2018.pdf), consulted: 02/04/2020.

<sup>18</sup> “Does China dominate global investment?”. *China Power Initiative*. Center for International Strategic Studies. Available at: <https://chinapower.csis.org/china-foreign-direct-investment/>, consultado el: 03/04/2020.

<sup>19</sup> “World Investment Report, 2018. Investment and new Industrial Policies”. *Op. Cit.* p, 44-46.

<sup>20</sup> GANESAN, N. *op cit*, P, 2.

<sup>21</sup> *Ibidem*, p, 3-4.

<sup>22</sup> “Review of Maritime Transport. 2018”. *Op. Cit.*, p, 34.

<sup>23</sup> CHENG, Amy. “Will Djibouti Become Latest Country to Fall Into China’s Debt Trap?”. *Foreign policy*. Available at: <https://foreignpolicy.com/2018/07/31/will-djibouti-become-latest-country-to-fall-into-chinas-debt-trap/>, consulted on: 18/01/2020.

<sup>24</sup> “Pakistan”. *Observatory of Economic Complexity*. Available at: <https://atlas.media.mit.edu/en/profile/country/pak/>, consulted on: 03/01/2020.

<sup>25</sup> SCOBELL, A. *Op. Cit.* 123-125, 271.

<sup>26</sup> *Ibidem*, p, 271.

very close to the key position of the Strait of Hormuz, the only entry point to the Persian Gulf<sup>27</sup>.

### China-Pakistan trade, FDI and debt

	China-Pakistan trade				Debt	Chinese FDI In Pakistan
	Imports*		Exports *		Pakistan with China	
Year	%	Billion USD	%	Billion USD	% del PIB	Million USD
2000	11	6.3	5.9	7.59	-	6,918
2005	9.5	22.7	6.6	11.5	-	10,209
2010	14	34	7.7	21.7	-	19,829
2014	19	47.5	9.1	24.7	-	-
2015	29	36.4	8.8	21.9	65.7	31,599
2016	33	39.3	7.8	20.4	70.0	42,238

\*% of Pakistan´s trade

Table 1: China-Pakistan trade, debt and FDI relationships

Source: Pakistan. Observatory of Economic Complexity. Op. Cit; Does China dominate global investment? Op. Cit.

### ***China´s military projection in South Asia: the “pearls”.***

The development of the OBOR Initiative and the previously demonstrated growing Chinese economic interests in South Asia are making Beijing more aware of the security needs in the region<sup>28</sup>. Considering that Asia is the main and immediate theatre<sup>29</sup> for China´s armed forces, it is logical to assume that China´s growing military footprint there would be directly linked with the growth of its own Chinese People´s Liberation Army (PLA), which currently is the third most powerful army in the world<sup>30</sup>.

<sup>27</sup> *Ibidem*, p, 136-138.

<sup>28</sup> “Review of Maritime Transport. 2016”. *Op. Cit.* p, 90-92.

<sup>29</sup> SCOBELL, *Op. Cit.*, p, 127-128.

<sup>30</sup> “2018. China´s military strength. Global firepower.” Available at: [https://www.globalfirepower.com/country-military-strength-detail.asp?country\\_id=china](https://www.globalfirepower.com/country-military-strength-detail.asp?country_id=china) , consulted on 28/03/2020.

Ever since 1990, Beijing has been increasing its military budget, and the PLA has undergone a dramatic modernization and improvement process<sup>31</sup>, especially after the Chinese economic success of 2006. By 2011, China had an operative aircraft carrier, and had overhauled its fleet and aerial forces<sup>32</sup>.

All these upgrades seemed to be focused on creating a power projection towards the sea<sup>33</sup>, which reflects the nature of the threats that the PLA is expecting to face. By 2020 the PLA undoubtedly shows all the signs of a developed, modern army, including less but better trained and equipped military personnel<sup>34</sup>.

