CHINA-AFRICA RELATIONS

GOVERNANCE, PEACE AND SECURITY

Editors
Mulugeta Gebrehiwot Berhe and Liu Hongwu

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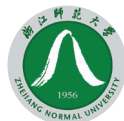## GOVERNANCE, PEACE AND SECURITY

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Preface

Relations between China and Africa have been gathering pace and getting depth since a couple of decades ago. In the wake of the 21st century, China-Africa ties have been further cemented in both the political and economic spheres. Both Africa and China have been enthusiastic working toward a strategic and sustained partnership. Both sides have been working towards making their relationships a genuine South-South cooperation benefiting their long-term interests. While work of cementing this partnership is ongoing, the coming decades will be decades of more challenges and opportunities when seen from this perspective. Identifying the right path for a genuine South-South relationship and promoting effective communication and understanding around common interests is therefore an intellectual challenge in the relationships in the coming decades.

Scholarship plays an indispensable role to strengthen the relationship. Actors in China need a better understanding of the needs, expectations and social psyche of Africans and identify the right approach to promote the long-term interests of China. By the same token Africa needs to clearly articulate its long term interests in its relationship with China and cautiously evaluate the alternative provided by China so that it can make an informed choice for the benefit of its people. It is only through the support of cutting-edge research that correct policies for a genuine South-South relationship could be defined and pursued.

It is with this understanding that the Zhejiang Normal University (ZNU) took the initiative to establish the China-Africa Think Tanks Forum (CATTF) upon the approval of Chinese and African leaders within the context of the Forum on China-Africa Cooperation (FOCAC). The CATTF has been formed to serve as a high-end platform for academic exchanges and ideological dialogue between China and Africa. While sticking to the governing tenets of Civil Initiative, Government Support, Frank Dialogue and Consensus Building, CATTF aims to promote academic research, boost mutual understanding, and expand Sino-African consensus.[1] We are looking to generate policy recommendations for the sustainable development of Sino-African relations in this new era of cooperation, to benefit the Chinese and African people.

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[1]   Zhou Lei, Ri Yao, Meng Yong, Mi Xue, Xu Zhenghong, China-Africa Think Tanks: The Way Ahead, *Africa Magazine Date,* http://www.focac.org/eng/xsjl/t894943.htm

The CATTF enjoys recognition and support from the Chinese government and institutions, as evidenced by the acknowledgement accorded to the crucial role of CATTF in Sino-African cultural exchange at the 5th FOCAC Ministerial Meeting by President Hu Jintao. The Beijing Action Plan (2013-2015), furthermore, recognizes that the CATTF has created a new pattern of interactions and exchanges between the academia of China and Africa, and pledges to institutionalize the Forum and promote the building of long-term and stable cooperation between the academia of China and African countries.[2]

The 1st meeting of the CATTF was held, as a sideline event of the 8th Senior Officials Meeting of the FOCAC, in Hangzhou and Jinhua of east China's Zhejiang Province in October 2011. The meeting was widely praised and acknowledged for its open atmosphere and academic output.[3] The 2nd Meeting of the CATTF was co-hosted by the Institute for Peace and Security Studies (IPSS) of Addis Ababa University (AAU) and the Institute of African Studies (IAS) of ZNU on 12-13 October 2012 in Bishoftu, Ethiopia. The event was attended by more than 100 officials and scholars from 15 countries (in alphabetical order: Belgium, Britain, China, Egypt, Ethiopia, France, Kenya, Nigeria, Senegal, South Africa, South Sudan, Sudan, United States, Zambia, Zimbabwe), and representatives from the African Union Commission (AUC), the United Nations Economic Commission for Africa (UNECA), Chinese and African think tanks, and other regional organizations. Ethiopian Deputy Prime Minister and Minister of Education, Demeke Mekonnen, Vice Governor of Zhejiang Province Zheng Jiwei, Chief of Staff of the General Office of the UNECA Adeyemi DipeiLu, Director-General of the African Department of the Chinese Foreign Ministry Lu Shaye, Ambassador of China to Ethiopia Xie Xiaoyan, President of Addis Ababa University Admasu Tsegaye, Secretary of the Party Committee of Zhejiang Normal University Chen Dexi attended the opening ceremony and delivered keynotes speeches.

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[2]   The fifth Ministerial Conference of The Forum on China-Africa Cooperation, Beijing Action Plan (2013-2015): 6.4.2 The two sides noted the holding of the first FOCAC Think Tanks Forum on the sidelines of the eighth FOCAC Senior Officials Meeting in Hangzhou in 2011 and its results and believed that the forum created a new pattern of interactions and exchanges between the academia of China and Africa. The two sides agreed to institutionalize the forum and promote the building of long-term and stable cooperation between the academia of China and African countries. http://www.focac.org/eng/ltda/dwjbzjjhys/hywj/t954620.htm

[3]   http://www.focac.org/chn/xsjl/t880275.htmth

Held under the main theme: Chinese and African Common Interests: Current Issues and Future Perspectives on Governance, Peace and Security, 48 papers were presented and debated in four breakaway groups on the first day of the meeting. The second-day session discussed the summary of the breakaway groups' reports. The conference also discussed some forward looking issues and agreed on the need of continuing such dialogue around China-Africa relationships.

After the meeting, participants visited the Eastern Industry Park at Dukem and the new African Union building complex constructed with China's assistance. All these activities deepened the understanding between China and Africa and enhanced the cooperation between the academia of China and African countries.

This edited volume contains about half of the papers presented during the 2nd Meeting of the CATTF. The papers benefitted from the deliberations, debates, critiques and idea exchanges of the meeting, and as such serve as a reflection of the positive result of the 2nd Meeting of the CATTF. It is the firm belief of the IAS and IPSS that this book is invaluable for students and scholars of China-Africa relations, governments, policy makers, businesspeople, higher learning institutions, NGOs, CSOs and other interested organizations and individuals. The IAS and IPSS hope the readership find the contents of this book insightful, informative and critical.

Liu Hongwu   Mulugeta Gebrehiwot
Director, IAS   Director, IPSS
ZNU, China   AAU, Ethiopia

Acknowledgements

This volume holds a selection of papers presented during the 2nd Meeting of the China-Africa Think Tanks Forum (CATTF), which was co-hosted by the Institute of African Studies (IAS, Zhejiang Normal University) and the Institute for Peace and Security Studies (IPSS). Our thanks goes both to the Embassy of China in Ethiopia and the Addis Ababa University for facilitating and creating the partnership environment which made the event a success leading to the publication of this volume. We also thank the IAS for co-financing the Forum.

Preparation and follow up of the call for papers, development of the selection criteria, creation of the selection panel and completion of the selection of abstracts were organized by Fana Gebresenbet and Getachew Zeru. Fana was also instrumental in the whole process of completing this book including the further selection of articles for publication and organization and follow up of the editorial process. We acknowledge his diligence and dedication in steering the process for bringing this book together. Organization of the Forum was superbly done by the Operations Team of IPSS, headed by the meticulously diligent Helen Yosef. Xiao Yuhua has also taken part in the organization of the Forum representing the IAS. We would like to acknowledge and thank him for liaising smoothly between the two Institutes, and making the partnership a fruitful one. In addition to deploying the Operations and IT teams of the IPSS, Helen was assisted by a number of individuals during the organization and running of the conference. We would like to thank the following individuals for their support (in alphabetical order): Dawit Yohannes, Dereje Seyoum, Getachew Zeru, and Seble Mulugeta.

We thank Ms. Judy Wall for her excellent language editing, making the papers easily readable.

We would also like to take this opportunity to thank the authors of the papers for bearing with us during the long editorial process as well as for their unreserved responses to our, sometimes hair-splitting, comments and corrections.

We hope that their and our efforts have paid off and that you will find this book interesting, informative and useful in your future engagements.

The Editors

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Introduction

Mulugeta Gebrehiwot Berhe

China's involvement in African affairs dates back to the 1950s. The time marked the beginning of African states breaking free from the yoke of colonialism. China's relationship with Africa in modern times was thus characterized by the former supporting liberation movements that had then been in momentous stages leading to independence of most African countries from the colonial masters in the 1960s. Initially, China's support was mainly motivated by ideology, but this would change in the coming decades. A major shift in the dynamics of the China-Africa relationships came about in the 1980s when China embarked upon its "Opening up and Reform Policy" –a wide-ranging policy that gave birth to the new China as we know it today. Economic and geo-strategic interests rather than the desire to export a specific political philosophy drive China's current relationship with Africa. The intensity of relations also changed: with its increasing economic and political power as well as hunger for resources China's relations with Africa intensified.

China's opening up and re-discovery of Africa coincided with Africa's deteriorating economic performance as a result of conflicts, mismanagement as well as structural adjustment policies. China brought a viable alternative of social, political and economic development formula to the uni-polar world of the 1990s. Frustrated by complex donor policies and the high overhead costs of multilateral development projects, African governments continue to appreciate the alternative presented by China in an increasingly multipolar world.

China is a nation that knows what it means to be poor and to be so in a time when the industrialized world managed to create unprecedented wealth and affluence. That reality and the negative experience it begot are still fresh in the memories of the Chinese people, old and young. Thanks to the transformation made possible in a span of four decades, China, which is home to a fifth of the world population, has now managed to assert itself as one of the major powers. Considered to be nothing short of "miraculous", China's rise came about through its Reform and Opening up Policy – a hugely successful wealth creation formula developed and perfected as the "Chinese Model". Today, China seems willing to share its successful, albeit unique, growth and development model with developing countries. As a result, China's

importance in African politics, governance and development is growing. The launching in the wake of the 21ˢᵗ century of the Forum on China-Africa Cooperation (FOCAC), coupled with the increasingly higher participation of African Heads of State and Government in the Forum, is evidence to the enhancement of the China-Africa partnership. The attendance of a record 42 African Heads of State and Government at the 5ᵗʰ FOCAC meeting in Beijing attracted much attention among the international community.

This growing relationship has become the focus of much scrutiny and triggered unending intellectual discourse in Africa, Europe and North America. As part of this general discourse, politicians, economists, historians, businesspeople, journalists and others have been forming widely divergent opinions. Let us see some of the highlights that characterize this discourse.

Many argue that Chinese policies on Africa are inferior to the policies pursued by western counterparts. A close examination, however, exposes that such allegations do not hold water. Chinese trading regime in Africa (its exports to Africa) is criticized as being focused on consumer goods; a business strategy that apparently benefits African consumers by offering affordable goods of reasonable quality, while at the same time increasing unemployment as African industries are unable to compete. As much as this is true, the same can be said about Africa's trade with the North America or the European Union trade blocs that openly offer subsidies to their farmers and put up tariff barriers—practices undermining the competitive edge of African producers and exporters.

Chinese investment in the continent is also criticized for being opportunistic. This criticism is lodged in the sense that companies look for niche markets regardless of the political environment, often taking up investment opportunities that have been ignored or even relinquished by others. Chinese companies are also perceived to be willing to take greater financial risks than their western competitors. While it is true that Beijing is backing the expansion of its private and state-owned enterprises into Africa through soft loans and export credits, this policy is not inherently different from the behavior of other governments. It is also true that governments and companies from Europe and North America are quite willing to ignore bad governance and human rights abuses, despite the strict regulatory frameworks they swear to adhere to. This is clear in places such as Angola, Chad, Equatorial-Guinea,

Nigeria and recently Eritrea, where oil and other precious minerals exploration rights are at stake. It would be hypocritical to expect China and others to adhere to higher ethical standards than their competitors.

China is also accused of supplying arms to 'rogue states' in Africa. But again, a close examination of the available evidence shows that these accusations are unfounded. The Middle East and Asia are the main destinations of Chinese arms exports, a mere 7% of Chinese arms exports reach Africa. In terms of global sales in the decade between 1998 and 2007, the United States, Russia and Germany were the biggest exporters of arms to Africa, while China held the tenth position. Even in Sudan, a country of key strategic importance to Beijing, 87% of all arms procurements between 2003 and 2007 came from Russia, China's share accounting for only 8% during the same period (SIPRI, 2008).

Therefore, one can conclude that Beijing's role in Africa does not deviate much from the norms and practices put in place by the more established powers such as the United States, Great Britain or France. The historic track record of Western governments in propping up dictatorships, clandestine arms transfers and the promotion of trade interests through financial aid is every bit as bad as Beijing's current controversial policies, a point often overlooked outside the continent.

The key problem for us, Africans, is that our economies are weak in value creation. What our workers and factories produce is produced more efficiently, with better quality and at lower cost, by other economies. In such circumstances, making money is easier through rent than through value creation. African governments should be capable of guiding their private sector towards value creation, a key factor for achieving a sustainable competitive edge in the global market. Furthermore, partnerships that Africa forges should be targeted to enhance such an environment. By the same token, a 'rent collecting' Africa cannot sustain the current partnership with China in the long term. A relationship forged around this drive of backing Africa's value creation endeavor is the only relationship that can be considered as a genuine South-South cooperation and one that would last in a win-win.

Discussing the China-Africa relationship can only be of any practical significance if taken from the perspective of whether or not it is driven by a genuine spirit of South-South cooperation in a sustainable manner. Chinese foreign policy led by a

policy of 'non-interference' should by no means be misconstrued as 'indifference' to African problems and realities. We now know that China has been taking stapes and making its presence more and more felt with growing participation in development assistance, humanitarian aid and UN-led peace support operations in Africa. It is therefore in line with its policy to be tailoring its relationships to African realities and to be perfecting the structures that direct its ties with Africa as a continent in general, and individual countries in particular.

The FOCAC provides a unique and genuine opportunity for both parties to mold their relationship in a way that serves their long-term interests on the basis of mutual benefits, respect and equality. Furthermore, the CATTF serves as a platform for African and Chinese scholars and academics to critically study issues relevant to and in the context of Sino-African relations and propose whatever options that can be had for better ways of furthering and cementing the partnership. This gives African researchers and scholars the opportunity to learn from past mistakes and assist their governments in developing new policies and/or perfecting existing ones towards a sustainable and fruitful relationship.

The book has fourteen chapters, excluding the introductory and concluding ones, structured in three sections. The first section presented in four chapters deals with the interpretation, practice and evolution of the non-interference principle from different angles. A streak of the issue of China's non-interference principle could be discerned as well in the next two consecutive sections. The second section mainly focuses on aspects of China-Africa relations, with one chapter having a continental focus, two chapters dedicated to discussions of regional matters while the remaining two bring to the spotlight country specific cases. The last section comprised five chapters which cover economic and political aspects of the China-Africa relations examining country specific cases. Below we have summarized the arguments of each chapter.

Section I: Dealing with Africa's Peace and Security Challenges: The Non-Interference Principle of China

Mathews takes us through changes in China's stance to peacekeeping in the past four decades: from a complete aversion in 1971 to its current active engagement. The first 'Yes' vote China gave to a peacekeeping operation was in 1981 (in Cyprus) and its first troop contribution was to the 1988 mission in Namibia. China endorsed all UN

resolutions for a peacekeeping mission on African soil after 1999. This change was concomitant to shift in Chinese rhetoric from anti-colonialism and anti-imperialism to one of engagement (primarily economic) as part of its opening up policy. On top of economic considerations, Mathews adds other more potent reasons: The need for China to fulfilling expectations in a manner befitting its increasing stature in the global arena and its intention to get practical lessons from "being on the ground." Starting off by sending a small number of observers, China now got accustomed to sending military personnel too as part of its contribution to peacekeeping missions in Africa, in addition to other experts and technicians. Mathews also seems to indicate that China is increasing its contribution when contributions from the US and European countries receded after the debacle in Somalia and the former Yugoslavia. China is now the 15th largest contributor worldwide and the largest contributor among the permanent members of the UNSC. As most endorsed peacekeeping missions are deployed on African soil and as China sees peacekeeping as a positive contribution to achieving peace and security on the continent (which is stressed in numerous documents) three quarter of Chinese peacekeepers serve in Africa. Gradual change is also seen with China's perception of the use of force by peacekeepers: in the 1980s China resisted the use of force under any circumstances, but the crises in Bosnia and Somalia forced it to change its stance and accept use of minimum force if peacekeeper or civilians are threatened, and by end of 1990s if the mission has a UN authorization. Mathews finally recommends that for an effective peacekeeping engagement China should adopt a strategic approach rather than the reactive approach.

