

Doug Casey On China's Exploitation Of Africa

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A lot of folks are asking themselves this question, and for good reason.

You see, China's pulling resources out of the ground in Africa at an alarming rate. Not only that, Chinese people are pouring into the continent by the boatload.

That said, it's not all "bad news." China's also started construction companies across Africa, created jobs, and built schools and hospitals.

In short, the question I posed above is trickier than it may seem. So I got Doug Casey to tell me what he thinks.

Keep in mind, this interview is controversial. Please don't read ahead if you're easily offended.

Justin: Is China exploiting Africa?

Doug: Of course "exploit" is a loaded word; it implies one-sided, unbalanced dealings, and unfair business—although the word "fair" also has lots of baggage, and politically charged meanings.

But, yes, they're definitely exploiting Africa. We're seeing a veritable re-colonization of Africa. Every time I visit Africa I see more and more Chinese. It doesn't matter which country; they're everywhere.

It's important to remember that Africa doesn't produce anything besides raw materials. There's close to zero manufacturing, like 1% of the world's total, in sub-Saharan Africa. And almost all of that is in South Africa. The little there is, is only produced with the help foreigners—Europeans, but increasingly the Chinese.

The Chinese basically see Africans as no more than a cheap labor source. That's at best. Other than that, they're viewed as a complete nuisance. Basically an obstacle, a cost, standing in the way of efficient use of the continent itself.

What do the Chinese people think of Africans? They don't hold them in high regard. Of course, you've got to remember that China has viewed itself as the center of the world since Day One. They see all non-Han peoples as barbarians, as inferiors. That was absolutely true when the British sent an ambassador, Macartney, to open relations at the very end of the 18th C. He was treated with borderline contempt—pretty much the way Europeans and Americans have treated primitive peoples since the days of Columbus. It's actually the normal human attitude, when an advanced culture encounters a backward culture. The Chinese see their culture as superior to even that of the West, and believe—probably correctly—that they'll soon be economically and technologically superior as well.

Africa doesn't even enter the equation. The continent has no civilization, no economy, no technology, no military power. The famed Zimbabwe ruins are just some semi-finished rocks piled on one another—and they're considered iconic. The Chinese see the place the way the Spanish saw Mexico and Peru in the 16th C. Of course they won't say that in public. In fact it's very non-PC for anyone to make that observation...

Nonetheless, Africa is going to be the epicenter of what's happening in the world for years to come. It's gone from being just an empty space on the map in the 19th C, to a bunch of backwater colonies in the 20th C, to a bunch of failed states that people are only

vaguely aware of today. Soon, however, it will be frontpage news. And this is both because Chinese are moving to Africa in record numbers and Africans are leaving as fast as they can.

Many Africans are now trying to make their way to Europe. Every year scores of thousands of them—all young men by the way—cross the Mediterranean on rafts. When they arrive in Europe, they somehow survive by selling bobbles on the street, dealing dope, or stealing. And figuring out how to game the welfare system. Now, I realize this doesn't sound very promising. But that's the way things are headed. It's a growing trend.

Justin: [In previous conversations](#), you've mentioned how Africa will be responsible for most of the population growth going forward. Will this happen because so many Chinese are pouring into Africa?

Doug: Well, it's hard to be certain what's actually on Mr. Xi's mind, but I read something a few years ago about how China wanted to move 200 or 300 million of its citizens to Africa. Most people aren't aware of this. It hasn't been widely promoted, but this is another trend.

Rich Chinese are smart to diversify to developed Western countries. Poor Chinese go to backward countries, to try to become wealthy. Africa is the prime recipient.

One reason is because China is lending scores of billions to backward countries, mostly for infrastructure development. But the roads, ports, railroads, and what-have-you are built almost exclusively by Chinese companies with Chinese labor, who stay there. The infrastructure is there to enable the export of raw materials, mainly back to China. But the debt has to be repaid. It's a great deal for China.

It will be interesting to see what happens when a couple hundred million Chinese are living with a radically expanding native African population.