### Evolution of Chinese military budget and personnel

Year	Military budget		Military personnel	
	USD (Billion)	% of the GDP	Total	% of the workforce
2000	22.93	1.89	3,910,000	0.53
2005	45.91	1.98	3,755,000	0.49
2010	115.712	1.9	2,945,000	0.38
2015	214.093	1.9	2,843,000	0.36
2016	216.031	1.93	2,695,000	0.34
2017	227.829	1.90	2,695,000	0.34
2018	249.997	1.87	-	-

**Table 2: Chinese Military expenditure and its weight on GDP.**

Source: The World Bank Open Data. World Bank (Online) Available at:

<https://data.worldbank.org/>

<sup>31</sup> HEGIMBOTHAM, E, *Op. Cit.* p, 25-29, 37-41.

<sup>32</sup> “Annual report to Congress. Military and Security Developments Involving the People’s Republic of China 2018.” Office of the Secretary of Defense, United States of America, 2018. p, 16-18. Available at: <https://media.defense.gov/2018/Aug/16/2001955282/-1/-1/1/2018-CHINA-MILITARY-POWER-REPORT.PDF> consulted on: 18/03/2020.

<sup>33</sup> HEGIMBOTHAM, E, *Op. Cit.* p, 34-36.

<sup>34</sup> “Annual report to Congress”. *Op. Cit.*, p, 2, 121-122.



### Evolution of the main military assets of the People’s Liberation Army

Year	1996	2006	2011	2016	2018
<b>Personnel</b>	4.135.000	3.605.00	2.945.00	2.695.000	2.693.000
<b>Battle tanks</b>	8.000	7.000	7.000	7.000	7.400
<b>Fighting vehicles</b>	4.500	-	-	-	9.000
<b>Artillery</b>	14.000	11.000	8.000	8.000	10.600
<b>Fighters</b>	5.000	1.525	1.680	1.700	1.490
<b>Bombers</b>	575	775	620	400	530
<b>Patrol ships</b>	-	45	68	86	86
<b>War ships</b>	57	70	79	98	107
<b>Aircraft Carriers</b>	-	-	1	1	1
<b>N/B* Submarines</b>	5	5	5	9	6
<b>Attack submarines</b>	-	55	49	57	47

**Table 3: Composition of the People’s Liberation Army.**

Source: HEGIMBOTAN, E. et al. The U.S.- China Military Scorecard. Op. Cit.; Annual report to Congress.

Op. Cit.; and: China. Global Firepower Index (Online) Available at:

[https://www.globalfirepower.com/country-military-strength-detail.asp?country\\_id=china](https://www.globalfirepower.com/country-military-strength-detail.asp?country_id=china)

China’s global economic projection makes its assets abroad more vulnerable to regional and local threats. Thus, the PLA has been getting ready to deal with these menaces<sup>35</sup>, and it is extending its projection over South Asia, and especially over Pakistan<sup>36</sup>. Furthermore, by reactivating the Pakistani base of Jiwani<sup>37</sup>, near the aforementioned Gwadar port, China could gain a foothold near the Strait of Hormuz, as well as a new point for the “String of Pearls”.

The “String of Pearls” is a key element of China’s military presence in South Asia, It is presented as a network of naval facilities that would act as “hubs” for the maritime routes in the South China Sea and the Indian Ocean. Its use, however, is widely perceived as

<sup>35</sup> *Ibidem*, p. 111.

<sup>36</sup> *Ibidem*, p. 3-6, 9.

<sup>37</sup> SCOBELL, A. *Op. Cit.* p, 173-176.

potentially military<sup>38</sup>, as each one of these “pearls” is strategically placed in order to cover the most possible extension of said areas, contributing to spreading China’s presence<sup>39</sup>.

Furthermore, China is also aiming to expand its influence towards areas like Sri-Lanka, the Maldives, or Bangladesh, thus completing the “String of Pearls”<sup>40</sup>. The consolidation or enlargement of that network of facilities across the sea will provide Beijing with a wide array of options for militarily responding to any potential menace<sup>41</sup> that threatens the stability of the Indo-Pacific area, or that can compromise its merchandise flows.

## Armed globalization in Africa

### *Chinese interests in Africa: trade*

China’s commitment to Africa has grown during recent years and, it has touched almost every African country<sup>42</sup>. In fact, China has gained a huge level of political legitimacy in the region, turning Africa into an important core for Beijing’s economic interests, thus creating the need for a stable and secure environment<sup>43</sup>.