Chris Alden and Daniel Large start by agreeing with Mathews that despite constraints placed by its foreign policy China's peacekeeping engagement gradually increased. They then take the debate to a more complex and sensitive issue of peacebuilding in post-conflict African states. Currently China is yet to have a 'post-conflict and fragile state' policy and its involvement in the operations of the Africa Peace and Security Architecture (APSA) is not clear. However, Alden and Large contend "a new agenda is in the making" as evinces China's greater participation in and greater financial contribution towards post-conflict intervention and peacebuilding debates. This, they argued, is the beginning of Chinese "assertive engagement unseen outside of the East Asian region" attributing the changes to gradualist and pragmatic

response to pressure from the international community to see China to be playing a more substantive role in Africa. China does not seem to simply join the prevailing peacebuilding practice and norms, neither does it intend to challenge or purposefully compete with traditional peacebuilding. Rather, China supports AU initiatives and practices, within the bounds of its non-interference principle and not engaging in the interventionist praxis of liberal peacebuilding. An alternative modality is presented in which China perceives peace as "a historical inevitability" to materialize after dealing with development challenges.

Admore Kambudzi is the man to listen to when it comes to matters of preventing and containing Africa's conflicts, and in his paper he details what the non-interference principle means to the APSA. Kambudzi characterizes the China-Africa relations as a give-and-take process with each side having something to offer and receive. He argues that it would have proved difficult for China to get the permanent seat at the UNSC without the support of African states; in return it provides invaluable technical, financial, diplomatic support. China works with Africa to bring about economic development, and is among the partners supporting the APSA in dealing with violent conflict situations, which is one of the serious obstacles to development. Although relations on peace and security issues started only recently, he highlights that the adherence, in theory as well as practice, of China to its non-interference principle makes it a valuable supporter of the APSA activities. The APSA envisages operating independently with the support, not interference, of the international community. The very principle of the APSA is for the continent to do its homework by itself, and master the technique of "making peace happen" in an African way. In this regard, and remembering the "regular interference" of the West in African countries, China seems to have offered a better alternative. He concludes his paper by noting that China will not be able to indefinitely apply the non-interference policy in the classical sense. He rightly argues that this principle is a product of global conditions of the past decades. In the coming one, China's role in global affairs is expected to increase and this policy to evolve up to the demands of the time. It seems that he is convinced that Africa should make use of China's non-interference stance while it lasts.

Zhongying Pang examines re-interpretation of China's non-interference principle in recent years. China's increasing economic power has burdened it with the challenge

of acting as a responsible global actor. It appears that China is aspiring to keep a unified UN Security Council as well as keeping its promise of non-interference to developing countries. Pang figures that scholars are grappling to understand this trend and have not yet grasped what it entails fully, but have named it *creative involvement* (Wang, 2011) and *constructive intervention* (Lu, 2012). He highlights the contours of change in the interpretation of the non-interference principle by describing China's complicated response to the Arab Spring. It abstained during the approval of the No-Fly Zone against Libya and vetoed sanctions against Syria four times. China, Pang argues, then tried to constructively engage with the respective countries. He cites lines from the speeches made by the outgoing as well as incoming Presidents from the late 2012 and foresees a more active role on the part of China in international affairs. He stipulates that both China and Africa recognize their relationship as "strategic" and value dearly non-interference in each other's affairs. Pang concludes his paper by stressing that the Initiative on China-Africa Cooperative Partnership for Peace and Security adopted in mid-2012 "seems to define the style and substance" of how China intends to constructively involve in African affairs within the wider framework of the non-interference principle.

Section II: China-Africa Economic Relations: Challenges and Opportunities

Anna Stahl's chapter starts by noting that traditional donors—the US and EU to be specific—are slowly losing influence to emerging ones, mainly China, due to restructuring of the global economy. Chinese engagement with Africa in this respect significantly increased and got institutionalized over the past decade, with the establishment of the FOCAC and publication of White Papers on China's Africa Policy (2006) and China's Foreign Aid (2011). Although the literature perceives China's position as an emerging donor as competition with the West, Stahl argues that the emerging donors could complement the traditional, as each donor group has peculiar comparative advantages. She further contends that Western and Chinese aid is not as distinctive as is proclaimed by the literature, and further highlights that the two development approaches could be complementary.

China is no new donor to the continent, and although the volume of aid given to Africa is showing impressive increase—for example doubling between 2007 and

2009—it is still much lower than aid from traditional donors. What qualifies as aid is also a point of contention: Whereas the DAC focuses on social sector and excludes trade and commercial arrangements, China's aid is mainly targeted toward financing infrastructure projects built by Chinese companies. The DAC uses political conditionality to bring good governance and democratic values to the continent, while China abides by its non-interference principle. The language used is also very different: The DAC talks of aid disbursement; China boasts of economic partnership.[1] Stahl also reports about successes and lessons learnt from the China-DAC Study Group. The Study Group has helped build confidence and a common ground for combined action. The flexible and informal approach followed by the Study Group contributed to recorded achievements, lack of full commitment from the Chinese side and no recognition given to the need of African participation have limited the success. The attitude of DAC members to socialize China to adopt their approach was also, according to Stahl, misplaced.

Thierry Pairault's is the only paper focused on the relations between China and Maghreb countries. He does not stop at analyzing the China-Maghreb relations, but compares it to the relation of the North African region to the European Union. Chinese investments in the Maghreb are market seeking, but he stresses that China does not have a pan-Maghreb strategy. Although total value of trade, imports and exports increased by more than tenfold in the first decade of the 21st Century, China's share to the region's trade is till miniscule. The region is not homogenous: Mauritania is described as the most open to trade with China; Tunisia as the least. Main Chinese exports to the Maghreb are machinery and transport equipment, and textiles. The share of the EU in the foreign direct investment (FDI) to the region is declining, but still makes the biggest chunk of FDI to the region. Thus, he contends that China already challenged the "quasi-monopoly" of the EU exports to Maghreb, but has a long way to go before competing with the EU in the FDI sector. He however cautions us from assuming a homogenous state of affairs: the EU still dominates in markets it has technological advantage in (like ICT goods, and aircraft).

He also stresses that China is no "*white knight*"; China is after its interests as much as the EU or other states are. Rather than the win-win strategy embellishing the Chinese

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[1]   Stahl shows that despite this rhetoric, the South-South cooperation between China and Africa is as asymmetrical as the relation Africa has with the US or Europe.

discourse on economic relations, he describes that the structure of trade is akin to the trade with developed countries: buy raw materials from the Maghreb and sell to them manufactured goods. He also states that China grabbed the opportunity given by EU, as the latter put more emphasis on security and disseminating democracy.

Ross Anthony takes a more focused investigation of China-Africa economic relations: On East Africa's emerging oil sector. He begins by stipulating that we should put these relations within the context of broader global economic integration. The recent spike in the price of oil has economically justified the use of new technologies for exploration of deep reserves, and resulted in the labeling of East Africa a "new *frontier* in oil and gas exploration." China already has a foothold in Kenya, Tanzania and Uganda, and is more interested in oil (not gas) and did not dominate the sector yet. He adds that China's oil exploration could lead to conflict if there is elite capture of the rents and as local grievances make Chinese workers and pipelines easy targets. He stresses that as much as the investments are a manifestation of integration of the global extractive industry (Xuejun makes the same point in relation to Chinese oil concessions in the Niger Delta of Nigeria), the solution also lies in global governance to ensure peace and security in this part of Africa.

Wang Xuejun focuses the discussion on Chinese involvement in the oil sector with reference to the corporate social responsibility (CSR) of Chinese Oil Companies (COCs) in the Niger Delta. He starts by stipulating that COCs are latecomers to the global oil industry as well as to Niger Delta (as late as the late 1990s) and that it is to be expected that their CSR activities need refining. The hold of COCs in Nigeria is small compared to Angola and the Democratic Republic of Congo. Focusing on the activities of Sinopec International Petroleum Exploration Company-Nigeria (SIPEC), he argues that COCs engage in CSR by meeting health, safety and environmental standards, working towards better local content, creating local employment and trying to meaningfully contribute to community development. He states that COCs go even beyond what is expected of them, by citing that SIPEC is striving to meet higher standards than required in Nigeria. Comparing COCs with other well established oil companies in the Delta, namely Shell and Exxon Mobil, he attributes the lower CSR activities of COCs to narrower conceptualization, simplistic implementation and poor social responsiveness.

The Chinese political culture seems to constrain the understanding and implementation

of CSR by COCs, which are State enterprises with a very bureaucratic set up and as such disinterested to entertain the demands of local and international civil society. The shorter operating period of COCs translates to narrower financial capacity to invest in CSR. Survey results of the author however show that local people do not find a perceptible difference between the CSR activities of COCs and other western oil companies. Xuejun warns the reader not to expect too much from oil companies generally as they are specialized entities for exploring and producing oil efficiently and on COCs in particular as, although they are on the right path, it is difficult to complete the learning process and institutionalize activities in a very short time.

Ronald Chipaike and Lawrence Mhandara depict China-Zimbabwe relations as "a microcosm of China-Africa relations." The China-Zimbabwe relation is based on the former's non-interference principle and its demand for resources to feed its industries on the one hand and market demand for their produce. Zimbabwe, they argue, was coerced to *look east* as its relations with the West deteriorated. Although there are indications that Zimbabwe's Government of National Unity is trying to have the sanctions lifted, the authors do not foresee a drastic change even if MDC wins the 2013 elections. Their paper highlights that in addition to the diplomatic support, China's support was crucial for economic survival of the country, despite the fact that little focus was given to value creation and skill transfer.

Section III: China-Africa Political and Economic Relations: Cases from Eastern, Southern and West Africa

Getachew Zeru and Dawit Yohannes closely examine the nuanced changes in China's interpretation of its non-interference policy, taking the case of the Sudan-South Sudan conflict as looked at in three time periods: Pre-CPA period (time prior to the signing of the Comprehensive Peace Agreement); from the CPA signing to independence; and post-independence. They stipulate that the strict interpretation of the principle gave way to a pragmatic interpretation and befriending of the officials of the South Sudan Liberation Movement (SPLM) after the signing of the CPA. Understandably, non-interference was perceived as interference from the SPLM, and thus positing China as a friend of the enemy. This, among other factors, has constrained China's potential to play a meaningful role in preventing violent conflict between the two Sudans. Despite this, the authors contend that China could play an

"indispensable" role in bringing peace and stability in these countries, especially if it works with global, continental and regional organizations.

Yejoo Kim bases her chapter on the premise that youth unemployment is a threat to peace and security; and checks the assumption that Chinese firms contribute to peace and security on the continent through job creation. Although based on secondary sources, Kim uses the case of Ethiopia—one of the top ten recipients of Chinese investment in Africa. She examines jobs created in three sectors: agriculture, manufacturing and manufacturing. Chinese firms do not seem to be attracted to invest in agriculture in Ethiopia, while investments in the manufacturing sector are picking up. Thus, construction is the only sector which created significant jobs. The construction boom and the price competitiveness of Chinese firms have led to the proliferation of Chinese contractors working mainly on infrastructure projects. However, expectations seem to not have been met, as most jobs are unskilled, temporary and low paying. The author recommends that engagement in sectors that hire graduates and result in skill transfer, such as the service sector (ICT and administrative support) could be more beneficial for African countries.

Charity Manyeruke, Shakespear Hamauswa and Aaram Gwiza examine the impact of China's non-interference principle on Zimbabwe. They first provide a broad overview of the depth of the crises the southern African nation has been faced with, then argue that the socio-political situation in the country is changing for the better, for which China made an invaluable contribution. China (and Russia) forestalled a UN sanction on Zimbabwe in 2008; gave Zimbabwe the "chance to redefine itself in terms of governance and democracy." The authors seem to argue that the fact that Zimbabwe is on a positive track—as evidenced by economic growth and completion of task of drafting the constitution—is a product of Chinese non-interference and pressure and active mediation by SADC and South Africa towards the signing and implementation of the Global Political Agreement (GPA) by the ruling party and the opposition. To put it in another way, China bought time for the regional organization (SADC) to hammer out a deal, thus contributed for the implementation of an African solution.

The subsequent chapter by Lawrence Mhandara and Ronald Chipaike also focuses on the impact of China-Zimbabwe relations on peace and security in the later. The authors begin by providing an overview of the relations between the two countries:

from as early as 759 AD as the oldest point of contact and then highlighting ideological support during the liberation support. Zimbabwe then seemed to have opted to follow the capitalist way, which of course led to the cooling of relations with China; to only intensify after Zimbabwe got shunned by the West in the later 20th/early 21st Century. The authors argue that the support Zimbabwe received from China helped the ruling party survive, albeit at the expense of individual freedom, good governance, democracy and personal security. Adopting a broader conception of security, Mhandara and Chipaike contend that Chinese support enabled betterment of human security conditions by creating job opportunities, trading of cheaper goods as well as arming the military. The former helped the population be more economically secure and reduce challenges of structural violence. As "state security is the enabler of human security", the authors argue, human security would not materialize without a string state. Thus, despite the fact that Chinese military supported the Zimbabwean regime and abetted undemocratic practices, it helped the country maintain the institution most important for its sovereignty.

The last chapter takes us to West Africa, and discusses the gains and losses of trade with China by the region's largest country—Nigeria—which also received half of Chinese FDI to the region between 2004 and 2009. Chinese engagement in Nigeria seems to be market seeking, not surprising given the fact that Nigeria is the most populous of African nations and that its economy is growing. Adeolu O. Adewuyi and Ademola T. Oyejide assert that the Nigerian macro-economy benefitted, through investment of export income in government or joint venture oil companies. This entails indirect private gains. Direct private gains by consumers also exist as Chinese goods seem to be preferred to locally produced ones for lower prices, better quality and packaging. This of course is a blow to the Nigerian industrial sector. The authors contend that the hands of the government are not tied, and highlight various options that could be employed to better exploit trade relations with China: such as minimizing corruption, enforcement of local content and standard laws, encouraging partnerships with Nigerian firms, use of countervailing and safeguard measures of the World Trade Organization as well as negotiating voluntary export restraint with China. The authors rightly stress economic relations with China has both gains and losses to the African side, and maximizing gains is contingent on the strategies adopted.

SECTION I

**Dealing with Africa's Peace and Security Challenges:
The Non-Interference Principle of China**

China's Evolving Policy towards Peace and Security in Africa: Constructing a new paradigm for peace building?

Chris Alden and Dan Large

China and the Security Dilemma in Africa

China's expanding interests in Africa, underscored by burgeoning two-way trade of over US$166.3bn in 2011 and high level bilateral and multi-lateral diplomatic engagement, are increasingly exposed to an array of security challenges (UNCTAD, 2012). These include the protection of economic interests in conditions of instability and lawlessness ranging from attacks on Chinese workers and seemingly arbitrary actions against Chinese firms, to the fallout of regime change. Coupled to this phenomenon is growing pressure from African and international sources to play a more forthright and deeper role in multilateral initiatives aimed at addressing the problems posed by instability, conflict and post-conflict environments in Africa. Beijing's reaction to these twin pressures has initially been tentative, selectively getting involved in mediation in the Sudanese conflict in Darfur and Liberian peacekeeping operations in the mid-2000s while steering clear of direct engagement in other conflict-ridden regions in Africa. At the same time, the willingness of China to participate actively in multilateral peacekeeping operations – a gradualist phenomenon which commenced after 1998 – has demonstrated that, despite formal barriers such as the official commitment to non-interference in its foreign policy, the Chinese government is not averse to greater involvement in this complex context.

To date, the problems of countries emerging out of conflict have not featured in Chinese foreign policy towards the continent. This is despite the fact that Chinese investment and commodity-backed loans have played a notable and important role in the economies of these post-conflict states, providing rapid outlay of finance and the construction of vital infrastructure at a time when other traditional sources of financing have been slow to respond. The result is that Chinese involvement in these states is both significant and highly visible and, as a consequence, it is particularly vulnerable to the problems that accompany state fragility, including problems of weak administrative structures and contested legitimacy of the host government. From South Sudan to the Democratic Republic of Congo, the pressures on Chinese actors embedded in the local environment have exerted commensurate demands on

Beijing to respond effectively to address these difficult circumstances.

It is against this background that devising an approach towards post-conflict environments and fragile states has come to pre-occupy Chinese policy makers and Chinese researchers working on African affairs in recent years. Engaging with this complex topic, however, has highlighted a number of difficult issues for China, such as the matter of non-interference, that render a simple adaptation to established approaches, if not untenable, then certainly unpalatable. At the same time, as African governments and regional institutions give prominence to policies aimed at supporting the difficult transition from conflict to peaceful development, China's lack of any post-conflict and fragile state policy is becoming a notable gap.[1] Coupled to a distinct ambivalence towards the interventionist character of Western-inspired approaches, this absence sits uneasily with Beijing's commitment to play a more activist role in international affairs generally and in support of African interests in particular.

