ROLE OF CHINA IN AFRICA

THREE CASE STUDIES OF ANGOLA, ETHIOPIA AND ZAMBIA

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Abstract: The purpose of this paper is to explore the implications of the rapid expansion of Chinese engagement in the African continent. This engagement is characterised by 'trade, investment, foreign aid and government-sponsored bilateral cooperation' which is highly varied, politicised, and wrought with scrutiny.

It is important to stress that China's role and its implications vary between countries due to differing socio-political, economic and environmental contexts. Therefore, this paper will focus on three examples of China's development 'partnerships': Angola, Ethiopia and Zambia. Angola will be used to analyse China's oil-backed infrastructure projects. Ethiopia will be explored to challenge allegations of China's purely extractive agenda as it is a non-oil exporting developmental state which uses Chinese 'assistance' to overcome problems of poverty and food insecurity. Zambia will be used to discuss detriments of Chinese engagement.

This paper concludes Chinese engagement in Africa to be multifaceted in light of her varied 'development partnerships', seen through the Angolan, Ethiopian and Zambian case studies. Sino-Ethiopian and Sino-Zambian relations particularly highlight the varied implications of Chinese engagement. In light of domestic and international backlash particularly regarding treatment of workers in Chinese owned factories in Zambia, the Chinese are working to sweeten perceptions with public health investment and campaigns. This illustrates dynamism in Chinese engagement which, this paper concludes, will sustain China's role in Africa.

Keywords: China; Africa; Investment; Development; Assistance; Infrastructure; Resources; Trade; Agriculture; Employment

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1. INTRODUCTION

China's economic and political presence in Africa has been longstanding, dating back to the 15th century (Obiorah, 2007). However, China's rapidly increasing engagement in the continent over the past two decades –which involves 'trade, investment, foreign aid and government-sponsored bilateral cooperation' (Brautigam and Tang 2012: 2)- is highly varied, politicised, and wrought with scrutiny regarding her role and its implications for the continent.

China is among a group of emerging 'development partners', including Brazil, India and Saudi Arabia, which are not members of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) and are redefining traditional concepts of Official Development Assistance (ODA). The OECD (2018) define ODA as 'official finance seeking to promote economic development and welfare that is concessional in character and contains a grant element of at least 25 percent'.

Non-DAC Donors (NDDs) and in particular, China, are keen to distance themselves from the institutionalisied DAC philosophy of aid-giving and its subsequent asymmetrical power dynamics; NDDS are altering the types of conditionalities -or lack thereof- attached to their assistance, and combining concessional loans with grants of food aid and technical and humanitarian assistance (Mawdsley, 2012). Chinese rhetoric also emphasises a 'South-South' partnership of development built on 'principles of mutual respect; reciprocal benefits; respect for sovereignty; and non-interference in the internal affairs of partners, quite the opposite of the paternalistic and 'conditionality'-based partnership practiced by Western donors' (Cheru, 2016: 592-593).

Despite significant media attention surrounding the implications of Sino-African engagement, quantifying the 'assistance' remains difficult and contested. However, AidData has collated vast amounts of information and estimates Chinese

development assistance to Africa at nearly US$100 billion between 2000-2013 (Constantaras, 2016).
It is important to stress that China's role and implications in Africa vary between countries given the different socio-political, economic and environmental contexts. Therefore, this paper will focus on three examples of China's development 'partnerships': Angola, Ethiopia and Zambia. Angola will be used to analyse China's oil-backed infrastructure projects. Ethiopia will be used to challenge allegations of China's purely extractive agenda as it is a non-oil exporting developing country which uses Chinese 'assistance' to overcome problems of poverty and food insecurity (Alemu and Scoones, 2013). Zambia will be used to discuss the negative aspects of Chinese engagement.

Sino-African relations can be characterised by political, economic and military-related 'mutual' interests (Hanauer and Morris, 2014). Economic pursuits remain paramount, be that the developing goals of African nations or China's quest for raw materials to fuel its ongoing industrialisation and 'going out' strategy (ibid.).

2. DISCUSSION OF FINDINGS

2.1 China in Angola

Angola's wealth of oil reserves has attracted substantial Chinese investment, primarily through oil-backed infrastructure projects which began during the country's 2002 post-civil war reconstruction. A US$2 billion, twelve-year, loan issues in 2002 by China Exim Bank guaranteeing a daily supply of 10,000 barrels of oil in exchange for transportation infrastructure illustrates this (Tan-Mullins et al., 2010).

