China and the United States Lock Horns in Africa's Critical Minerals Race

By:

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Once again, Africa finds itself trapped in the geopolitical tussle between China and the United States. This time, it is the struggle over Africa's critical minerals. Beginning in August 2022, President Joe Biden of the United States signed the Inflation Reduction Act (IRA) into law with the promotion of American investments in clean energy and climate-driven technologies as a primary goal of this law. The IRA's corollary objective was the promotion of environmental justice in the United States. Therefore, for both energy capitalists and transition economy enthusiasts, this was supposed to be a win-win situation. However, more was unsaid. The IRA's passage was not only about building American industries and homegrown green technologies. One of its goals was to significantly reduce America's reliance on China for the supply of critical minerals.

Despite the significant steps taken under the IRA to reduce American dependence on China for critical minerals, it is evident that the United States feels the need to do more. Recently, the United States Senate passed the Intergovernmental Critical Minerals Task Force Act (ICMTFA). The expectation is that the ICMTFA would ramp up American efforts to reduce its demand on China and other states the United States labels as adversarial states. Together, a combined reading of the IRA and ICMTFA represents a new frontier of American national security interests styled as clean energy laws and transition policies. These developments take place against a backdrop of a significant demand in critical minerals that will outpace supply in less than two decades from now. These maneuvers also speak to the lesser-explored American experience with China nearly a decade ago in a dispute involving China's restrictions on the export of rare earth minerals. The United States, together with other states, challenged China's export quotas at the Dispute Settlement Body (DSB) of the World Trade Organization (WTO). The DSB ruled that China's restrictions violated WTO law.

Drawing on this historical context, President Biden's recent planned travels to Africa raises several interests, notably a subtle economic diplomacy to preempt a possible repeat of China's past export quotas or similar measures. While the IRA supports domestic efforts aimed at the production of critical minerals, the United States has been strategic in its decision to develop a parallel Africa-centered program that focuses on extracting these critical minerals in Africa while simultaneously ramping up its domestic production levels. This African approach involves investments in the critical minerals and related infrastructure. With China as the leading purchaser of critical minerals in Africa, and the leader in investments in this sector across Africa, the United States is well aware that its domestic policies will have little effect on China if the United States does not checkmate China by registering a greater presence in Africa's critical minerals industry. With green technology as a new chapter in China-United States geopolitics, the stakes are even higher as other non-African states that do not align with America's vision, like Russia, are equally interested in Africa's critical minerals.

A few days ago, President Biden's long-awaited travel to Africa suffered a temporary setback with a postponement due to Hurricane Milton. This trip, which was to take President Biden to Angola, was part of a strategic mission to

register America's interest in the Lobito railway project. The Lobito project is an ambitious development that will connect the Democratic Republic of Congo (DRC), Zambia and Angola. The railway project will terminate in the port city of Lobito in Angola and will ensure easy transportation of copper and cobalt from the resource-rich mines of the DRC and Zambia to Lobito in Angola. This railway will end the delays with road transportation down to South Africa's Durban port. A syndicate of Africa banks including the Development Bank of Southern Africa and the International Development Finance Corporation, a United States federal agency, is funding the Lobito project. As some commentators have noted, " Lobito ensures U.S. access to Congolese critical minerals that might otherwise be bound for China—for sure a strategic imperative."

With American finance and a keen desire to steer African states from exporting critical minerals to China, President Biden's pending visit will send a strong signal to all players in the industry. Perhaps, the impact has already rippled across the region. A few days ago, the DRC indicated its interest to diversify control over its copper and cobalt mines from China to other global players. Notably, it has stated its interest to see the completion of the Lobito project, which will ultimately benefit the United States and the European Union. At the same time, other Africa states in the region have positioned themselves strategically to benefit from the proxy resource wars between the two states. Taking a cue from the United States, China is heavily investing in a similar railway project called the Tazara project. The Tazara railway is nearly 50 years old. The Chinese built it with an interest-free loan in the 1970s. It connects Zambia to Tanzania but has since fallen into a state of disrepair. The Tazara railway's rehabilitation started with a World Bank loan, but recent developments including the American interest in the Lobito project has led to a US$1 billion commitment by China in rehabilitating the Tazara project. Upon completion, the Tazara project will consolidate China's eastward movement of Africa's critical minerals. In a crude sense, while China carts away Africa's critical minerals through the eastern gateway of the Indian Ocean, the United States and allies will ship out these mineral resources via the western corridor of the Atlantic Ocean.

For some Africans the revival of the Tazara railway is reminiscent of a glorious " railway work in Cold War Afro-Asian solidarity." The Lobito project equally inspires new hope for infrastructural development as the Lobito railway

project's history dates back to the 1900s. Nonetheless, both projects disguise the calculated moves by China and the United States to limit each other's reach and control over Africa's critical minerals. Still, the critical minerals race has equally become a strategic opportunity for African states to leverage the ongoing power struggle between these powerful states to obtain favourable infrastructure deals and revive projects like Lobito and Tazara. With the global uptick in electric vehicles, lithium-ion batteries, advanced chips, grid scale batteries and similar green technologies, this geopolitical tussle will become a defining feature of Africa's relations with both East and West, going forward.

Away from this seemingly bright spot, it is obvious there is a new challenge ahead of African states. The present development has silenced or eclipsed the environmental and human rights concerns that were already prevalent in the mining of critical minerals in Africa. The construction of both the Lobito and Tazara railway projects will intensify ecological damage and human rights abuses since the completion of either project is now effectively a resource race. For example, the Lobito project requires a significant destruction of tropical rainforests in Angola. At the same time, the increased levels of copper and cobalt mining in Zambia and the DRC and the wider Central and Southern African regions mean more exploitative labor practices and environmental degradation. Altogether, the African states involved in the Lobito project will pay a great price for the technological innovation of the United States and its allies including the European Union. A similar concern is true for the other African states involved in the Tazara railway project's revival where China's abuse of both Africa's peoples and their environment in the critical mining sector is visible. Without a deliberate plan by African states to turn these projects into a positively transformative process for natural resource utilization, Africa's peoples and their environment will only see a repeat of the resource curse. In this respect, visits like the postponed trip by President Biden to Africa will mean nothing more than whitewashing and greenwashing the ecological and human rights violations that characterize the extraction of Africa's critical minerals.

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