While Chinese engagement in post-conflict and fragile African states was continually expanding, multilateral intervention into countries emerging from the throes of civil war and state collapse has itself been on the increase for over a decade. The purported aim of these UN-led interventions has been to tackle the root causes of conflict by embarking on socio-political and economic transformation through democracy promotion and market liberalism, an ambition that set them apart from previous UN operations (Berdal, 2009; Mayall, Soares & de Oliveira, 2011). Coined 'peacebuilding', in 1992 the UN Secretary General Boutros Boutros-Ghali laid out the framework for this deeper form of international engagement in post-conflict states with the publication of his influential Agenda for Peace (Boutros-Ghali, 1992). He went on to elaborate:

> Peacebuilding encompasses more than the reconstruction of the peace after the cessation of hostilities… The object of peacebuilding is to involve hostile parties in mutually beneficial undertakings which not only contribute to economic and social development but also reinforce the confidence necessary for the creation of lasting peace… Peacebuilding begins with practical measures to restore the civil society, reinvigorate its economy, repair the land and restore its productivity, repatriate and resettle displaced people and refugees; it also entails reducing the levels of arms in

[1]   For a recent account, see Saferworld (2012).

society, as a component of the volatility that induces violence (Boutros-Ghali, 1992, p. 156-157).

Peacebuilding was accompanied in the years that followed by a mounting interest in, primarily, Western and African scholarly and policy making circles in rendering state sovereignty conditional on responsible governance, elaborated as the concept of 'responsibility to protect', and expanding the scope for humanitarian intervention.[2] Taken together, all these developments came to be characterized as 'liberal peacebuilding' and dominated international approaches to handling the complexities of state reconstruction, economic rehabilitation and encouraging societal peace in the aftermath of war (Paris, 2004).[3]

To date, China has been mostly a footnote in the burgeoning international attention towards post-conflict reconstruction and peacebuilding (Adebajo & Rashid, 2004; Barakat, 2010; Chesterman, 2004; Zaum, 2007). Where cited, China is usually upheld by Western scholars as a political counter-current, resisting the tide of efforts to render state sovereignty conditional on human rights, turning a blind eye to everything from elite corruption to violent persecution of opposition on the part of African regimes, leading critics to characterize Chinese involvement on the continent as narrowly mercantilist at best and devoid of moral content at worst (Naim, 2007). As Wang Xuejun explains:

> (T)he driving thought of Western countries' involvement in 'peacebuilding' is 'liberal democracy' through a realization of a democratic political system as precondition for a country's internal peace and stability, China believes that every country has its own priorities and to promote democratic systems immediately after the end of conflicts is not necessarily an immediate priority (Xuejun, 2010, p. 128).

This position is reflected in the Chinese government's official record on post-conflict reconstruction and engagement more generally, which has played out primarily in the context of China's UN diplomacy and its policy positions on African issues.

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[2]   Deng, Kimaro, Lyons, Rothchild, & Zartman (1996, p. 211) note that 'Sovereignty as responsibility means that national governments are duty bound to ensure minimum standards of security and social welfare for their citizens and be accountable both to the national body politic and the international community.'

[3]   Duffield (2000) characterizes liberal peace as "a new or political humanitarianism that lays emphasis on such things as conflict resolution and prevention, reconstructing social networks, strengthening civil and representative institutions, promoting the rule of law and security sector reform in the context of a functioning market economy."

Beijing has expressed longstanding rhetorical support for peace and development in Africa, as part of its projection of China as a benevolent power engaging in peaceful development (Bijian, 2005; Glaser & Medeiros, 2007; The PRC State Council, 2005), as seen, for example, in the Hu Jintao era 'harmonious world' doctrine. Beijing publicly affirms support for UN peacebuilding efforts,[4] while offering its own views on how best this should be carried out and affirming China's intent to enhance its engagement in these areas (Ministry of Foreign Affairs, 2011). At a July 2009 UN Security Council debate on post-conflict peacebuilding, for example, the Chinese Ambassador cited *Agenda for Peace* as "another milestone for the development of UN collective security system" but stressed opposition to a one-size-fits-all approach.[5] Elsewhere, a salient theme has been the emphasis on development as the foundation of peace in Africa.[6]

Indeed, after some prevarication, post-conflict engagement is now becoming an explicit part of Chinese cooperation with Africa on peace and security.[7] This can be seen in the Forum on China-Africa Cooperation (FOCAC) process, a triennial ministerial meeting that serves as the diplomatic cornerstone of official ties between China and the continent, and the site for joint declarations of intent. Peacebuilding was first mentioned in the Action Plan of what was a summit-level meeting of the FOCAC in 2006[8], which stated that "China actively supported post-war reconstruction in relevant countries" (FOCAC, 2009). Three years later at the fourth ministerial meeting of the FOCAC Beijing declared that it "will strengthen cooperation with countries concerned in the UN Peace Building Commission and support countries

[4]   The Position Paper of the People's Republic of China on the United Nations Reforms (7 June 2005) thus noted, for example: "China supports the establishment of the Peacebuilding Commission. The responsibilities of the Commission should focus on assisting the planning of the transition from conflict to post-conflict reconstruction and coordinating international efforts".

[5]   Statement by Ambassador Liu Zhenmin, Security Council Open Debate on Post-conflict Peacebuilding, 22 July 2009.

[6]   "Development is the basis for peace in Africa." Statement by Ambassador Shen Guofang, Deputy Permanent Representative of China to the UN, at the Fifty-Sixth Session of the General Assembly on the Issue of 'Strengthening the Coordination of Emergency Humanitarian Assistance of the United Nations' (Item 20), 26 November 2001.

[7]   A December 2010 White Paper (Information Office of the State Council, 2010), for example, expresses Beijing's interest in working with others to "jointly promote peace, development and progress in Africa."

[8]   It was not an explicit part of 1st or 2nd ministerial meeting of FOCAC, though the second meeting Addis Declaration (2003) mentions support for "preventing, mediating and resolving conflicts in Africa." Nor is it explicitly cited in China's Africa Policy of 2006.

in their post-war reconstruction processes."[9] In a notable development confirming the trend of substantive engagement, the fifth ministerial meeting of the FOCACin July 2012 agreed to establish a China-Africa Cooperative Partnership for Peace and Security, with post-conflict reconstruction forming one aspect of a much expanded spectrum of peace- and security-related engagement.[10] While the fifth ministerial meeting FOCAC reiterated a commitment to building a "harmonious world of durable peace and common prosperity", overall there was little consideration of how these might be realized. Despite this new policy departure, such goals remain vague and largely aspirational.[11] In a similar way, the extent and nature of China's engagement with Africa's security and post-conflict peacebuilding institutional architecture, from the AU Peace and Security Council (AU PSC), conflict early warning system, Peacebuilding Support Facility or Panel of the Wise, to the facilities of the African Development Bank, NEPAD or the AU still remains unclear.[12]

Humanitarian assistance is a further area of evolution in China's multilateral and bilateral overseas engagement, including in post-conflict settings.[13] There has been greater, predominantly *ad hoc,* Chinese engagement as a result of China's own domestic 'post-disaster reconstruction' efforts and debate about the direction, form and practical delivery of China's role in providing humanitarian assistance overseas. The official emphasis is on classical humanitarian principles; neutrality, humanity and impartiality as well as respect for sovereignty and host consent.[14]

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9   The 4th ministerial meeting of FOCAC Sharm el-Sheikh Action Plan 2010-2012 (section 2.6)

10   See the Fifth Ministerial Conference of the Forum on China-Africa Cooperation Beijing Action Plan (2013-2015), 23 July 2012, which states that China and Africa will "strengthen cooperation in policy coordination, capacity building, preventive diplomacy, peace keeping operations and post-conflict reconstruction and rehabilitation on the basis of equality and mutual respect to jointly maintain peace and stability in Africa." (at 2.6.1) On this initiative, "To enhance cooperation with Africa on peace and security issues, the Chinese side will launch the 'Initiative on China-Africa Cooperative Partnership for Peace and Security'" and "will provide, within the realm of its capabilities, financial and technical support to the African Union for its peace-support operations, the development of the African Peace and Security Architecture, personnel exchanges and training in the field of peace and security and Africa's conflict prevention, management and resolution and post-conflict reconstruction and development." (at 2.6.3)

11   Fifth ministerial meeting of FOCAC Beijing Declaration, 23 July 2012.

12   See the ADB's 'Post-Conflict Assistance Policy Guidelines' (2001) and Fragile States Facility.

13   "When African countries are hit by natural disasters or war, China always promptly offers humanitarian aid to them." (Information Office of the State Council, 2010)

14   These are cited in relation to UNGA Resolution 46/182 of 19 December 2001, which contributed to the creation of the OCHA (Office for the Coordination of Humanitarian Affairs), as well as the foundational humanitarian principles this resolution supported. See Statement by Minister

Besides bilateral assistance, one stream of China's engagement in humanitarian assistance is framed within broader South-South cooperation parameters.[15] Another reflects its shift in 2006 from being a recipient to a growing donor for the World Food Programme. In such places as Darfur, China has quietly been promoting peace through development via a range of humanitarian and recovery projects implemented by Chinese companies (Large, 2012).

China's track record of multilateral participation in post-Cold War UN crisis response demonstrates that, until recently – and outside peacekeeping – it has not been a proactive, substantially involved, actor. On its own, or in alliance with the G77 or Africa in the FOCAC setting, Beijing has tended to exhort 'the international community' to do more to support countries emerging from conflict. At the same time, reiterating its own conception of being a developing country, China continuously emphasized its willingness to help within its own means. China has had a very limited direct role in multilateral post-conflict peacebuilding operations, in contrast to peacekeeping; clearly, substantive policy involvement in the former is more controversial, whereas peacekeeping, especially the support mode Chinese troops typically undertake, is less politically sensitive and an area where China can demonstrate practical support for peace.

However, as this paper demonstrates, there are growing indications that this position on post-conflict intervention and peacebuilding is beginning to change. This is evidenced in the first instance by greater participation in debates, financial contributions to the UN's Peacebuilding Fund and other mechanisms such as the UN's Central Emergency Response Fund (CERF),[16] or greater efforts to enhance its peacekeeping role beyond 'traditional' modalities. Linked to this is the ongoing

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Counselor Wang Hongbo at the 65th Session of the General Assembly under Agenda Item 69: 'Strengthening of the Coordination of Humanitarian and Disaster Relief Assistance of the United Nations, including Special Economic Assistance', 15 December 2010.

[15]   In January 2011, for example, Beijing supported the G77 draft UNGA resolution on 'International Cooperation on Humanitarian Assistance in the Field of Natural Disasters, from Relief to Development', which stresses that "Emergency assistance must be provided in ways supportive of recovery and long-term development."

[16]   China committed some US$6 million to the fund between 2006 and 2012 ("United Nations Peacebuilding Fund," 2012). Beijing has supported the UN's Central Emergency Response Fund with financial assistance. See, for example, statement by Shaogang Zhang, Minister Counselor of the People's Republic of China to the United Nations, at the High-level Conference on CERF, 9 December 2009.

pressure and evident desire of Africa governments and other powers to see a more substantive Chinese role in peacebuilding and fragile states. This is further reflected in the opening of discussions on the topic at FOCAC and the confidence that has come with Chinese involvement in a range of multilateral initiatives in Africa. At the same time, China's changing rhetorical support for UN peacebuilding, coupled to the aforementioned steps taken by Beijing to date, still obscures some underlying areas of normative disagreement with Western governments and even African counterparts, especially regarding non-consensual intervention or cautionary positions on 'responsibility to protect'. For this reason it is useful to unpack in greater detail some of the key norms and themes that inform the Chinese understanding of the issue of post-conflict intervention and peacebuilding.

China's Emerging Norms on Post-Conflict Intervention in Africa

The Chinese literature on post-conflict reconstruction ('*chongtu hou chengjian*') in Africa, and peacebuilding ('*jianshi heping*') more generally, is comparatively small, reflecting its position as a fairly new subject of research and policy engagement.[17] It is spurred on, in part, by the formative debate and process of developing the 'responsibility to protect' (R2P) and coupled to the relentless press of events seemingly demanding international responses.[18] Questions like 'how you consolidate authority and mobilize social resources' after war are not explicitly linked to a language of peacebuilding, nor has this language been adopted by or significantly imported into Chinese academic or policy circles.[19] There is some discussion of the challenges of development after war, and the role of the state.[20] In general, government pronouncements employ the concept of 'peace' in a rudimentary way as the absence of war. The thrust of China's official, public presentation of its Africa relations is consistently optimistic; peace is almost a historic inevitability, predestined once certain obstacles are overcome.

The acceptance of Chinese activism in peacekeeping, linked to the management of

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[17] Interview, Chinese Academy of Social Sciences (CASS), Beijing, 16 December 2010. More generally, peace studies "as a named discipline" was "virtually new" in China some eight years ago (Hunter, 2006).

[18] Discussion with Chinese academics, Africa Studies Institute, Zhejiang Normal University, Jinhua, December 2010; interview, CASS, Beijing, 14 December 2010.

[19] Interview, CASS, Beijing, 14 December 2010.

[20] A more normative and political literature opposes interference, or vindicates China's role in places like Sudan.

its global image and growing confidence, has proven to be far easier to reconcile with its traditional foreign policy imperatives. As Zhao Lei recently noted, "Chinese policymakers recognize that peacebuilding is more complex than peacekeeping, but is (*sic*) favourable to the establishment and enlargement of IPBOs (International Peacebuilding Operations) that seek to consolidate peace and prevent a recurrence of armed confrontation" (Lei, 2011). Behind this new willingness to broach the complexities of peacebuilding is mounting pressure on Chinese academic and policy communities to meaningfully address global responsibility in light of interventionist policies like R2P and its own, growing overseas interests, including in conflict-affected parts of Africa. However, policy makers are held to be "lagging behind Chinese entrepreneurs," spurring on an intense policy discussion in Beijing on appropriate ways of dealing with conflict in all its manifestations.[21] What is informing the deepening engagement with peacebuilding in China, according to Zhao Lei, is a desire to become a 'norm maker', rather than merely being reactive:

> (T)here is a subtle but significant shift in Chinese strategic culture from passively following international norms to actively making them… Chinese leaders have begun to focus on China's institutional contribution, placing an emphasis on 'discourse power' and the principle that a great power should constructively set agendas, not just follow the rules set by others (Lei, 2011, p. 351).

This formative process of 'norm making' that is beginning to take shape in Beijing can be seen four broad areas.

First, Chinese scholars like Liu Hui assert, "development, stability and harmony is more attractive" than "democracy, freedom plus market economics for Africa" (Hui, 2005; Xuejun, 2010). From this perspective, political stability is more important than holding elections; peace can be an outcome of longer-term development, but there is not necessarily any commensurate endorsement of democratic politics as a preferred means to achieve this.[22] Indeed, there is much concern evinced as to the problematic role that elections can play in fanning the flames of internal tensions, as

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[21] Interview, CASS, Beijing 14 December 2010.

[22] Discussion with Chinese academics, Africa Studies Institute, Zhejiang Normal University, Jinhua, 17 December 2010; Pang Zhongying affirms this view, saying that in China's "…bilateral and multilateral relations with many developing and non-Western countries in Asia, Africa and Latin America, China continually and repeatedly insists that it will not abandon these principles but instead will maintain them – a position that has generally been well-received in the developing world." (Zhongying, 2009)

was the case in Kenya in 2007.

A *second* aspect of China's approach to post-conflict intervention emphasizes indigenous African ownership or agency to define and pursue their own solutions according to their own circumstances. According to Chinese thinking, responsibility for resolving conflict or advancing development after conflict is first and foremost held by those directly affected.[23] Furthermore, greater efficacy for long-term solutions is ascribed to indigenous agency and any external assistance ought to respond to this and be tailored to local needs.[24]

Strong belief in the efficacy of economic process to achieve peace is a *third* aspect of the Chinese approach to post-conflict and fragile environments. Chinese scholars stress meeting basic needs first – "housing and food not just democracy or human rights" – and the timely delivery of the material infrastructure on which economic development can proceed as the proper starting point for post-war reconstruction.

A *fourth* aspect is China's assertion that the role of the state is crucial. China's engagement with state institutions is a normal, established part of regular bilateral relations, covering routine cooperation as well as such areas as human resource development training. 'Capacity building' of state institutions, critical to creating the administrative means needed by fragile states presents dilemmas arising from non-interference commitments, though recent trends suggest a greater receptiveness to supporting it (Information Office of the State Council, 2010). Flowing from this focus on the state is a general predilection towards enhancing the standing of regional organizations in the global architecture of security management.