Many African officials massively support Chinese investment and cooperation. For example, in a meeting with the Chinese foreign minister, Angola's President Lourenco thanked China for her crucial role in post-war reconstruction and encouraged continuing large-scale infrastructure projects (Liu, 2018). Furthermore, Hanauer and Morris (2014: 10) argue African leaders use Chinese backing as justification for their leadership; former Angolan President Eduardo dos Santos hailed a Chinese building project as evidence of implementation of his campaign promise to increase social housing (ibid.). However, this project could be characterised as a 'white elephant' investment (Dreher et al., 2017: 2) and a waste of public resources. The US$3.5 billion contract with China International Trust and Investment Corporation built a 'virtual ghost town' (Hanauer and Morris, 2014: 52) – schools, roads, homes, electricity networks- with apartments selling for US$120,000 to US$200,000 despite 60% of Angolans live on no more than US$2 a day (Hanauer and Morris, 2014). Not only is this categorically not social housing, but 12,000 Chinese workers were employed for its construction (ibid.).

Employment of Chinese workers in Africa –roughly 225, 000 in 2016 (China Africa Research Initiative, 2018)- remains a point of tension. Often, one of the few conditions for Chinese investment is the employment of Chinese –and sometimes Pakistani- workers. This is to generate greater employment opportunities for Chinese firms as part of the 'going out' strategy. This directly contradicts China's pledge to listen to the job creation goals of its 'partners'. The opinions of 'ordinary' Africans are founded on the level and quality of job creation (Hanauer and Morris, 2014). Thus, tensions rise as issues of unemployment –for example, youth unemployment which is at 19% in Angola (World Bank, 2018)- are ignored and a substantial proportion of the growing population remains unproductive. When Africans are employed, it is as unskilled, low wage labour while Chinese workers – essentially economic migrants- are given managerial roles.

The economic logic behind China's emphasis on infrastructural development in Africa is evident: the continent continues to suffer from an infrastructural gap, 'while China has developed one of the world's largest and most competitive construction industries' (Hanauer and Morris, 2014: 35). Infrastructure development is described as the 'hardware of economic development' (Dreher et al. 2017: 1). Hanauer and Morris (2014) suggest mutual potential benefits: improved extraction and transportation facilities enable ease of access and distribution and therefore can bolster intra-African trade and connectivity (Hanauer and Morris, 2014)- depending on whether African nations have any natural resources left to extract and trade for themselves.

There has been widespread dissatisfaction with the poor quality of Chinese infrastructure (ibid.). For example, Hanauer and Morris (2014: 62) cite the African media station Pambazuka News to have reported 'Chinese-built roads in Angola "washed away after one rainy season"'. Having said that, the Angolan government requested rapid and low-cost construction 'in order to show results in the run-up to an election' (ibid.). Again, Chinese investment is used to legitimise African officials' political campaigns rather than truly benefit the citizens. Hence, some critics argue Chinese assistance only 'assists' the economic and political elite and is, therefore, unequally distributed. Further to this, a report by Dreher et al., (2016) revealed a great proportion of Chinese aid resources in the hometowns of African heads of state, again relaying the extent to which beneficiaries from development assistance are among, or connected to, the political and economic elites. This means money often does not reach where it is most needed and thus, does not solve the deep-rooted, often structural barriers to development.

2.2 China in Ethiopia

Over the past decade, millions of Ethiopians have been lifted out of poverty. This is partly due to the developmental state's success in harnessing strategic relations with donors such as China to 'unleash the country's productive potential while maintaining national policy space' (Cheru, 2016: 592), largely due to the 'expansion of agriculture, construction and services' (World Bank, 2018).

A significant aspect of China's role in Ethiopia is her investment in the agricultural industry. Chinese rhetoric claims her foreign policy achieves 'development effectiveness', rather than 'aid effectiveness' (Omoruyi et al., 2017). This is arguably achieved through a goal-orientated approach which is mindful of the recipient's goals whether they be economic growth or employment creation. For example, China was bilaterally involved in Ethiopia's first and second Growth and Transformation Plans – 2010- 15 and 2015-20 - which was central to the state's goal of transforming the economy through industrialisation of the agricultural sector (Cheru, 2016). To achieve this, the government aimed to attract foreign investment for infrastructural development as it was seen as a cornerstone of economic growth.

China's investment focused on 'infrastructure, agricultural technology and skills transfer' (Alemu and Scoones, 2013: 1). Between 2001 and 2011, 25 Technical and Vocational Training schools were established in Ethiopia and over 200 Chinese experts taught technical agricultural theory and practical knowledge (Brautigam and Tang, 2012): skills transfer. In 2006, as per Ethiopia's request, China built the Ethiopia-China Agricultural Technology Demonstration Center to encourage 'transfer of physical agricultural technologies and knowledge (…) (and expand) local capacity building' (Alemu and Scoones, 2013: 7). This infrastructure was intended to be used in collaboration with the TVET scheme as a 'trainer of trainers' (Alemu and Scoones, 2013: 9), which would expand the domestic skilled workforce and enable sustainability in the development of Ethiopia's agriculture sector.