African exports to China are based on primary commodities, while African imports from China are more diverse and have generated a suitable market for Chinese products. Trade relations between China and Africa have grown since 2000<sup>44</sup>, and have generated a positive trade balance for Africa<sup>45</sup>.

China’s FDI in Africa has also grown and diversified during these years, linked with the necessity of working infrastructure<sup>46</sup> capable of sustaining the African labor-intensive and export-directed manufacturing industries and extractions of natural resources. Out of the

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<sup>38</sup> *Ibidem* p, 137, 146.

<sup>39</sup> “Annual report to Congress”. *Op. Cit.* p, 3-4.

<sup>40</sup> *Ibidem*, p, 14-17

<sup>41</sup> SCOBELL, A. *Op. Cit.*, 139, 146-148.

<sup>42</sup> “MACKINNON, Tara. “The forum of China-Africa Cooperation”. BRICS Policy Center, 2016, p, 1-2, consulted on: 17/02/2020.

<sup>43</sup> ANSONG, Ricky & SEESAGHUR, Hans. “An Overview of China’s Expanding Role in Peacekeeping Missions in Africa”. Central China Normal University and Wuhan University. P, 11. Available at: [https://www.researchgate.net/publication/319179439\\_An\\_Overview\\_of\\_China's\\_Expanding\\_Role\\_in\\_Pea cekeeping\\_Missions\\_in\\_Africa](https://www.researchgate.net/publication/319179439_An_Overview_of_China's_Expanding_Role_in_Pea cekeeping_Missions_in_Africa), consulted on: 17/02/2020

<sup>44</sup> SCOBELL, A. *Op. Cit.* p, 173-176.

<sup>45</sup> PIGATO, M. & TANG, W. *Op. Cit.*, p, 5

<sup>46</sup> *Ibidem*, p, 3-4, 11-12, 16.

total of 83.01 billion USD that China has invested in Africa between 2005 and 2017, most of it has been poured into primary extractions and energy production sectors<sup>47</sup>.

Chinese FDI has positively contributed to Africa’s economic growth, even more than it has in Asia<sup>48</sup>, being effective at stimulating the economic growth in the recipient countries<sup>49</sup>, and fostering trade as well. Many African leaders, seeing China’s approach as a suitable alternative to the Washington Consensus, have gladly welcomed these investments, as they come with no conditions and without any form of interference with their internal affairs<sup>50</sup>.

The United Nations Conference on Trade and Development (UNCTAD) estimates that the tripling of China’s investment in 2008-2013 was associated with a doubling of African exports, ranging from 55 billion in 2008 to more than 100 billion in 2014<sup>51</sup>. In 2016, the projected infrastructure investments by China included new railways, roads and airports<sup>52</sup>.

Data confirms that China has been one of the major investors in Africa in the 2011-2016 period<sup>53</sup>, having a FDI stock of 16 billion USD in 2012 and of 40 billion USD in 2016. In 2016 China had the fourth largest FDI stock in Africa, accounting for 40 billion USD and remains high in 2017 (42 billion USD)<sup>54</sup>.

From 2000 to 2014, China has funded near 2.390 projects across Africa, accounting for a total of 121.6 billion USD, constituting the 34.3 % of China’s global development finance on that period<sup>55</sup>.

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<sup>47</sup> “Africa’s competitiveness divide”. World Economic Forum. (Online) Available at: <http://reports.weforum.org/africa-competitiveness-report-2015/africas-competitiveness-divide/> , consulted on: 04/02/2020.

<sup>48</sup> PIGATO, M. & TANG, W. *Op. Cit.* p., 17-19.

<sup>49</sup> “Where is China targeting its development finance?” China Power Initiative. Center for International Strategic Studies. Available at: <https://chinapower.csis.org/china-development-finance/> , consulted on: 13/03/2020.