These four themes are shaping the Chinese approach to post-conflict intervention in the form of peacebuilding. In some cases they echo or even overlap with prevailing positions adopted by the UN, and in others they are suggestive of the kind of pragmatism that guided Chinese economic development in the Deng Xiaoping era. What they reflect most of all is conscious effort by the Chinese policy making community to reconcile pressing problems of global security management with the perspectives and interests of China and, as such, represent an assertive engagement

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[23] Interview with Chinese academic, China Institutes for Contemporary International Relations, Beijing, 20 December 2010; interview with Chinese official, Khartoum, January 2011.

[24] As one analyst noted: "we should give what the Africans need, not what we think Africa needs." Zhejiang Normal University, Jinhua, 17 December 2010.

unseen outside of the East Asian region.

A Better Road to Sustainable Peace?

The emerging modalities of China's post-conflict engagement amount to an alternative to the prevailing international peacebuilding system in terms of ideas, practical actions and, in different ways, results. This is not an alternative in the sense of direct purposeful competition, nor is it an emerging challenge to the current system; rather, it affirms support for the AU crisis response system. In places, this is already being applied to longstanding problems, with the hope that China can be more successful where 'liberal peacebuilding' is held to have fallen short of expectations. As China's Ambassador to the UN declared categorically: "There cannot be a unified standard for peacebuilding endeavors. Different peacebuilding strategies should be formulated in accordance with different conditions of the countries concerned."[25]

African sensibilities towards the necessity for multilateral involvement in peacebuilding have already inspired unprecedented shifts in Chinese foreign policy in places like Sudan, and the active attempts to forge a common programme through such initiatives as FOCAC's 'China-Africa Cooperative Partnership for Peace and Security', are likely to produce more changes. Though areas such as the contentious issue of fragile states remain problematic and outside the formal policy reach of this novel approach, the growing and unprecedented confidence that the Chinese policy making community bring to the theorizing of peacebuilding and the positive engagement with African counterparts suggest that a new agenda is in the making.

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[25]   Statement by Ambassador Liu Zhenmin, Security Council open debate on post-conflict peacebuilding, 22 July 2009.

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Africa and China's Non-Interference Policy: Towards Peace Enhancement in Africa

Admore Mupoki Kambudzi

Introduction

Africa and China have a longstanding relationship, mainly shaped by the struggle against colonialism, from 1955 to 1994, on the African continent. China provided support to the African struggle for independence and the dismantlement of apartheid. Equally, through the Long March[1] – led by Mao Tse Tung in the 1930s and 1940s – China fought against foreign domination, colonialism and imperialism on its own soil. This common experience provided the foundation for the development of a closer relationship between China and the African states. The absence of a colonial history between Africa and China is the single biggest advantage, which accounts for the absence of destabilizing tension and an ever growing spirit of cooperation and solidarity.

A step further in building bilateral relations came when China campaigned to secure a permanent seat on the UN Security Council. Africa wholeheartedly supported that campaign, and in various international forums, Africa and China have continued, on an incremental basis, to unify their voices on global issues. Alongside this came China's gigantic economic development, at home and abroad. In Africa, China not only found an old and reliable friend but a vast base of raw materials and a growing market. For its part, Africa found China to be a reliable partner that, while being economically stronger, was prepared to share with Africa experiences in its own scientific, technical, technological and economic success.

This paper aims to explore the inter-linkages between China's non-interference policy and the African Peace and Security Architecture (APSA) of Africa – both being policies that affect inter-state relations. Although the peace and security connection between China and Africa is relatively new, it is important to attempt to determine the congruence between non-interference policy and APSA. This paper will also examine the challenges that both policies face, in terms of the need to adjust to the ever-changing national, continental and global environments.

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[1]   Long March refers to the Chinese Revolution that culminated in the establishment of the People's Republic of China in 1949.

Background

The evolution of China-Africa cooperation can be divided into three stages: 1949 to 1979, 1979 to 1999 and from 2000 to the present. During the first 30-year period, which was under Tse Tung, Beijing's ambitions in Africa were defined by Cold War politics. Beijing was isolated internationally and mainly saw its relations with African governments as a means to expand its political influence. Moscow had severed ties with Beijing, and Washington did not recognise China and had an embargo against it. Throughout the Cold War and post-Cold War period, China supported many liberation movements in Africa and quickly established diplomatic relations with newly independent African states. In return, thanks to the support of African governments, Beijing was able to replace Taiwan in the UN Security Council in 1971. Efforts to isolate Taiwan diplomatically have continued to motivate China to make friends in Africa (Hellström, 2009). The period from 2000 is particularly marked by increasing institutionalisation of Africa-China relations/partnership through the launching of the Forum for China-Africa Cooperation (FOCAC). With FOCAC in place, both sides have multiplied contacts and meetings, including summit level meetings that are organised in Africa and China.

Egypt was the first African country to establish diplomatic relations with China in May 1956. A year earlier, Premier Zhou Enlai had met with Egypt's President Gamal Abdel Nasser in Burma, shortly before the first Asia-Africa Conference in Bandung, Indonesia. Several Egyptian delegations visited Beijing the same year (Hellström, 2009). A total of 29 countries, representing more than half the world's population, sent delegates to the Bandung Conference (Huse and Muyakwe 2008). The five organisers (Indonesia, India, Egypt, Ghana and Malaysia) shared concerns over the then rising tension between China and the US and decided to lay a firm foundation for China's peaceful relations with them and the West. A shared opposition to colonialism, especially French influence in North Africa, was another important topic of the conference.

Between 1958 and the start of the Chinese Cultural Revolution in 1966, another 18 African nations established diplomatic relations with the People's Republic of China. In late 1963 and early 1964, a delegation led by Premier Zhou visited 10 African countries – of which nine had set up formal relations with the People's Republic by the end of the trip. Recurring issues during the visit included the Sino-Soviet rift, the

India-China dispute, China's place in the UN, and the *Taiwan question*.

China based its relations with Africa on peaceful co-existence and foreign aid without strings, thereby making a contrast with aid from western countries that was given with pre-conditions. Chinese leaders launched the popular notion of China as the world's largest developing country and Africa as the continent with the largest number of developing nations. Their common features included a history of oppression by colonialist powers. China's aid policies also helped garner the support of African leaders – who were most attracted to the idea that economic assistance could be given without strings attached.

China carried out major aid projects in Africa in the 1960s and 1970s. Among Beijing's gifts was a railroad linking Zambia and Tanzania, which was opened to traffic in 1976. By the end of 1978, China had established diplomatic relations with 43 nations in Africa. After 1978, Chinese foreign policy was largely influenced by Deng Xi-aoping's economic modernisation programme. Although remaining friendly to Africa, China became preoccupied with economic matters and focused on improving trade links.

It is worth mentioning that China constructed a huge office and conference facility for the African Union, which was inaugurated during the 18th Ordinary Session of the African Union held in Addis Ababa in January 2012. The relationship between Africa and China, in so far as peace and security are concerned, is new and comparatively far less developed. But there are vast opportunities for both sides to expand common interests and commitments in these areas. During the FOCAC ministerial meeting held in July 2008, Africa explained its continental African Peace and Security Architecture (APSA), as established in 2002,[2] to China. The latter has shown interest in assisting Africa in the implementation of APSA. Notable landmarks in this new bilateral connection are:

- The visit of the AU Peace and Security Council to China in 2011, to discuss common steps for the promotion of peace and security in Africa;

- The negotiations for the establishment of an Africa-China Peace Facility;

- China's capacity-building support for the African Standby Force;

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[2]   APSA refers to the African philosophy, approach and practice relating to the promotion of peace, security and stability in Africa.

- China's financial and technical support for Mali and Somalia, and other parts of Africa;

- China-Africa Partnership Agreement on Peace and Security;

- Launch of the China Dialogue on Peace and Security, and

- Ever growing ties between China and Africa, and between the Chinese Government and the African Union Commission.

In support of the implementation of APSA, China has proffered its non-interference policy – according to which Africa remains master of its strategies on peace whilst China provides assistance. Indeed, APSA has features similar to China's non-interference policy, in that the African continent is pre-occupied with making peace at *home*, and has avoided interfering elsewhere. Through this approach, Africa has striven to maintain its leadership and ownership, it opposes interference from outside in the management of African peace and security, and other affairs, at home. While Africa still has to grapple with the phenomenon of residual external domination linked to neo-colonial practices, and the imposition of conditionalities, it has found in China's non-interference policy a supportive instrument that all African countries appreciate. For a long time, western countries have dictated what Africa should do – the International Monetary Fund-led Structural Adjustment Policies that were imposed on Africa in the 1980s and 1990s came as one of the vehicle of that western dictation. But nowadays, circumstances are changing. Africa is emerging in early 21st century as a power to reckon with and looks forward to doing business with any one on mutually negotiated, agreed and advantageous terms. China's approach fits well into Africa's expectations. China aims at providing support for Africa to pursue its *home-made* priorities and to attain its own objectives. Coming from a background of colonialism and external interference by western powers in Africa's affairs, it is natural for African countries to recognise the positive essence of Chinese non-interference.

The African Peace and Security Architecture – Essence and Implementation

The APSA is a purely African idea and practice, with inbuilt functional symmetry. The conception of the new peace and security architecture was essentially premised on the necessity to overcome the weaknesses and ineffectiveness of the peace

and security mechanisms of the Organisation of African Union (OAU). The main objectives, envisioned by APSA, are the prevention and containment of conflict, and a reduction in the incidence of violent conflicts. These objectives were underpinned by the need to ensure the protection and preservation of lives, property and habitats – the underlying rationale for the new way to deal with conflict. For the first time in Africa's pursuit of peace and security, APSA includes an element of protection of civilians in situations of violent conflict, especially those involving genocide, crimes against humanity and war crimes.

The drive towards establishing this architecture came from the long-cherished conviction that it is within Africa that solutions to problems must be sought. For example, the former President of Zambia, Kenneth Kaunda, contributed towards preventing and resolving border disputes between Ethiopia and Somalia and between Kenya and Somalia. In both of these cases, and basing on the presence of Somali communities along borders in parts of Ethiopia and Kenya, Somalia was claiming those parts from the two countries. Somalia's claims led to border disputes with its neighbours.

In recent years, the idea that Africans should themselves find remedies to African problems was more clearly expressed by the former President of South Africa, Thabo Mbeki, in 2001 (Mbeki, 2001). Whilst addressing the Economic Forum of Southern Africa in Durban in June 2001, he said: "...many things have gone wrong in Africa since a long time ago. If we do not rise to reverse this trend, this would create the impression that we are not capable of solving our problems, and we cannot accept it".[3] The hindsight into the obstacles that undermined the OAU's efforts to prevent and resolve conflicts and crises was quite instrumental in the building of the foundation and essence of APSA. According to a study carried out by the OAU General Secretariat between 1994 and 2001, the OAU's efforts to prevent or resolve conflict were undermined by several factors, particularly the following:

- Lack of collective inter-governmental commitment to democracy, good governance and respect for human rights and freedom

- Indifference to the suffering of the civilian population in situations of conflict, with no governmental obligation to provide security and protection

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[3]   Mbeki, T. Address to the meeting of the Economic Forum of Southern Africa, Durban, 12 June 2001

for civilians

- Pervasive impunity, with political and military authorities violating individual rights and freedoms

- Pan-continental institutions had restricted powers and mandates preventing them from intervening in member States in order to protect life and property, and to foster effective humanitarian mechanisms

- Member states insistence on the non-interference principle, which prevented objective discussion of issues and problems facing the continent

- Mass member states committees which could not operate effectively to address conflict

- Absence of criteria for selection of member states to serve on committees charged with peace and security issues – it was just a free for all enterprise in which even countries in conflict could sit and deliberate on those committees.

- A weak resource mobilisation effort and little funding for peace-building activities

Structural and Operational Aspects of APSA

The PSC was established by the inaugural Assembly of the AU held in Durban, South Africa in July 2002. Its operations are regulated by the Protocol Relating to the Establishment of the Peace and Security Council of the African Union (PSC Protocol) (African Union, 2002). The PSC's direct support structures, as provided for in article 2 (2) of the PSC Protocol, are the following:

- The Commission, which provides overall support (for example, analysis, reports, implementation, monitoring and logistics) to the PSC

- The African Standby Force (ASF) and the Military Staff Committee (MSC), which are designed to provide a military capability to the AU for peace interventions and other emergencies, as authorised by the PSC

- The Panel of the Wise (PoW), whose task is largely preventive and engagement in quiet diplomacy within the APSA

- A Continental Early Warning System (CEWS), to assist in detecting the causes and signs of emerging conflict - in order to provide timely action

- A Peace Fund, which is a pool of financial resources dedicated to the AU's peace effort

In addition, APSA oversees the working relations of the PSC and other entities in the promotion of peace, security and stability in Africa. To this end, the PSC has developed cooperative/consultative partnerships with the following:

- The African Regional Economic Communities (RECs)/Regional Mechanisms for Conflict Prevention, Management and Resolution (RMs)
- The Pan-African Parliament
- African Commission on Human and People's Rights
- Civil Society Organisations
- The Peace and Security Council of the League of Arab States
- The United Nations Security Council
- The European Union Political and Security Committee

The relationships with the above entities mainly entail the holding of regular consultative sessions on peace and security in Africa, and on related issues such as cooperation and working methods. The PSC and RECs/RMs relationships are deeper and the two sides are bound together in fighting a common enemy, which is conflict. Notably, in most cases, RECs/RMs advocate for application of the principle of subsidiarity, based on implementation of comparative advantage (meaning that the political actor with most proximity, leverage and appeal in a conflict or crisis situation has to take lead action, with the rest of political actors providing support to the lead actor in the quest for solution). That means whenever a crisis erupts in a part of Africa, the REC/RM covering the region in which the crisis occurs takes precedence over others in addressing that crisis. RECs/RMs always seek this type of regional arrangement in addressing crises and conflicts. The rest of the actors would rally support for that REC/RM. This helps to avoid competition and duplication of initiatives by the PSC and the RECs/RMs.

An important point to make is that APSA has distinct functional characteristics that make it unique in the history of Africa's conflict management process. These cardinal characteristics, as provided for in the Constitutive Act of the African Union and the PSC Protocol, are:

- The Right of the Union to intervene in a member state in grave circumstances, namely, war crimes, genocide, and crimes against humanity

- Member states acceptance that, when making peace and security decisions, the PSC acts on their behalf - hence the obligation of member states to support PSC initiatives

- The increasing insignificance of objections based sovereignty, with respect to peace and security issues

- The increasing intolerance to impunity – leaders, ordinary persons and groups that abuse people can no longer go unpunished;

It is important to provide an early assessment of the impact of the implementation of APSA in Africa. But, in order to objectively assess this impact a number of crucial elements should be taken into account. They are:

- The APSA and PSC were not conceived and designed in a vacuum. Rather they emerged as the result of deep reflection by African leaders, intellectuals and civil society, drawing from concrete experiences with respect to the design, modus operandi and output of African peace and security mechanisms that have been in place since the birth in 1963 of the OAU. The operation of these mechanisms left behind important lessons, particularly with respect to the obstacles encountered in the effort to promote and sustain peace in Africa. In this respect, it suffices to make reference to the Central Organ of the OAU Mechanism for Conflict Prevention, Management and Resolution was established in July 1993. In its effort to broker peace the Central Organ has encountered numerous constraining factors and obstacles, which have undermined its effectiveness. These factors were duly taken into account when the APSA framework and the structure and modus operandi of the PSC were developed.

- For the first time in Africa, the notion of collective security was injected into the design and operation of the PSC. This introduced a new culture of African togetherness in the ownership and conduct of peace effort. Article 2 of the PSC Protocol states: "there is hereby established, pursuant to Article 5(2) of the Constitutive Act, a Peace and Security Council within the Union, as a standing decision-making organ for the prevention, management and

resolution of conflicts." Furthermore, "The Peace and Security Council shall be a collective security and early-warning arrangement to facilitate timely and efficient response to conflict and crisis situations in Africa."[4] The notion of collective security is also reflected in Article 7 (powers) of the PSC Protocol, which in sub-sections 2, 3 and 4 states:

the Member States agree that in carrying out its duties under the present Protocol, the Peace and Security Council acts on their behalf; the Member States agree to accept and implement the decisions of the Peace and Security Council, in accordance with the Constitutive Act; and the Member States shall extend full co-operation to, and facilitate action by the Peace and Security Council for the prevention, management and resolution of crises and conflicts, pursuant to the duties entrusted to it under the present Protocol.[5]

• The PSC was given a clear mandate to prevent, manage and resolve conflict and to promote peace, security and stability in Africa. Whilst the Central Organ had the same mandate, the PSC has a real advantage because its membership is smaller – which makes decision-making easier. It also operates on the basis of a strong base of guiding values and support structures that give it more functional strength. Article 2 of the PSC Protocol states that the Peace and Security Council shall be supported by the Commission, a Panel of the Wise, a Continental Early Warning System, an African Standby Force and a Special Fund.