China has also had substantial involvement in financing the construction of numerous power plants, improving basic telecommunication services, and expanding Ethiopia's transportation network, primarily in roads and railways. China's 'development assistance' is 'hailed as the answer to Ethiopia's key economic challenges' (Omoruyi et al., 2017: 14), especially due to the country's massive infrastructure deficit; Ethiopia has the lowest road density in Africa.

Some analysts criticise China for striking unfair deals that take advantage of African governments' relative weaknesses and liken the asymmetric power dynamics to perpetuate a neo-colonial relationship. For example, between 2005 and 2006 China launched a Duty-Free Tariff Preference (DFTP) to integrate the least developed countries (LDCs) – Ethiopia, Angola and Zambia included (UNCTAD, 2016)- into the global trading system. The scheme was marketed as aiming to expand market access for goods and services of LDCs using duty-free tariffs for imports and exports. The value of Sino-Ethiopian trade rose 200% between 2009 and 2017, with total trade rising to US$6 billion in 2015 (Omoruyi et al, 2017; OEC, 2018). Unfortunately, there is little evidence to show Ethiopian producers made any headway in the Chinese market. Instead, hundreds of thousands of manufacturing workers and domestic producers were squeezed out of business by the 'one-way traffic' of cheap Chinese imports flooding the market (Hanauer and Morris, 2014; Omoruyi et al, 2017: 13), challenging the Chinese 'win-win' rhetoric.

2.3 China in Zambia

This paper believes China's role in Zambia has been mixed, but predominantly negative. On one hand, creation of Special Economic Zones (SEZs) in Africa from 2006, such as the Zambia-China Economic and Trade Cooperation Zone, reportedly attracted over US$600 million and 'created employment opportunities for more than 6,000 Africans in the mining, engineering and construction sectors (Hanauer and Morris, 2014: 39). However, as is often the case, jobs paid minimum wage (or less) with poor working conditions.

Critics of China's approach to Africa, for example, former Zambian President Michael Sata, have described Chinese extractive policies as equating to a second 'scramble for Africa', which perpetuates the fundamentally asymmetrical power dynamics of neo-colonialism: wealthy external powers extract natural resources and 'cursed' resource-rich African nations revert back to primary product dependency (Hanauer and Morris, 2014). Carmody (2008: 1200) emphasises the often overlooked cost of this rapid environmental depletion: 'Africa is being impoverished'. China's quest for the cheapest raw materials means she will remove herself once all resources have been extracted; her investment will significantly reduce and the 'partner' will fall victim to the resource curse with little for long-term development.

Chinese enterprise has had notoriously poor public relations and perceptions due to unapologetically profit-driven priorities; Chinese-owned copper mines, factories and facilities are perceived as dangerous and that African employees are underpaid, abused and prevented from achieving managerial level employment (Hanauer and Morris, 2014).
Firstly, a 2011 Human Rights Watch report highlighted the fact that employees of the Chinese-operated Chambishi mine in Zambia were being paid less than similar labourers elsewhere in the country, thus clarifying Sata's accusations of Chinese mining operators using Zambian workers as 'slave labour' (Hanauer and Morris, 2014: 58).
Secondly, there have been a host of high-profile tragedies which have drawn attention to the dangerous and abusive working conditions. For example, the during a strike over wage disputes at the Chambishi mine in July 2006, 'Chinese supervisors shot a half-dozen local employees' (Hanauer and Morris, 2014: 66). While the Chinese companies are largely to blame, it is likely that some African governments do not enforce their national labour laws and extraction regulations in an effort to retain Chinese investment and employment levels, probably to legitimise their role in power.

3. China's Changing Approach

There has been a slight but significant shift in Chinese policy in Africa, as a result of the increasingly negative public opinion surrounding their engagement and subsequent anti-Chinese backlash and social unrest (Hanauer and Morris, 2014). For example, China's 2006 US$300 million anti-malaria campaign built prevention and treatment centres for diagnosis, treatment, capacity-building and research (ibid.). Former Chinese President Hu Jintao emphasised a 'new type of China-Africa strategic partnership' (Hanauer and Morris, 2014: 73). This flexible and almost experimental Chinese attitude to development is completely different to that of Western institutes and is likely to be central to her success.

CONCLUSION

The implications of Sino-African engagement have been profoundly varied. Some argue Chinese 'assistance' has created jobs, developed much-needed infrastructure and enabled transfer of skills and technologies, which could support future sustainable development. Others suggest China exploits the asymmetric power dynamics in her trade deals and 'assistance' conditionalities which have resulted in exploitation and abuse of the limited workforce she employs, the loss of hundreds of thousands of jobs due to cheap Chinese imports flooding recipient markets, and immense resource extraction which reinforces dependency on primary products and unskilled labour. Having said that, the Ethiopian case illustrates successful economic development without intensive extraction, but with skills transfers which create longevity for development. Furthermore, China's understanding of the importance of positive partnerships, and her subsequent alteration in approach, suggests a learning curve with the potential for a truly 'win-win' Sino-African partnership.

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