<sup>50</sup> NEETHLING, T. *Op. Cit.*, p. 90

<sup>51</sup> “Review of Maritime Transport. 2016”. *Op. Cit.* p, 34

<sup>52</sup> *Ibidem*, p. 22.

<sup>53</sup> “World Investment Report, 2018. Investment and new Industrial Policies”. *Op. Cit.* p, 38-41.

<sup>54</sup> “Annual Report to U.S. Congress”, *Op. Cit.* p, 111.

<sup>55</sup> *Ibidem*, p, 21; “China Global Investment Tracker”. American Enterprise Institute. The Heritage Foundation. Available at: <http://www.aei.org/china-global-investment-tracker/>, consulted on: 13/01/2019.

### Chinese FDI in Africa

Year	2010	2011	2012	2013	2014	2016	2017
Chinese FDI in Africa (USD Billion)	10.42	26.59	28.51	34.9	22.4	40.0	42.0

**Table 4: Chinese FDI in Africa.**

Source: World Investment Report, 2018.Op. Cit.; & China Global Investment Tracker.Op. Cit.

#### ***China’s Military presence in Africa: from peacekeeping to Djibouti.***

Traditionally, the bulk of China’s military action in Africa has been carried out as part of the UN Peacekeeping Operations. China has been the second largest financial contributor to the UN’s Peacekeeping Operations, and out of the five Permanent Members of the Security Council, China is currently the biggest contributor of peacekeepers<sup>56</sup>. Most of the Beijing-supported peacekeeping activities have taken place in Africa.

This growing presence in peacekeeping operations matches China’s efforts to expand its economic influence through trade and investment ties, and displays two interlinked narratives: the protection of China’s assets in the continent, and the reinforcement of Beijing’s soft power. China’s involvement in peacekeeping, thus, can be considered to be part of a “brand strategy” to enforce its image as a responsible great power, and as the leader of the developing world<sup>57</sup>.

In the UNMISS peacekeeping mission (South Sudan) this phenomenon can be clearly seen. When the mission started in 2011, China only provided medical and technical staff, about 350 individuals. However, in 2014, China sent a contingent of 700 armed soldiers<sup>58</sup>. The astounding percentage of exports from South Sudan to China from 2012 onwards

<sup>56</sup> DUGGAN, Niall. “The Expanding Role of Chinese Peacekeeping in Africa”. Oxford Research Group, 2018. Available at: <https://www.oxfordresearchgroup.org.uk/blog/the-expanding-role-of-chinese-peacekeeping-in-africa> , consulted on: 22/02/2020.

<sup>57</sup> ANSONG, R. & SEESAGHUR, H. *Op. Cit.*, p, 22, 29.

<sup>58</sup> ANSONG, R. & SEESAGHUR, H. *Op. Cit.*, 26-27.

(namely crude petroleum) and the constant growth of Chinese FDI stocks in South Sudan seem to be correlated with a growing military presence in the country<sup>59</sup>.

However, it is in Djibouti where the Chinese true military grit can be plainly seen, as this country is hosting the first Chinese overseas military base. Beijing’s economic interests in Djibouti create an important leverage, especially if considered within the broader context of the OBOR’s Maritime Silk Road<sup>60</sup>. Both these countries have an intense trade relationship, and Djibouti is also an important recipient of Chinese FDI and cooperation aids.

Beijing has assisted Djibouti on several projects, including a section of the Addis Ababa-Djibouti Railway (USD 4 billion<sup>61</sup>) and other endeavors. In fact, Djibouti is currently submerged into a drastic debt situation<sup>62</sup> because of China’s loans for the OBOR and other infrastructure development projects<sup>63</sup>.

Djibouti is located in a geostrategic location near the Strait of Bab-el-Mandeb<sup>64</sup>, that separates the Gulf of Aden from the Red Sea, and it is a vital piece for controlling the approach route to Suez. Therefore, Djibouti and its base are a pivotal part of the OBOR Initiative especially if linked with the aforementioned port in Gwadar, Pakistan.