• The notion of human security has been injected into the work of the PSC. This is reflected in Article 3 (a) of the PSC Protocol, which states that the PSC shall seek to:

promote peace, security and stability in Africa in order to guarantee the protection and preservation of life and property, the wellbeing of the African people and their environment, as well as the creation of conditions conducive to sustainable development in Africa.[6]

The human security component is also reflected in Article 7 (a), in which

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4   African Union, Protocol Relating to the Establishment of the Peace and Security Council of the African Union, 2002
5   Ibid
6   Ibid

one of the powers of the PSC is to "...anticipate and prevent disputes and conflicts, as well as policies that may lead to genocide and crimes against humanity."[7]

• The PSC has operated, and continues to operate, within several constraints, particularly a deficit in funding, logistics, and troop mobilisation (with respect to peace support missions, for example, the current African Mission in Somalia - AMISOM) and cooperation from parties to conflict.

Gains from the Implementation of APSA

Unquestionably, one can say that Africa is on the right path towards achieving the objective of a conflict-free continent. In 2004, when APSA was first implemented and PSC first functioned, there were more than 20 conflicts and crises raging in different parts of the continent. The situation then was characterised by:

• there being no end visible to most of the conflicts

• the parties to conflict had little will to cooperate with mediation

• the African countries were new to the practice of collective security

• the African Union Commission, a major support structure for the PSC, was new and lacked staff and experience. The deployment of the African Mission in Sudan (AMIS) from 2004 to 2007 proved this point; the Commission lacked managerial experience, expertise and appropriate structures to effectively and efficiently run peace support missions.

• external powers were still determined to influence the peace process in Africa if it was not to peddle influence in ways that aggravated African conflicts

• the lack of funding, logistics and military skills weakened the AU peace effort

But this situation no longer persists. Despite on-going challenges, the *space of peace* has become larger, and is ever expanding in Africa. Based on current trends in African conflicts, and as opposed to the gloomy picture that was prevailing in 2004, the continent is poised for transformation into a peaceful land where people live in harmony. Indeed, hotspots remain on the continent, but not with the same magnitude as in the past. Since 2004 APSA has encouraged and promoted lasting

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[7] Ibid

peace, security and stability in Africa. It is important to understand how this has been made possible. The process follows below:

- The various institutions of the APSA have sustainably been established, although this process has taken longer for some than others. The PSC, which is the pillar of APSA, began its work from a strong point of departure, with tremendous political goodwill and the support of the member states and the international community. The Commission quickly established itself as the key AU institution and a major bulwark for the PSC. The Panel of the Wise was operationalized in 2008, in order to support the mediation and conflict prevention effort. The African Standby Force is being developed and will be at full capacity by 2015, and the Continental Early Warning System should become fully operational the same year. A concentrated effort has also been made to secure funding

- The provisions in the PSC Protocol have been followed to the spirit and letter, thereby boosting the confidence of African countries that a few member states, working together in a well-structured and managed committee, can help the continent deliver peace

- Though with some challenges, the decisions of the PSC have largely been implemented by concerned stakeholders, thereby giving some kind of a de facto supra-national status to the PSC

- The international community has thrown its support behind the implementation of the APSA, as evidenced by the various financial packages it has provided, for instance the EU-funded Africa Peace Facility and the Italian Africa Peace Facility, as well as several others

- The UN Security Council and other international organs involved in peace and security have provided support to the PSC - thus demonstrating their approval that it take the lead to address various African issues

- Civil Society Organisations have increasingly been playing a supportive role in the implementation of the APSA and the work of the PSC, providing expertise and information.

Undoubtedly, APSA is an important programme for Africans. Africa, so long traumatized by crises and violent conflict, needs enduring peace and security in

order to create an environment conducive to socio-economic development. The main challenge now is to put in place all the components of APSA.

Non-interference Components of APSA

China decided not to interfere in other countries' internal affairs, especially those of developing countries. Therefore, Africa can take initiatives to promote peace, security and stability with the support, rather than the interference, of China. It follows that African states should be in the position to provide the terms of the support they receive – taking *better advantage* of the non-interference policy. That way also, and given China's ever growing capacity and power, Africa would shield itself against the risk of circumstantial domination by China. Some observers, especially in North America and Western Europe, argue that China is the new power in Africa – having effectively replaced the western powers, which had major interests in the continent for years. Whether this is true or not, the fact remains that the non-interference policy can be attractive to countries interested in developing mutually beneficial relationships with China, based on a win-win approach.

Refreshing the essence of China's non-interference policy in its relationships with African states in particular – and the international community in general – Jia Qinglin, Chairman of the Chinese People's Political Consultative Conference, said:

> The Chinese government pursues, and will continue to pursue, the policy of non-interference in the internal affairs of African and other countries. China pursues a win-win strategy of *opening up*, which means that China aims to develop itself amid the common development of developing countries (Qinglin, 2012).

China's choice of non-interference was based on consideration of the international order – especially between the 1950s-1990s. During that period western powers regularly *interfered* in the internal affairs of weaker countries in Africa, Asia and South and Central America. In Africa that external interference included regime change, coups d'état and deployment of mercenaries. The continent opposed this interference, but with considerable difficulty – until China came to its aid. Indeed, China sought solidarity with newly emerging developing countries, in order to distance itself from the interference policies of the western powers. It determined that the only way forward for China was to avoid doing anything that would amount to interfering in the internal affairs of other countries. Thus, China became part of

the Non-Aligned Movement, and other forums that stood for a new world order, in so doing, *winning the hearts and minds* of numerous developing countries. Today, China continues to invest in large infrastructure projects and provide loans and financial assistance to Africa and other developing regions.

It should be noted that APSA is not an end in itself, but a means to an end – that being peace, security, stability and development. China's non-interference approach encourages socio-economic cooperation and development. Some say that Africa looks more towards China for development support. African leaders like Robert Mugabe of Zimbabwe have even talked of the Look East Policy that Africa has to embrace, in reference to the fact that China and other Asian countries offer opportunities for mutually beneficial partnerships, as compared to western countries. This can be evidenced by the rapidly growing Africa-China partnership.

Trade between Africa and China has risen to more than $100 billion American dollars over the past two years and continues to grow. Bilateral meetings and visits between the two sides are also on the increase. On November 1st 2009 China adopted an Eight Point Plan to help Africa develop politically, economically, and culturally – using a US $10 billion aid package. The Plan will be implemented over three years. According to the Eight Point Plan, China's position is that: African countries need to translate their latent advantage into real advantage in their development and Chinese companies can be helpful; that China's cooperation with Africa in the area of natural resources and mineral resources, offers the continent a win-win situation, as the extraction of raw materials in Africa creates employment, more income and other benefits. China is reported to be upgrading the quality of its aid to Africa by targeting investment into such areas as agriculture, clean energy, health, debt relief, and investment growth.

It is important to consider how African countries are responding to China's readiness to support infrastructure development. Jia Qinglin asserted that China is not offering *peanuts* to Africa but real support, which will transform the quality of life across the continent. What the Chinese story in Africa tells us is that Africa-China cooperation can offer the following long term benefits for the continent:

- New transport and communication infrastructure, which helps improve interaction within and between African countries

- Investment in productive sectors, for example agriculture and mining
- Development of the energy sector, particularly hydro-electric power
- Creation of employment opportunities for millions of young Africans
- Development of multiform technology, for example in construction
- Creation of the socio-economic conditions vital for the promotion of peace, security and stability
- Expansion and realisation of Africa's trade potential

Challenges to APSA Implementation

The implementation of APSA started in 2004. So far, from the experience gained in Africa, a number of challenges can be identified:

- APSA is relatively new: The AU and the RECs/RMs are still in the process of learning; hence more time is required to improve the conduct of business. The provisions of the PSC Protocol need to be further enhanced, in order to provide more clarity and an enabling effect on the working of the PSC
- Lack of a shared understanding of the principle of subsidiarity: The RECs/RMs often talk about the principle of subsidiarity in conflict prevention, management and resolution, but they are yet to reach a shared understanding with the AU on how it should be applied
- External financial dependency: Funding for peace efforts in Africa is largely externally sourced, and often comes with conditions attached. This means the AU and RECs/RMs must spend time trying to meet the external funder/donor's requirements, instead of focusing essentially on conflict management and resolution
- Disconnection from the grassroots population: The AU and RECS/RMs still focus, predominantly, on conflict resolution rather than identifying the root causes. But because some conflicts keep recurring (i.e. in the Great Lakes Region and the Sahel), more attention needs to be paid to the root causes of conflict and that would compel organizations to seek more synergy in their efforts, thereby promoting coordination
- Absence/lack of complimentary Organs: Not all of the eight RECs have peace and security Organs. Only four of them (COMESA, ECOWAS, ECCAS and

SADC), thus far, have peace and security organs.

- Gaps in the PSC Protocol: The PSC Protocol, as the legal foundation of APSA, does not yet adequately provide for coordination between the PSC and RECs/RMs, and between the RECs/RMs themselves

- Inadequate working methods: The AU PSC and the RECs/RMs are still operating in an atmosphere of inadequate and un-coordinated intra-organisational methodology. And there are no clear guidelines on how coordination can be effected

- Occasional tension/competition for frontal leadership on peace and security issues, between the AU and RECs/RMs

Challenges to China's Non-interference Policy

China's non-interference policy and its mutations are subject to changing global conditions. Just as non-interference emerged as a result of a changing international environment, changes to that policy are also likely to be triggered by new changes in the global environment. China's friends are growing and changing. India is following in China's footsteps and making major economic strides. Brazil is doing the same. And potential African economic giants are beginning to emerge, such as South Africa and Nigeria. The world is changing, putting more demands on global powers to behave in a certain way. China, therefore, cannot afford to stand idle, and needs to adapt its non-interference policy in order to respond to emerging global challenges.

China's status as a global power brings with it obligations and responsibilities. Its non-interference policy is most likely to continue to be challenged. With all the will in the world the non-interference approach is likely to be impacted by China's increasing political, economic, commercial and financial engagement in the world. It is unlikely that China will be able to sustain non-interference in its classical form. As an emerging global superpower, China's new obligations and responsibilities will include: protection of life, reduction of poverty, preservation of peace and security, promotion of a stable global political and economic order and protection of the environment.

Africa and its member countries are stakeholders in pursuit of the above issues. Inevitably, choices made in Africa will impact on China's policies, and China's

options – as it responds to global demands – will affect Africa's choices.

Conclusion

China is already a global economic, commercial, military and technological power – although a developing country, as it calls itself. China is also a demographic power with around 1.3 billion people. Thus, the country has a large domestic market, whilst, at the same time, it has access to the huge global market. China aspires to expand its presence in the world. On its part, Africa aspires to achieve higher levels of socio-economic development, beyond the existing situation characterised by poverty. The developing continent has vast human and natural resources, which, with other positive factors, such as financial and technical support, make the dream of a developed Africa realisable. China's non-interference policy is in keeping with Africa's quest for peace, security and stability. Africa's peace and security architecture is of no inconvenience to China; implementation of the APSA helps to create conditions that are conducive to China's investments in Africa. As ties continue to grow between the two *parties*, and China rapidly develops, Africa must be prepared to position itself to fully benefit from its relationship with China. In particular, Africa should seek support from China to realise its goals of peace, security, stability and prosperity, taking advantage of China's self-declared willingness to help Africa attain its objectives.

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The Non-interference Dilemma: Adapting China's Approach to the New Context of African and International Realities

Zhongying Pang

Brief Introduction

Since 2006, when China held the 1st FOCAC Summit in Beijing, I have observed the evolution of China's attitude - including its foreign policy - and behaviour towards domestic political conflict and crisis in other countries, particularly in Africa, and China's interaction with other powers attempting to deal with conflict. There is now a general understanding that China should intervene in conflicts as a *responsible stakeholder* (Zoellick, 2005).[1] China has reiterated that its non-interference principle will be maintained, because it has long underpinned its approach to the developing world and the Global South. But, in practice, because of rapid change in the world China has been *forced* to become involved in conflict and crises which happen in other countries, particularly Africa. For example, in the group of UNSC permanent members, China is the leading provider of UN peacekeeping troops to conflict-stricken African nations. In many international debates on China's role in Africa, the non-interference principle was a key question. It seems clear that China has been caught in what I call the non-interference dilemma. The fundamental question is: how can China solve this dilemma? In the 21st international relations, intervention by a rising power, such as China, becomes an unavoidable, and inevitably challenging, question (Pang, 2009).

This paper is concerned with how China reacts to demands by African states for Chinese intervention and reflects on the consequences for the non-interference principle. I argue that China may adapt this principle to accommodate the nuances of Africa's peace, development and security challenges. China is *neither* simply maintaining the principle, without taking action against conflict and crises in other countries, *nor* abandoning the principle to become a fully engaged actor. Rather China is adopting a new approach which combines non-interference with *conditional* intervention.

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[1]   Former US Deputy Secretary of State Robert Zoellick famously urged China to become a "responsible stakeholder for the first time" (Zoellick, 2005).

China's firm "non-interference"

China' late top leader Deng Xiaoping (1904-1997), the architect of China's opening up and modernisation, conceived a doctrine for China's post-Cold War diplomacy, which included not only the *Tao Guang Yang Hui* (low-key) but also the more aggressive *You Suo Zuo Wei* (*do something*) approach. The *do something* approach strives to balance the *do nothing* with the *do everything*; to encapsulate the nature of Chinese intervention. Unfortunately, for most of the last 20 years China had respected *Tao Guang Yao Hui* rather than *You Suo Zuo Wei*.

There may be many reasons for this, but two are key: firstly, after the demise of the Soviet Union, China continued to push forward its programme of economic development and entered into joint venture partnerships with advanced economies. An economic development-obsessed China had no real interest in non-economic affairs, such as international peace and security. Secondly, if China intervened in something which was contrary to the interests of the US or its allies, this could lead to conflict between the US and China. The *Tao Guang Yang Hui* dictates that the US is a *priority of priorities* for China; therefore China should avoid a Cold War-like confrontation, or conflict, with the US.

Since the late 1970s, China's *opening up* policy has encountered with the *open door* policy of the US. It is common knowledge that the US expected China's full opening for more than one century, i.e. since the late 19th century (Kennan, 1951). When Deng Xiaoping declared China's *opening up*, the US response was cautious excitement.[2] This signified a momentous East meets West moment, as the West expanded its influence across the globe and China targeted the US as the main recipient of its *open* approach.

China and some post-colonial newly independent Asian and African countries, such as Indonesia and Egypt, agreed to adopt a peaceful coexistence principle, which included the notion of mutual non-interference, known as a pillar of the spirit of Bandung Conference, in the 1950s. But by the 1960s China, and other states, found

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[2]   China declared the opening up in late 1978 at a plenary session of the Chinese Communist Party's Central Committee. The US turned its diplomatic relations with China from Taiwan to the Chinese Mainland in 1st January 1979. After that, immediately Deng Xiaoping was invited to visit the US from 28 January to 4 February, 1979.

they had to breach the agreement to intervene abroad, in support of international communist and nationalist independence movements.

Since the 1980s, and especially since the end of the Cold War, China's foreign policy changed from its focus from *exporting revolution* to being fundamentally economic in nature. As an inevitable result of this change China completely embraced the non-interference principle. This approach served as the basis, or pre-condition, of China's relations with its Asian neighbours. The Southeast Asian nations conditionally pressed China to accept the non-interference principle, after criticising China's links with communist revolutionary movements in the region. China resumed its diplomatic relations with Indonesia, and established diplomatic relations with Singapore, in 1990 and non-interference became an organizational pillar of the Association of Southeast Asian Nations (ASEAN). This helped underscore, for Beijing, the value of non-interference, as tool to keep the peace in the region (Kivimaki, 2011). Keen to secure a better international environment for its economic development China realised that, in a globalised world, non-interference should be at the heart of its foreign policy.

Can *Constructive Intervention* solve the Non-interference Dilemma?

China is regarded worldwide as a leading rising power in the 21st century. Clearly, China's rise to a global power is on-going—the transformation into a *truly global great power* is not yet complete. But a rising power at current stage has contradictions in making and implementing its foreign policy.

One contradiction of China as a rising power is it is caught in dilemmas. China is reluctant to participate in international collective action organized or sponsored by the West. It is difficult to proceed (or support) West-orchestrated international intervention, or clearly oppose an intervention imposed by other powers. Both support and opposition are difficult, in terms of gains and losses.

Constrained by its old policy of non-interference, China's options are relatively limited, however it explores the possibility of international concert, coordination and, even, cooperation with other powers keen to help bring an end to conflicts.