Few people realize this. I ask knowledgeable people what they think the biggest cities in the world will be at the turn of the next century. And they all guess cities in China or India.

But that's not true. **Eighty years from now, Lagos, Nigeria will be the largest city in the world. It's on track to have a population of more than 90 million. The world's second biggest city will be Kinshasa in the Congo with about 80 million people. Dar es Salaam of Tanzania will be the world's third biggest city with a population of roughly 75 million people.**

Lagos is no surprise. The city already has some 20 million people. But I was shocked when I heard about Kinshasa and Dar es Salaam, having been to both places.

When I was in Dar in 1982, it was just a big town with maybe one million people. But it was stuck in the past. I mean in the harbor there were tramp steamers dating from the '40s. It was like stepping back into a time warp. But, even though Tanzania was a police state back then, Dar was both peaceful and exotic. Now it's sprawling, filthy, unpleasant, and chaotic. I can't imagine what it will be like if the population projections are correct.

My point is that these are backward places. They don't produce anything, especially the Congo and Tanzania. I don't have a clue how people will even survive.

I don't see how these cities will support tens of millions of people. Where is the food going to come from? What about everything else that people need to survive? Nobody—including the Chinese—are going to build the infrastructure that will be needed. It's not going to be there because nobody is investing in Africa except the Chinese. In fact you can't really "invest" in these places, because there's no rule of law.

Justin: And what happens if these economies can't support all these people?

Doug: I honestly think Africa could implode. I mean where is the economic growth going to come from that will be needed to support all these people? It's turning into the world of *Soylent Green* in the cities. And in the boondocks, people just sit around on their haunches and beat on earth. Or at least the women do. Men just sit around and palaver all day.

Africans don't have the Protestant work ethic of Europeans. They don't have the Confucian work ethic of China.

The average African can't even save money, for starters. Every one of the currencies in Africa is essentially worthless. Even if you have money to save, where are you going to park it? Africa's banking system is almost nonexistent. The banks are unstable, and the governments are basically kleptocracies.

Where will Africa get the capital necessary to support economic growth?

Of course, **pockets of Africa will experience explosive growth in the coming years. But there's not a prayer there's ever going to be a place like the mythical nation of Wakanda in the movie *Black Panther*.** For a lot of reasons. For one, Africans haven't learned anything from the past.

Just look at what Zimbabwe recently went through. It forcibly evicted 250,000 Europeans, and stole almost all their property. There are only about 5,000 Europeans left there now. I was last there a couple of years ago. The place now produces nothing but people and political agitation. It used to be the breadbasket of Africa. Now it's going back to bush.

You'd think South Africans would say, "Geez, that country's economy was totally destroyed by politics and envy. That wasn't a good idea; we ought to act more intelligently."

But they're doing the opposite. They've announced a plan to confiscate, without compensation, all the white-owned land. They started with two game farms a few weeks ago. Everything will be distributed to cronies of the President and his ministers. Then, having evicted the two white tribes—the Afrikaners and the British—the remaining nine black tribes will start fighting over everything.

Why is this? Is it because South African blacks are that stupid? I thought about it, and the answer is "no." They actually view what happened in Zimbabwe as a success.

Justin: Why do you think that is?

Doug: The blacks went from owning, say, 10% of the country's wealth to now owning, say, 99%. That looked pretty good. The fact the absolute amount of wealth fell by perhaps 75% is irrelevant to them.

It's a different way of looking at things. **No black in South Africa thinks Zimbabwe made a mistake. They consider getting rid of the white people a triumph.**

This is obviously racist. But Africa is probably the most racist place on the planet. Most people in Europe and the US either don't know this or, if they do, they'd never admit it.

Frankly, it amazes me that so many Americans have programmed themselves to feel "white guilt." Anyone who's traveled knows that Europe and the US are the least racist societies on the planet.