Officially opened in 2017 at Doraleh, it was preceded by an important investment for its seaport in 2013. Currently, the base counts with a deployed PLA marine squad<sup>65</sup>, fully equipped installations and more than 2.500 Chinese peacekeepers<sup>66</sup>. Djibouti’s base

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<sup>59</sup> “South Sudan”. Observatory of Economic Complexity. Available at: [https://atlas.media.mit.edu/en/visualize/tree\\_map/sitc/import/ssd/show/all/2016](https://atlas.media.mit.edu/en/visualize/tree_map/sitc/import/ssd/show/all/2016) , consulted on 15/03/2020.

<sup>60</sup> “The Belt and Road Initiative”. *Op. Cit.* p, 11-12.

<sup>61</sup> “Review of Maritime Transport. 2016”. *Op. Cit.*, p, 22.

<sup>62</sup> HURLEY, John.; MORRIS, Scott, & PORTELANCE, Gallyn. “Examining the Debt Implications of the Belt and Road Initiative from a Policy Perspective”. Center for Global Development, 2018. p, 14, 16-17. Available at: <https://www.cgdev.org/publication/examining-debt-implications-belt-and-road-initiative-a-policy-perspective>

<sup>63</sup> “Data. Chinese loans to Africa”. China Africa Research Initiative. Available at: <http://www.sais-cari.org/data-chinese-loans-and-aid-to-africa/> , consulted on: 08/01/2019]

<sup>64</sup> SCOBELL, A. *Op. Cit.* p, 21, 169.

<sup>65</sup> “Annual Report to U.S. Congress”. *Op. Cit.* p, 28, 67, 70.

<sup>66</sup> LENDON, Brad & GEORGE, Steve. “China sends troops to Djibouti, establishes first overseas military base”. CNN, 13 de julio de 2017. Available at: <https://edition.cnn.com/2017/07/12/asia/china-djibouti-military-base/index.html> , consulted on: 02/01/2019.

mainly serves as a logistic hub for anti-piracy and humanitarian operations in the Gulf of Aden<sup>67</sup>, as part of a future Chinese logistic/military network<sup>68</sup>.

Beijing has also been conducting naval exercises and anti-piracy operations in the area since 2008 and, in 2017, the 25<sup>th</sup>, 26<sup>th</sup>, 27<sup>th</sup>, and 28<sup>th</sup> naval escort task forces were deployed there<sup>69</sup>. The operational range of these units also covers Chinese shipping lanes on the South Asia.

### General overview of trade, FDI and debt between China and Djibouti

	FDI	Debt	Trade
Year	Chinese FDI stocks in Djibouti (Million USD)	Djibouti's debt to China (% of GDP)	% of Djibouti's exports to China
2005	158	-	13
2010	878	-	21
2015	1,629	72.1	54
2016	1,789	86.6	50
2017	1,954	88.1*	-

\*Original estimation by HURLEY, J.; MORRIS, S. & PORTELANCE, G.

**Table 5: Djibouti-China trade, FDI and debt overview**

Source: Djibouti. Observatory of Economic Complexity. Op. Cit. ; HURLEY, J. et al ; Op. Cit.; Does China dominate global investment? Op. Cit.

## Conclusions

Regarding the previous data, a positive correlation between China's economic interests and its military footprint through South Asia and Africa can be perceived. Such causal relationship is especially prominent in the particular cases of Pakistan and Djibouti.

<sup>67</sup> SCOBELL, A. *Op. Cit.*, p, 204-206.

<sup>68</sup> “Annual Report to U.S. Congress”, *Op. Cit.* p, 111.

<sup>69</sup> *Ibidem*, p, 21.

Thus, it can be concluded that China’s economic interests are being globalized and expanded beyond its immediate vicinity and, because of that, they are becoming more vulnerable to external instabilities. In order to secure these assets, China is conducting an expansion strategy heavily based on geoeconomics (FDI and trade) and integration. Beijing is only deploying a more traditional military-backed approach in its neighboring regions, projecting its military power to partner countries with strong economic ties, thus ensuring Chinese presence in geostrategic locations in South Asia and Africa, such as Pakistan and Djibouti.

China, however, is only filling vacuums of power, and it is not projecting its military presence towards areas in which it may collide with other major powers.

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