Under such circumstances, a way to solve China's self-made dilemmas is alternative seeking. For protecting its increasing interests in strife-torn regions and fragile states, China explores alternative ways to assist, such as *creative involvement* (Wang, 2011)

and *constructive intervention* (Lu, 2012). It is worth pointing out that these new terms may still not be well discussed and defined—with different interpretations or understandings for different users, including policy makers and implementers and researchers. More clarification is needed on exactly what is meant by *creative involvement* or *constructive intervention.*

One thing is clear: by introducing these new terms China's objective is not to abandon or replace non-interference principle but rather to improve on its definition—in order to respond to international criticism about China's non-interference and international demand for Chinese intervention. It is a fact that China wants to solve the dilemma which surrounds this principle and to justify how it can *do something* in conflicted regions, such as the Horn of Africa.

China has repeatedly claimed that it has benefited from its non-interference in foreign problems and troubles—a key part of the pragmatist foreign policy approach mentioned above. Since 1979 and early 1980s, when China ended its military conflict with Vietnam, Beijing has tried to avoid domestic or international conflict and to win an overall peaceful international environment for economic development. This has been the main contributing factor to China's relative economic success. Therefore, China sees no reason to simply abandon non-interference.

If China is to meet its international obligations as a rising power—and continue its principle of non-interference—it must seek a working doctrine to support its collaboration and cooperation with international intervention led by the West. To date, China's role in international security governance is supported mainly by UN mandates and other multilateral arrangements (for example, the Shanghai Cooperation Organisation). China sees the UN as the only legitimate source of concerted international action when dealing with domestic military conflict on a foreign land.

The coexistence of China's non-interference principle and China's either *constructive intervention* or *creative involvement* is a prominent characteristic of China as a rising power in the globalised international system.

China's latest Experiences in Libya and Syria

China is one of the five founding permanent members of the UNSC with a veto power. What happened in 1971, at the UN and its Security Council, was the

replacement of Republic of China by People's Republic of China formally and thereafter the continuation of Chinese membership. But China has rarely used the veto power to intervene in other powers' initiatives at the UNSC. History shows that Republic of China used the power for the first time objecting the independence of Mongolia in 1958. But, the profound changes in the international system, China's new international status—as a rising great power and its increasingly awareness of undertaking international responsibilities to promoting world peace and security‑‑ let China have to use the veto power if necessary. Recently, China opposed UNSC resolutions on Syria four times (in October 2011, February, May and July 2012).

Foreign policy decision makers, and observers, may not yet have realised the full implications of China's UNSC veto power, with regard to its principle of non-interference. Over Libya, China concerted with other rising great powers—such as Brazil and India, which were non-permanent members of the UNSC—against some Western powers. In the case of Syria, China allied with Russia and cooperated with the other BRICS states (i.e. Brazil, India, and South Africa). China's proactive multilateral diplomatic alliances at the UNSC do not conform strictly with its traditional non-interference position. So an interesting question is: Is China revising its non-interference principle?

The use of veto power in the UNSC can be seen as a form of international intervention to prevent some Western powers from using a UNSC resolution to justify their political and military intervention—which China considers to be *hegemonic interventionism but in the name of humanitarian intervention*. In China's former leader Hu Jintao's report to the 18th National Congress of the Ruling Chinese Communist Party (Hu, 2012a), there was strong criticism of western interventionism. He said, "China rejects any foreign attempt to subvert the legitimate government of any other countries".

This comment led to direct conflict between China and the West, particularly the US and some EU members, particularly France, over international intervention. Washington and Brussels wanted to enact a series of UNSC resolutions to install new regimes in some North African and the Middle East states during the *Arab Spring*. China did not endorse these resolutions but either abstained or vetoed.

The fundamental reason for China's latest veto on West-sponsored UNSC Syria resolutions has been widely discussed in China and abroad. Chinese scholars

commented the use of the veto to argue that China's gains more than it losses from the veto (Yan, 2012). However, international scholars have had different views on it. A Chinese-born American political scientist, for example, argues that China vetoed the resolution mainly for domestic reasons "The overthrow of the Assad regime, especially should it happen as a result of Security Council action, would inspire the pro-democracy opposition — in Beijing and in Moscow." (Pei, 2012).

When we comment on China's newly usage of its veto power in the UNSC, we need to not overlook China's non-interference dilemma and that China has begun search for solutions to this challenge. To that end, China has been exploring how it might be more proactive or change its attitude to the way it responds to political crises and military conflict in other countries. It is a neglected fact that China no longer simply abstains or vetoes resolutions in the UNSC, but began already to *constructively intervene* in crises (Lu, 2012). After China's abstention on UNSC resolution 1973, it sent soldiers to help Chinese, and other Asian, nationals get out of Libya. And China harshly criticised NATO's intentional use the UNSC resolution to intervene militarily, beyond operating a "no fly zone". But China also not surprisingly recognised the new Libyan authorities for China's interest consideration. Even before they took hold of Tripoli, China invited the Libyan opposition parties to make an official visit to Beijing.

This failed concert, in dealing with domestically unstable states like Libya and Syria, between China and West leads to important questions: how a rising power deals with interventions by traditional Western powers to avoid disharmony between the West and the Rest? How the interventionist powers including the European nations and the US deal with dissent or uncooperative behaviour of rising powers? Is there the possibility of concert of two kinds of powers in international intervention?

As China's foreign policy is transforming—in order for it to adopt the right strategy to act as a global power—China is attempting to overcome the dilemma inherent in international intervention. For example, after China's veto of the UNSC resolution against Syria on 4 February 2012, China addressed the importance of UNSC unity. For the sake of unity in the Council, China was keen to avoid a split with the western powers. This flexible attitude sent out a positive diplomatic signal—that is, that China is willing to seek a concert of powers on thorny issues like Syria. In other words, China can change its behaviour and cooperate constructively if other powers

which sponsored the interventionist resolutions could accommodate their stances.

Before the third attempt by the Western members of the UNSC to pass a resolution on Syria China issued its own statement to indicate that China is striving for a resolution of the Syria crisis (Ministry of Foreign Affairs, 4 March, 2012). This helped remedy the damaged relations between China and the West over the earlier veto on Syria. But, while China was repeatedly warning other powers "…not to use humanitarian aid for Syria to interfere in Syrian domestic politics" (South China Morning Post, 2012a) it was sending emergency humanitarian aid worth US \$ 2 million through the International Committee of the Red Cross (Ministry of Foreign Affairs, 11 April, 2012). And, while China was supporting UN/multilateral mediation, it was appointing a special envoy to unilaterally mediate the Syrian ceasefire. Furthermore, as Syrian opposition parties continued to unite, China introduced a plan for a political solution to the UN-Arab League special envoy to Syria, Lakhdar Brahimi, when he visited Beijing in early November 2012. A Hong Kong-based South China Morning Post said: "China's four point plan for Syria is a rare foray into international mediation for the rising power, a sign that Beijing's increasingly global economy can trump its traditional hands-off diplomacy" (South China Morning Post, 2012b).

The Chinese repeatedly asked the US to treat China as an equal, and consult them on international issues. China's stance on Syria stresses that:

> …as a permanent member of the Security Council, China is ready to earnestly fulfil its responsibilities, engage in equal-footed, patient and full consultation with other parties on the political solution to the Syrian crisis, in an effort to safeguard the unity of the Security Council. (Ministry of Foreign Affairs, 4 Mach, 2012)

Concluding Remarks

China would "get more actively involved in international affairs, play its due role of a responsible nation" in the near future (Hu, 2012a). China's new leader Xi Jinping, briefed the press on 15th November, 2012, saying that undertaking international responsibility would be a key word in China's next foreign policy.

Currently, China combines the non-interference approach with *constructive intervention* in other countries' affairs. Looking to the future, as China gets more and more influential, it is likely that the world will see China playing a larger role in matters of peace, security, stability and development.

China and Africa now mutually define relations as the "strategic" ones. Both China and Africa still need the continuity of the shared non-interference principle, and China's support for African peace and security should not be interpreted as neo-imperial Chinese intervention. China and Africa jointly made an historic effort to introduce more active Chinese role in African peace and security by launching the "Initiative on China-Africa Cooperative Partnership for Peace and Security" in July 2012 at the 5th Forum on China-Africa Cooperation ministerial conference. The initiative seems to define the style and substance of China's *constructive intervention* in Africa under the pre-requisite principle "non-interference" (Hu, 2012b).

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China and UN Peacekeeping Operations in Africa

Kay Mathews

Laying the Foundation

As a critical tool of conflict management initiated by the UN, peacekeeping is widely employed by the international community. The UN Peacekeeping Operations is one of the important tools for the performance of its primary function of maintaining international peace and security. Peacekeeping operations are a low cost effective means of contributing to conflict resolution, practice multilateralism and ensure collective security. Peacekeeping, the most visible of all UN activities, works under the remit of the UN Security Council which aims to implement resolutions that abide by the spirit of the UN Charter. The United Nations defines peacekeeping operations as:

> Non-combatant military operations undertaken by outside forces with the consent of all major belligerent parties and designed to monitor and facilitate the implementation of an existing truce agreement in support of diplomatic efforts to reach a political settlement.[1]

The UN Charter stipulates that one of the major roles of the UN is to maintain international peace and security, and to that end:

> to take effective collective measures for the prevention and removal of threats to peace, and for the suppression of acts of aggression or other breaches to the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of peace". (Article 1)

The UN's peacekeeping operations can be broadly divided into two standard types namely: peacekeeping forces and observer missions. Both types of operations are guided by the same basic principles. These defining principles include: the consent of the conflicting parties, impartiality and the non-use of force except for self-defence. Peacekeeping operations play an important role in easing tensions and addressing regional conflicts. Peacekeeping can rightly be called the invention of the United Nations (Boutros-Boutros Ghali, 1992). It has brought a degree of stability

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[1]   United Nations, Department of Peacekeeping Operations, "Glossary of UN Peacekeeping Terms", quoted in Golwa (2011, p. 61).

to numerous areas of tension around the world. It is a way to help countries torn by conflict and create conditions for sustainable peace. UN peacekeepers –soldiers and military officers, civilian police officers and civilian personnel from many countries – monitor and observe peace processes that emerge in post-conflict situations and assist ex-combatants in implementing peace agreements they have signed. Such assistance comes in many forms, including confidence-building measures, power-sharing arrangements, electoral support, strengthening the rule of law, and economic and social development.

Chapters VI and VII of the UN Charter spell out the basis for UN peacekeeping operations. Between the tasks of seeking to prevent conflict and keeping the peace lies the responsibility to try to bring hostile parties to agreement by peaceful means. Chapter VI of the UN Charter sets forth a comprehensive list of such means for the resolution of conflict. Chapter VII requires all members to contribute armed forces, assistance and facilities to the Security Council and allow free passage for UN troops. The Charter gives priority to the use of peaceful means and views military action as a last resort. There is no specific Charter provision for peacekeeping. It lies in a "grey zone" between the peaceful settlement provisions of Chapter VI and military enforcement provisions of chapter VII and is sometimes referred to as "Chapter VI and a half". However, some operations since the early 1990s crossed that "grey zone" and more closely resembled enforcement creating controversy and operational problems. It has become common, therefore, to talk about three generations of operations: traditional or first-generation peace-keeping; second-generation, complex peace-keeping and peace building operations designed to implement a peace agreement and build conditions for stable, long term peace; and third-generation operations, involving greater use of force and an absence of parties' consent, combining efforts to enforce an end to violence and rebuild a viable state (Karns & Mingst, 2005, p. 306).

Traditionally, a UN peacekeeping operation has taken place when there was 'a peace to keep' or at least a cease-fire agreement. In the post-Cold War world peacekeeping has transformed into much more complex operations. Undoubtedly peacekeeping requires the support of the Great Powers; the US, Russia, China, the UK and France. With the end of the Cold War, the UN was in a position to act more or less as its founders had intended, taking a decisive role in many crises. Only 13 classic

peacekeeping operations were undertaken between 1948 and 1988. They were classic in the sense that their mandates had to do with observing the behavior of conflicting parties, monitoring cease-fires, controlling buffer zones and preventing resumption of hostilities. After mid-1988, new tasks were added and more new missions established.

According to the UN, there have been a total of 67 peacekeeping operations between 1948 and 2012, the vast majority of them (about 80%) after the end of the Cold War. With very few exceptions they were in what is usually called the Third World, particularly Africa. Over one million military personnel have served as 'blue helmets' since 1948. The UN budget for peacekeeping operations is over $ 7.33 billion for 2012-2013 (UNDPKO). Currently,[2] there are 16 UN Peace Operations deployed on four continents of which the following seven are in Africa: UN Mission in the Republic of South Sudan (UNMISS); UN Interim Security Force for Abeyi (UNISFA); UN Organization Stabilization Mission in the Democratic Republic of Congo (MONUSCO); African Union-UN Hybrid Operation in Darfur (UNAMID); UN Operation in Cote d'Ivoire (UNOCI); UN Mission in Liberia (UNMIL); and the UN Mission for the Referendum in Western Sahara (UNAMA).[3] Since the end of Cold War, the African continent has become the main theatre of UN and regional peacekeeping operations. China, a permanent member of the UN Security Council, in one way or another, has participated in most of the peacekeeping operations conducted by the United Nations in Africa. An attempt is made here to provide a broad assessment of the Chinese peacekeeping engagements in Africa.

China's Expanding Role

China's engagement with Africa has widened and deepened substantially since about the mid-1990s particularly since 2000. China's increasing involvement and influence in Africa is manifest not only in its fast growing trade with the continent, which surged from a mere US$ 10 billion to US$ 166.3 billion in 2012 (Jintao,

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[2]   October, 2012

[3]   The other nine on-going UN Peacekeeping Operations around the world are: UN Stabilisation Mission in Haiti (MINUSTAH); UN Integrated Mission in Timor-Leste (UNMIT); UN Military Observer Group in India and Pakistan (UNMOGIP); UN Assistance Mission in Afghanistan (UNAMA); UN Peacekeeping Force in Cyprus (UNFICYP); UN Interim Administration Mission in Kosovo (UNMIK); UN Disengagement Observer Force (UNDOF) Syria; United Nations Interim Force in Lebanon (UNFIL); and UN Truce Supervision Organisation (UNTSO) (Middle East) (http://www.un.org/en/peacekeeping/operations/current)

2012), but also in its energy strategy, its diplomatic presence, its cultural exchanges, and its growing military presence and security cooperation. It is clear that insecurity in Africa affects China: putting at direct risk Chinese investments, its energy security and the large numbers of Chinese nationals working on the continent. China is also in conflict affected states, like the Sudan and South Sudan, Somalia, DRC, Ethiopia, Eritrea, Mali, and Nigeria. China's involvement has many implications for African security issues such as, arms transfers, military cooperation, peacekeeping operations, diplomacy, voting in the UN Security Council, commercial investments and development assistance. Not surprisingly, Beijing has come to view peacekeeping as a valuable security cooperation tool in Africa which has great impact on Africa's overall security situation.

Undoubtedly, economic cooperation is paramount in contemporary China-Africa relations. China has committed itself to becoming a development partner for Africa and has also been delivering development assistance. China's relations with Africa—often referred to in terms of "South-South Cooperation"—are largely managed through state to state bilateral relations. Bilateral relations are complemented by the triennial Forum on China-Africa Cooperation (FOCAC), which provides an important multilateral mechanism for forging new commitments and strengthening political ties (Ashan et al., 2012). China's engagement with Africa has been welcomed by many African leaders who see it as an opportunity to fuel economic growth, to put them into a better negotiating position with traditional Western donors and to amplify Africa's voice in international forums (Ministry of Foreign Affairs (MOFA), 2010, p. 321).

One challenge for China-Africa relations is continued insecurity and conflict on the continent. While in past one decade or so the continent has experienced a decline in levels of conflict, a host of factors continue to challenge both the security of African states and citizens, ranging from ongoing insurrections to politically motivated violence, piracy on the Somali coast and armed crime. According to reports, between 1990 and 2005 conflict cost African countries almost US$ 300 billion – roughly the same amount African countries received in aid during the same period (Saferworld, 2011). Clearly, if African development is to be successful and lead to a reduction in poverty, all concerned, both within and outside the continent, must find ways to reduce the incidence of violent conflicts. Though solutions to African peace and

security threats are to be found primarily within the continent itself, it would be wrong to assume that Africa's conflicts are Africa's problems alone. The repercussions of Africa's internal problems reach beyond its natural borders. Besides, external actors can play direct roles in the continent's security landscape- with both positive and negative ramifications. China is one such influential actor.