But all the races are "racist," to be candid. It's genetically programmed into humans to fear alien groups. It's a result of the competition for scarce resources, over millions of years of evolution. Racism may be unsavory, but it's entirely natural. The only solution is to view people as individuals, first and foremost. Looking for political solutions against racism only makes things worse, not better.

Justin: How could what's happening in South Africa impact the rest of Africa?

Doug: Well, South Africa has always been the workshop of the continent. Basically, anything industrial that's ever happened in Africa has come out of South Africa.

But the future looks grim. There are only four million whites left in South Africa. And the smart ones are going to make the chicken run and get out. It's "unfair," of course, because the Afrikaners were there only slightly after the Bantus, who came down from the north as the Europeans arrived by boat. The big losers are actually the original inhabitants, the Hottentots (now called the Khoisan).

When the Europeans do leave, they'll take their education, work ethic, and culture with them. After the two white tribes leave, the nine major black tribes will fight over the spoils. The best case possibility is that South Africa—or Azania, as some politicized blacks like to call it—will break up into several new entities.

They're already confiscating white farms in South Africa. And what will happen with those farms? They'll be destroyed and go back to the bush just like they did in Zimbabwe. Modern farming is a very high-tech, management-intensive business.

So, I'm very pessimistic about the future in Africa.

Justin: The Chinese obviously have a lot of skin in the game in Africa. Don't they have an incentive to erect infrastructure that will support their interests? Or should the African people be making these investments?

Doug: The investment should come from Africans. But that's unlikely for reasons I've already mentioned.

It's funny. Last month, Robert Friedland gave a speech at the Sprott Natural Resource Symposium in Vancouver. He was talking about his projects in Africa. He spoke of how wonderful their mineral deposits are. And he's quite correct.

Africa has some of the best mineral deposits in the world in terms of both size and grade quality.

But he mentioned where his investments are located—South Africa and Congo—only once during his entire one-hour speech. **And that was quickly and sotto voce, because everyone knows that these governments really only know how to do one thing: steal.** In Congo it's likely to be more overt. In South Africa, they're passing a law which mandates blacks must own 30% of the mining company's shares, plus get a 1% royalty, plus be in the majority of management. And a lot more. I may be slightly off in the numbers, working from memory—but it's going to destroy mining. These people are actually insane.

On the kind of bright side, since the Chinese have significant investments in Africa, they're not going to let the African governments confiscate their assets and run them into the ground.

If bribing political leaders proves ineffective, it's possible that they'll put soldiers' boots on the ground. They could send in the Red Army to defend their assets. Or send in assassins to take out individual African politicians.

Justin: What are the chances of that happening?

Doug: There's a good chance that happens.

The people who run these African governments are not going to change their stripes or their culture.

The methodology in Africa has been the same for years. Get into the government. Steal as much as you can. Then go to Europe to live like a billionaire.

These are tribal societies. When one tribe takes over the government, all the other tribes look for ways to overthrow that tribe. If they succeed, they get their chance to loot the cornucopia.

Justin: It's clear that you're pessimistic on Africa. But you've also said the young people should move to Africa if they want to make a bunch of money.

Do you still think that's a good idea?

Doug: Absolutely. I know what I've been saying may sound contradictory.

After all, if Africa is likely to go into economic, political, and sociological collapse in the decades to come, how can there be opportunity?

There's plenty of opportunity, however, because the playing field is very uneven in Africa. And that's exactly what you want.

You don't want a level playing field; you want one tilted in your direction. If a young American or European stays in their own country, he's just like 100 million other people. He's got no marginal advantage.

If you go to Africa, it's a different story. You've got a ton of marginal advantages. You are likely the only person that has a certain background, set of skills, education, capital, and connections. You're automatically very unusual. That makes it much easier to make things happen.

You can be sitting down with the president, or the richest guys in the country, in a couple weeks after you arrive on the scene.

I think that it's an excellent place to go for an individual from Europe or America that wants to get wealthy. And have an exotic adventure as a bonus.

Justin: Thanks for taking the time to speak with me today, Doug.

Doug: No problem.