China has a fairly long history of participation in UN Peacekeeping Operations in Africa particularly since the end of the Cold War. China's position on peacekeeping missions has also evolved over the past decades from a position of deep skepticism to one of active engagement. This engagement has been mirrored by an equally dramatic increase in the number of Chinese peacekeepers participating in missions. Peacekeeping has featured in official cooperation agreements between China and Africa such as the Addis Ababa Action Plan 2003, China's 2006 Africa Policy Paper, outlining areas for military cooperation, and the 2009 Sharm El-sheikh Action Plan. The *Beijing Action Plan 2013-2015,* adopted at the 5th Ministerial Conference of the FOCAC, for example, rightly reiterated the need for enhancing cooperation with Africa on peace and security issues. China also decided to launch the latest initiative on *"China-Africa Cooperation Partnership for Peace and Security".* It included financial and technical support to the African Union (AU) for its peace support operations and the development of the African Peace and Security Architecture (APSA).

There are several reasons for China's peacekeeping engagement internationally and in Africa specifically. Three core reasons have been identified: First, this trend reflects China's overall effort to be responsive to international expectations; second, its stepped up activity is part of Hu Jintao's call for 'new historic missions' in the twenty-first century; and third, it appears that participation in peacekeeping activities abroad carries important military applications and lessons (Aning, 2010, p. 147-8)

China's participation in UN peacekeeping operations can be traced back to April 1989, when it dispatched 20 electoral monitors to the United Nations Transition Assistance Group (UNTAG) in Namibia. Since 1991, China has sent military observers or staff officers to serve in 15 other UN peacekeeping operations in Africa (see Tables 1 and 2):

In the early 1990s, cooperation among the major powers at the UN culminated in the

resolution of the first Gulf Crisis within the framework of the UN. Seeing the UN as a useful tool to pursue their foreign policy, the United States and other Western countries also took keen interest in UN peacekeeping operations. But when the UN peacekeeping suffered severe setbacks in former Yugoslavia and Somalia, where the US and the North Atlantic Treaty Organization (NATO) were allowed to enforce peace under the pretext of humanitarian intervention, they put the blame on the UN and adopted an indifferent attitude towards UN peacekeeping. A clear indicator of this is the fact that the US and other Western countries have contributed no troops to the UN peacekeeping operations in Africa although the UN has established more than a dozen missions in Africa since the turn of the century. At present China is the largest troop contributor among the five permanent members of the UN Security Council to UN peacekeeping operations in Africa.

In April 2003, China resumed contributing units to UN peacekeeping operations by sending an engineering company of 175 and a medical company of 43 to the MONUC. In the same year, China began to send troops to the UNMIL. The Chinese contingent in UNMIL consists of an engineering company, a transportation company and a medical company with a total of 558 troops, the largest contribution China has ever made to a UN peacekeeping operation. In May 2006, a contingent of 435 troops was dispatched to the UNMIS. In November 2007, a Chinese engineering company of 315 arrived in South Darfur, Sudan, the first UN troops to serve in the UN/AU Hybrid Operations in Darfur (UNAMID). The latest Chinese contribution to a UN Peacekeeping in Africa is an engineering and a medical company deployed in the UNMISS in January 2012. In addition to the above, China has also contributed civilian police officers to UNMIL, UNMIS and UNMISS. As of October 2012, China has participated in 15 peacekeeping missions in Africa, among which six operations are still going on, namely MINURSO, UNMIL, UNOCI (in Cote d'Ivore), UNAMID, MONUSCO (which succeeded MONUC in July 2010) and UNMISS (Jianxin, 2012).

Table 1: List of UN peacekeeping operations in Africa: Completed and current

Completed Missions

No.	Date of Operation	Name of Operation	Conflict
1	1960 – 1964	United Nations Operation in the Congo (ONUC)	Congo Crisis
2	1988 – 1991	United Nations Angola Verification Mission I (UNAVEM I)	Angolan civil war
3	1989 – 1990	United Nations Transition Assistance Group (UNTAG)	Namibian War of Independence
4	1991 – 1995	United Nations Angola Verification Mission II (UNAVEM II)	Angolan Civil War
5	1992 -1994	United Nations Operation in Mozambique (ONUMOZ)	Mozambican Civil War
6	1992 – 1993	United Nations Operation in Somalia I (UNOSOM I)	Somali Civil War
7	1993 -1997	United Nations Observer Mission in Liberia (UNOMIL)	First Liberian Civil War
8	1993 – 1994	United Nations Observer Mission in Uganda-Rwanda (UNOMUR)	Rwandan Civil War
9	1993 -1996	United Nations Assistance Mission for Rwanda (UNAMIR)	Rwandan Civil War
10	1993 – 1995	United Nations Operation in Somalia II (UNOSOM II)	Somali Civil War
11	1994	United Nations Aouzou Strip Observer Group (UNASOG)	Chad-Libya Aouzou Strip Dispute
12	1995 – 1997	United Nations Angola Verification Mission III (UNAVEM III)	Angolan Civil War
13	1997 – 1999	United Nations Observer Mission in Angola (MONUA)	Angolan Civil War
14	1998 – 1999	United Nations Observer Mission in Sierra Leone (UNOMSIL)	Sierra Leone Civil War
15	1998 – 2000	United Nations Mission in the Central African Republic (MINURCA)	Central African Republic Mutinies
16	1999 – 2005	United Nations Mission in Sierra Leone (UNAMSIL)	Sierra Leone Civil War
17	2000 – 2008	United Nations Mission in Ethiopia and Eritrea (UNMEE)	Eritrean-Ethiopian War
18	2004 – 2007	United Nations Operations in Burundi (ONUB)	Burundi Civil war

19	1999 – 2010	UN Mission in the Democratic Republic of Congo (MONUC)	Second Congo War
20	2007 – 2010	UN Mission in the Central African Republic and Chad (MINURCAT)	Darfur Conflict , Civil War in Chad (2005-10)
21	2005 – 2011	UN Mission in the Sudan (UNMIS)	Continuing Sudanese Civil war

Current Deployment

No.	Date of Deployment	Name of Operation	Conflict
1	1991	UN Mission for the Referendum in Western Sahara (MINURSO)	Moroccan Occupation of Western Sahara
2	2003	UN Mission in Liberia (UNMIL)	Second Liberian Civil War
3	2004	UN Operation in Cote d'Ivoire (UNOCI)	Civil War in Cote d' Ivoire
4	2007	UN/AU Mission in Darfur (UNAMID)	Darfur Conflict
5	2010	UN Stabilization Mission in the Democratic Republic of Congo (MONUSCO)	Second Congo war
6	2011	UN Interim Security Force for Abyei (UNISFA)	South Kordofan Conflict
7	2011	UN Mission in the Republic of South Sudan (UNMISS)	Continuing Conflict in The Sudan.
8	2011	UN support Mission in Libya (UNSMIL)	2011 Libyan Civil War

Source: UN Peacekeeping Fact Sheet (http://www.un.org/peacekeeping)

Table 2: China's contribution to UN peacekeeping operations in Africa

No.	Mission	Type of Personnel	Remark
1	United Nations Transition Assistance Group (In Namibia) (UNTAG)	Civilian Experts	
2	United Nations Mission for the Referendum in Western Sahara (MINURSO)	Military Personnel	On Going
3	United Nations Operation in Mozambique (ONOMOZ)	Military Personnel	
4	United Nations Observer Mission in Liberia (UNOMIL)	Military Personnel	
5	United Nations Observer Mission in Sierra Leone (UNOMSIL)	Military Personnel	
6	United Nations Mission in Sierra Leone (UNAMSIL)	Military Personnel	
7	United Nations Mission in Ethiopia and Eritrea (UNMEE)	Military Personnel	
8	United Nations Organization Mission in the Democratic Republic of Congo (MONUC)	Military Personnel	
9	United Nations Mission in Liberia (UNMIL)	Military Personnel, Civilian Police	On Going
10	United Nations Operations in Burundi (ONUB)	Military Personnel	
11	United Nations Operations in Cote d'Ivoire (UNOCI)	Military Personnel	On Going
12	United Nations Mission in the Republic of the Sudan (UNMIS)	Military Personnel, Civilian Police	
13	AU/UN Hybrid Operation in Darfur (UNAMID)	Military Personnel	On Going
14	United Nations Stabilization Operation in the Democratic Republic of the Congo (MONUSCO)	Military Personnel	On Going
15	United Nations Mission in the Republic of South Sudan (UNMISS)	Military Personnel, Civilian Police	On Going

Source: Lu (2012, p. 3)

Beijing made support for peacekeeping operations part of its African Policy Statement in 2006 and backed up that rhetoric with tangible assistance (Li, 2008). Since 2000, there has been an unprecedented increase. As of October 2012 some 21,000 Chinese peacekeepers participated in 18 UN peacekeeping operations around the world.[4] Some three-quarters of China's contributions are concentrated in Africa, reflecting the current focus of UN Peacekeeping Operations. Despite these developments, deeper thinking and analysis about the motivations and broader implications of China's engagement in peacekeeping initiatives remain scanty.

Assessing China's Role

China's approach to UN peacekeeping has evolved considerably since it assumed a permanent seat in the UN Security Council in 1971 with the strong support of African states. At that time China expressed its long held view that the superpowers were ultimately in control of international interventions. However, things have changed over the years. Beijing's foreign policy standpoint shifted, particularly after the reform and opening up of its economy in 1978. The ideological stance of anti-colonialism and anti-imperialism shifted toward a policy of engagement with the world driven by China's rapid economic expansion. In 1981, China for the first time voted in favor of a Security Council resolution that extended the mandate of the UN peacekeeping force in Cyprus, and the following year it began paying dues. As noted earlier, in 1988, China sent its first ever deployment of personnel to Namibia to help with election work (International Crisis Group (ICG), 2009). As a result, in the 1990s, as noted earlier, Beijing began to participate in UN peacekeeping operations, for instance by sending observers to the Iraq-Kuwait Observer Mission in 1991. China's participation slowly expanded peaking in 1992 and 1993, when it deployed two 400-man engineering units to the UN Transitional Authority in Cambodia. From the outset, China has been a staunch supporter of missions limited to traditional tasks, not involving military action. Regard for state sovereignty and non-interference in the internal affairs of states were paramount to Beijing's foreign policy agenda. However, in the early 1990s, its attitude shifted with regard to the ongoing situations in Bosnia and Somalia. In 1993, China voted for the first time for a resolution authorizing the use of limited force to protect civilians under imminent

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4   From Speech of Chen Song, Director of Policy Planning Division, Ministry of Foreign Affairs, at the China Foreign Affairs University, Beijing, August 28, 2012 which the author attended.

threat and for the peacekeeper's own self-defense. By the end of 1990s, Beijing came to accept limited use of force, provided the mission had UN Security Council authorization as well as local consent (ICG, 2009).

From 1999 onwards China fully endorsed all subsequent peace operations to Sierra Leone, Congo, Liberia, Cote d' Ivoire, Haiti, Burundi and Sudan, most of which included Chapter VII provisions within their mandates (ICG, 2009). Although, China's financial support for UN peacekeeping remained relatively modest, China was the largest contributor among the permanent members of the UN Security Council, and it ranked overall 15th among all UN contributors (Bellamy & Williams, 2009, p. 40). Undoubtedly, permanent membership of the UN Security Council gives China a great deal of power and leverage to sculpt UN decisions and direct international events in accordance with its national interests and objectives.

While continuing to provide much financial support to UN peacekeeping, China sends far fewer personnel. While it largely refrained from providing combat troops, its provision of civilian police, military observers, engineering battalions, medical units and logistical experts fills a crucial gap and is important to the viability and success of the UN peacekeeping operations. China's expanded role in peacekeeping is largely welcomed by the UN and African leaders.

China's attitudinal change with respect to UN peacekeeping was eventually captured in a White Paper, *China's National Defense* in 2004. In a section entitled "Participation in UN Peacekeeping Operations" China's new position on peacekeeping missions is laid out:

> China has consistently supported and actively participated in the peacekeeping operations that are consistent with the spirit of the UN Charter. It maintains that the UN peacekeeping operations should abide by the purposes and principles of the UN Charter and other universally recognized principles governing peacekeeping operations (China's National Defense, 2004).

The importance that China gives peacekeeping operations is also emphasized in the *China's Foreign Affairs,* an Annual Foreign Affairs compendium compiled by the Policy Planning Section of the Ministry of Foreign Affairs to promulgate and explain the government's foreign policy and relations. In the Security Council debates on peacekeeping in August 2010, the Chinese delegate, for example, stated in their

interventions that the reform of peacekeeping operations needs active innovations and at the same time, should follow basic principles such as, impartiality, consent of the parties in the conflict, and minimum use of force. The Security Council needs to raise the level of mandate, planning, and management and improve strategic design of peacekeeping operations. It is important for the UN to assign high priority to developing a holistic strategy for conflict prevention and settlement, lay equal emphasis on deploying peacekeeping missions and pushing forward political negotiations, and significantly improve peacekeeper contribution, logical support and management and command capacity (MOFA, 2010, p. 322)

Besides, it may also be pointed out that during a discussion at the Fourth Committee of the of the 64th Session of the General Assembly in October 2009, Ambassador Liu Zhenmin, Chinese Deputy Permanent Representative to the UN, made a seven-point proposal on reforming peacekeeping operations: First, adherence to the basic principles of peacekeeping operations in order to consolidate the support of member states. Secondly, there should be a clear and achievable mandate in order to improve peacekeeping efficiency. Thirdly, goals should be formulated for different stages of the operations and an exit strategy should be included. Fourthly, there should be consensus-building among member states on sensitive issues and protection of civilians. Fifthly, the quality of peacekeepers should be improved. Sixthly, there should be more accountability and regulation of resources. Seventhly, an improved logistical mechanism for rapid deployment of peacekeeping operations should be developed (Shin, 2008, p. 178).

Though Beijing has contributed much to UN peacekeeping in Africa, it has, nonetheless resisted liberal reforms toward more intervention based on its adherence to the principle of state sovereignty and non-interference in the internal affairs of other states. Prior to 2006, Beijing insisted on the principle that UN peacekeeping operations can only be undertaken with the consent of the parties concerned. However, China's role in the Darfur crisis reflected critical shift in Beijing's strategic appraisal regarding its peacekeeping role in Africa. By actively engaging with Khartoum, Beijing moved away from its traditional position of Third World solidarity against neo-imperialist interference and toward the position that China is a responsible great power and therefore, will use its influence to persuade Khartoum to accept UN Security Council proposals. For the first time during its permanent

membership of the UN Security Council, Beijing successfully applied pressure both privately and publicly in order to persuade a sovereign government to accept UN peacekeeping operations (Wenping, 2010).

An example of a negative ramification of Chinese engagement is that of Chinese arms fueling conflicts by sending arms to both sides of conflicting parties in some cases like in the Sudan where both government of the Sudan and rebels in Darfur, which clearly has also been a cause of embarrassment for China. However, it may be noted that Beijing's need to protect its image of responsible great power means that Beijing is increasing its engagement in UN peacekeeping operations as well as ad hoc participation in diplomatic negotiations on African security issues. Beijing's desire for the leadership role of the developing world also means that we can expect increasing participation in diplomatic negotiations and support for the UN, AU and Regional Economic Communities and peacekeeping operations in Africa. China's recent rapid increase in UN peacekeeping missions and its willingness to expand its participation in them reflects as to how it views their importance. It is also a tactical move on the part of China to quietly and steadily building a significant presence on the continent, a supplement to the deep economic and trade involvements. The influence China gains from African nations support in international fora is important for China, for example for its "One China" policy; its energy future, commerce and military industrial complex and to the advancement of its global agenda.

Future of China's Role in UN Peacekeeping Operations

China's view of its role today is that of a status quo nation that participates in the international effort to limit conflict and promote peace. At the moment China wishes to be a world leader, but has no interest in being number one, given that it is also in the process of development. As China becomes stronger, other countries are not willing to see Chinese international dominance and accordingly, its foreign policy will remain constrained and cautious.

In a world where security threats are no longer confined to national borders, China has a clear interest in promoting African security and peace. Not only is Africa's development dependent on security and peace, but in a globalized world China's own economic prosperity will be affected by what happens in Africa. This demonstrates the basis of the mutual benefits of the relationships between China and African

states. It should be noted that China has, or is developing strong ties with African nations to which it deploys UN peacekeepers. This cannot be coincidental. China has a vested interest in the strategic security and stability of the African continent, and long term involvement in peacekeeping missions there could be expected. With these deployments the Chinese also gain exposure to the operational practices and methods of foreign military forces as well. There are also valuable benefits gained in the areas of operational logistics, multinational operations and civil engineering, and through a working knowledge of the operational environments in the deployed areas. The value of being "on the ground" in a foreign territory for an extended period cannot be easily duplicated, and such experiences are more useful and practical than any other foreign-area training imaginable. Chinese UN military observers who command any level of UN peacekeeping operations in Africa are also privy to a unique operational opportunity available to few other non-African officers in the world.

The future of Chinese involvement in UN peacekeeping may also be clouded by the uncertain interplay of traditional norms with efforts to become more engaged in the world (Karlsson, 2011). China's adherence to the principles of sovereignty and non-intervention risk jeopardizing the ability of the UN to manage international conflict moving forward. Shielded by traditional norms yet freed by normative conceptual flexibility, China has a unique ability to carefully rise to power and become a responsible stakeholder in world events. Contrary to popular belief, it can even be said that with greater national capacity, and practical considerations, China can become more involved in human rights and humanitarian crises. The Chinese approach is both cautious and ambitious, demonstrating that the process of adjusting norms and rising into a global leader takes time and effort.

Conclusion

China's approach to peacekeeping has evolved considerably since it assumed its UN Security Council seat in 1971 when it rejected the entire concept of peacekeeping. This pragmatic policy shift paves the way for China to provide much-needed personnel as well as political support and momentum for peacekeeping. China's peacekeeping involvement also further binds it to the international system. It also reflects China's changed foreign policy priorities as well as pragmatic orientation. Multilateralism has become central to China's efforts to project its influence

abroad, pursue its interests and cultivate its image as a responsible great power. It has also served to counter fears of China's growing power – the "China Threat" – by deploying military personnel for peaceful ends. The experience China has gained from participating in UN peacekeeping operations over the years has also helped modernize the Chinese military and helped China manage the application of traditional foreign policy norms in the face of more challenging and complex world events.

Beijing has the capacity to expand its contributions further and should be encouraged to do so. China could enhance cooperation with Africa in the prevention, management and resolution of regional conflicts. It seems likely that China's contributions to peacekeeping will continue and the variety of roles these peacekeepers play will grow. In some cases, for example in Somalia, China has even taken the lead at the UN Security Council in calling for peacekeeping missions. This reflects China's willingness to take on greater responsibilities within the international community's response to Africa's problems. There will continue to be doubts, both within China and between China and others, over the boundaries that constitute a legitimate intervention. Overall, while peacekeeping might be seen as a *rather safe* form of engagement, it has the potential to nudge China toward greater familiarity with crisis management and conflict resolution, particularly in Africa with a view to playing a greater role in the future.

Participation in peacekeeping is a relatively easy way of demonstrating commitment to the UN and to international peace and security. At the same time, China's relations with dictatorial regimes may also benefit UN peacekeeping efforts. China can bring to the table valuable political capital and economic leverage, in some cases even encouraging host countries to consent to peacekeeping operations, as happened in Sudan.

China has also skillfully struck a balance between traditional norms and contemporary responsibilities that require a more engaged and outgoing China. As China rises in power and its international presence grows, the country has been forced to reconcile traditional principles of sovereignty and non-intervention with a more outward style of engagement. As it rises and takes on a role as a responsible world leader, China opens itself to new obligations and increased scrutiny. But its behavior as a personnel supplier for peace operations show that it has been able to gain legitimacy, peacefully

defend its image as a major power, modernize its military, and simultaneously tend to political and economic interests it has in recipient locations.

China's growing role in peacekeeping operations in Africa is also helping to fill the growing deficit in capacity and resources in the area. The lack of available and qualified police for peacekeeping is one area in which China is already making a significant contribution in terms of the provision of a professional police force for peacekeeping activities. And China should demonstrate its political support for peacekeeping challenges both in terms of strengthening of Security Council's peacekeeping doctrine and the development and review of specific UN peacekeeping mandates. It should also adopt a more strategic rather than reactive approach to peacekeeping in the Security Council and support earlier and more effective intervention.

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SECTION II

China-Africa Ecomonic Relations: Challenges and Opportunities

Fostering African Development, Governance and Security through Multilateral Cooperation between China and Western Donors: The Case of the China-DAC Study Group

Anna Katharina Stahl

Introduction

The world is currently witnessing a major economic and political rebalancing, resulting in a growing multipolar international order. While certainly a global phenomenon, no continent has been more affected by the changing geopolitical context than Africa. Due to its colonial past, Europe has traditionally considered the African continent as its own backyard. Moreover, with many African colonies gaining independence, the United States (US) has increased its economic and diplomatic relations with this region. It therefore comes as no surprise that the US and the European Union (EU) are the most important providers of aid to African developing countries and commonly referred to as so-called *traditional donors*.

Yet, since the turn of the century, these traditional donors have been losing their privileged relationship with Africa as a group of so-called *emerging donors* – most notably China – have started to expand their interaction with a growing number of African countries. In 2000 Beijing established the Forum on China-Africa Cooperation (FOCAC) as a specific instrument to strengthen its relationship with Africa (Taylor, 2011). This was followed by the adoption of two major Chinese policy documents: the White Paper on China's Africa Policy, published in 2006 (Chinese State Council, 2006) and the White Paper on China's Foreign Aid, released in 2011 (Chinese State Council, 2011).

Whereas many experts and policymakers have interpreted the current geopolitical shifts in terms of a competition between traditional donors and China in Africa (Naím, 2007), this paper argues that new types of multilateral development cooperation could allow uniting the comparative advantages of Chinese and Western aid, thereby helping tackle Africa's development, governance and security challenges. Multilateral development cooperation is traditionally conducted through a multilateral donor organisation, which is an "international institution whose members are governments and which conducts all or a significant part of its activities in favour of development" (OECD, 2009a, p. 21). In recent years, there has been a proliferation of multilateral

donor organisations with overlapping mandates (Brautigam, 2010). The most prominent are the United Nations (UN), the International Monetary Fund (IMF) and the World Bank. Yet, China – in its capacity as an emerging donor – has until now only played a marginal role in these multilateral aid structures (Opoku-Mensah, 2009). In this paper the choice of the case study of the Organisation for Economic Cooperation and Development (OECD) and its Development Assistance Committee (DAC) is directed at studying the initial multilateral development cooperation between traditional donors and China. Although China is not a member of the OECD DAC, it did take part in a forum of exchange with DAC donors, known as the China-DAC Study Group. Looking at the specific example of the China-DAC Study Group, this paper highlights the benefits and obstacles of multilateral collaboration between Western donors and China in Africa.

This paper is structured around two main sections. The first section provides a brief comparison of the main characteristics of the aid provided by traditional donors, which are members of the OECD DAC and China to developing countries in Africa. It pays particular attention to the impact of DAC and Chinese aid on African governance and security. Furthermore, it shows the comparative advantages of each of the different approaches to aid and development, providing a basis for a new form of multilateral development cooperation. Subsequently, section two examines the China-DAC Study Group as an initial attempt of multilateral cooperation between traditional donors and China to foster African development. Finally, based on the example of the China-DAC Study Group, three main challenges to mutually beneficial multilateral development cooperation between Western donors, China and African developing countries are identified.

Comparing Western and Chinese Aid to Africa

Western and Chinese aid to Africa is generally described in terms of two distinctive models or development paradigms (Ling, 2010; Wang and Ozanne, 2012). This section outlines the main characteristics and guiding principles of Western/DAC and Chinese aid to Africa and shows that both development approaches are to some extent complementary. It further argues that, on basis of the comparative advantages of DAC and Chinese aid, multilateral development cooperation between traditional donors and China is possible and could positively contribute to African economic

growth, governance and security.

DAC Donor Practices: Conditionality, Good Governance and the Security-Development Nexus

Since the 1960s, Western donors have primarily coordinated their aid through the Development Assistance Committee (DAC). The DAC was established in 1961 as a quasi-autonomous body of the Organisation for Economic Cooperation and Development (OECD), an international organisation based in Paris (Carroll and Kellow, 2011). The OECD DAC – which currently counts 24 members[1] – acts as a multilateral forum for consultation and coordination between countries providing aid to developing countries (OECD, 2006). It is presided by a permanent chair and is structured around eight subsidiary bodies.[2] The most prominent DAC members are the United States, the European Union (EU) and single European member states like France, Germany and the United Kingdom (UK). Despite the membership of Japan and more recently South Korea, the DAC is commonly depicted as an exclusive Western club (Clifton & Diaz-Fuentes, 2011). DAC members have a long history of development assistance and are therefore commonly referred to as *traditional* or *established* donors (Kragelund, 2011; Zimmermann & Smith, 2011). Together, DAC donors account for the largest share of international development aid.

Over time, the role of the DAC has evolved from its original purpose of providing a framework for information sharing and coordination to that of formulating international aid guidelines, principles and good practices. This evolution has dramatically reshaped the architecture of global aid. One of the main DAC contributions in terms of international norm-setting has been the definition of official development assistance (ODA) (Brautigam, 2009; 2010; Stähle, 2008). According to the DAC definition of ODA, not all financial support from industrialised countries to developing countries qualify as aid. Only financial support aimed at promoting

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[1]   Australia, Austria, Belgium, Canada, Denmark, the European Union (EU), Finland, France, Germany, Greece, Ireland, Italy, Japan, South Korea, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom (UK), and the United States (US).

[2]   Working Party on Aid Effectiveness (WP-EFF), Working Party on Development Finance Statistics (WP-STAT), Network on Development Evaluation (EVALNET), Network on Gender Equality (GENDERNET), Network on Environment and Development Cooperation (ENVIRONET), Network on Poverty Reduction (POVNET), Network on Governance (GOVNET), International Network on Conflict and Fragility (INCAF).

the economic development and welfare of developing countries can be considered as ODA. Hence, these financial flows need to have a concessional character and convey a grant element of at least 25 percent (OECD, 2008).

ODA from DAC members is governed by a set of specific norms and principles, such as transparency, as well as social and environmental standards (Brautigam, 2010; Stähle, 2008). One of the most fundamental norms to which all DAC donors have conformed is *good governance*. The concept of good governance achieved prominence in the discourse on aid following the end of the Cold War, and has been reiterated by different OECD policy documents, such as the 2005 Paris Declaration on Aid Effectiveness (OECD, 2005b). Until now, however, there is no internationally agreed definition of good governance. In 1993 the DAC established an ad-hoc Working Group on "Participatory Development and Good Governance", which formed the basis of one of the DAC subsidiary bodies, the DAC Network on Governance (GOVNET). In 1993 DAC donors concluded that good governance is closely linked to human rights and democracy (OECD, 1993). Other elements included in the DAC definition of good governance are the rule of law, public sector management, and the fight of corruption. Hence, from the perspective of traditional donors, weak governance presents a key obstacle to the economic growth of developing countries. This might explain why DAC donors tend to focus their aid on the support of social sectors in developing countries (Ling, 2010; Walz and Ramachandran, 2011).

In order to foster good governance and economic development of African countries, DAC donors rely on the instrument of *aid conditionality*. Aid conditionality consists of "the donor setting the development cooperation objectives, goals or methodology, which a recipient government would not otherwise have agreed to if not pressured by the donor ….. with threats of the latter terminating or reducing development assistance ..…. if the set objective, goal or methodology is not complied with" (Ling, 2010, p. 6). There are several different types of aid conditionality. DAC donors generally tend to attach political conditions such as human rights to the delivery of ODA (Brautigam, 2011; Mold and Zimmermann, 2008; Zimmermann and Smith, 2011). Experts have pointed out that, "DAC member countries consider it as their moral obligation to promote human rights as universal values, using aid allocation as a tool. In this context, foreign aid is regarded not only as a transfer

of money and resources, but also as a transfer of values" (Zanger, 2000, p. 296). Yet, the use of aid conditionality is not without controversy. There is an on-going debate about the actual success of DAC donors in promoting greater governance in Africa through aid conditionality (Mold, 2009; Zanger, 2000). Moreover, some studies have demonstrated that that aid conditionality has in fact undermined another key principle of DAC aid namely, *ownership* – by limiting African governments in having a greater say in their own development policies (Mold & Zimmermann, 2008).

Over the past years, as part of their efforts to foster good governance in Africa, DAC donors have started exploring synergies between economic development and security in Africa. In the academic literature this new trend is commonly referred to as the so-called *Security-Development Nexus*. Recent scholarly work has demonstrated that security threats in Africa are mostly caused by a combination of a lack of domestic governance and economic development (Duffield, 2001; Collier et al., 2003). Following this line of thought, traditional donors have reached the agreement that "inappropriate security structures and mechanisms can contribute to weak governance, instability and violent conflict, which impact negatively on poverty reduction" (OECD, 2005a, p. 11). Against this background, the International Network on Conflict and Fragility (INCAF) was established in 2009 as a subsidiary body of the DAC specifically aimed at finding ways to strengthen the Security-Development Nexus. Moreover, DAC donors have increased their financial support to the African Union (AU) and its Peace and Security Architecture (APSA).

China's Unconditional "win-win" Economic Cooperation
In comparison to the amount of aid provided by DAC donors, China's aid to Africa is to some extent still rather marginal (Stahl, 2012, p. 9). According to estimates, in 2007 China provided around 1.4 billion US dollars (USD) in ODA to Africa, while the United States committed 7.6 billion USD and the European Union 5.4 USD in ODA to Africa (Brautigam, 2009, p. 170). However, since the turn of the century Chinese aid to Africa has increased significantly. In fact, Chinese aid doubled just in the period between 2007 and 2009 (Brautigam, 2009, p. 172).

Although China does not share the same historical legacy with Africa as most DAC donors, it would be a mistake to consider China a "new" donor in Africa. In fact,

already during the Cold War period, the Chinese leadership actively supported national independent movements in Africa through development and technical assistance (Mawdsley, 2007). An important symbol of China's presence in Africa during this period was the construction of the Tazara/TanZam railway, linking Zambia to the port of Dar es Salaam in Tanzania and thereby eliminating Zambia's economic dependence on the apartheid regimes of South Africa and Rhodesia (now Zimbabwe). With the end of the Cold War, Chinese leaders adopted a less ideologically driven foreign policy and concentrated mostly on China's domestic development, which led to a retreat from Africa. Yet, as a consequence of China's modernisation and *going-out* policy of the late 1990s, Chinese leaders started to rediscover the African continent – mostly for its natural resources and business opportunities. China's rediscovery of Africa was symbolised by the establishment of the Forum on China-Africa Cooperation (FOCAC). This increasing attention to the African continent has been accompanied by a significant increase in Chinese aid to the region, which explains why China is now commonly described as an *emerging donor*.

China is not a member of the OECD DAC and its development assistance to Africa therefore follows a distinctive set of objectives and norms, as compared to that of Western donors (Grimm et al., 2011; Ling, 2010). As the 2011 White Paper on Chinese Foreign Aid underlines, China's development approach towards Africa is still largely guided by a paradigm set forth by Chinese leaders during the 1950s and 1960s. These traditional principles include the so-called *Five Principles of Peaceful Coexistence*[3] and the *Eight Principles[4] for Economic Aid and Technical Assistance to Other Countries* (Chinese State Council, 2011). The Five Principles of Peaceful Coexistence were formulated by the Chinese Premier Zhou Enlai in the wake of the Afro-Asian conference in Bandung in 1955. Based on these five principles, in 1964 China adopted a set of more specific norms to guide its aid and technical assistance to developing countries. According to these *Eight Principles for Economic Aid and Technical Assistance to Other Countries*, China's relations with developing countries are based on *equalit*y and *mutual benefit*, as well as on the *respect of the sovereignty*

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[3] Mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, peaceful coexistence.

[4] These principles are too long to put here, please refer to Appendix I of the 2011 White Paper on Foreign Aid.

of the recipient countries. Moreover, China does not attach any conditions to its aid.

In this context, Chinese leaders have repeatedly stressed that the practice of aid conditionality advocated by most DAC donors stands in contrast with the principles of non-interference, which China considers as a guiding norm of its development assistance towards Africa. China's refusal to attach political conditions to its aid also explains why the Chinese leadership is uncomfortable with the concept of *good governance* and the notion can hardly be found in any Chinese policy document on Africa (Stahl, 2011). As opposed to traditional donors, the Chinese development approach does not consider good governance as a prerequisite for economic development. Instead, from the Chinese point of view a certain level of economic development is needed in order to implement specific governance standards. Hence, the Chinese leadership is opposed to the idea of good governance as a precondition for the distribution of development assistance (Kynge and Zhang, 2007; Zhang, 2011). China's discomfort with the notion of good governance and its strict stance related on non-interference, explains why China's traditional development approach did not take into account African security challenges in Africa. Unlike traditional DAC donors, until recently China did not provide any financial support to the AU's Peace and Security Architecture.

Another difference between the Chinese and the DAC aid approach is related to China's identity as a developing country and its refusal to be labelled as a donor. This is reflected in the notion of *South-South cooperation*. According to Chinese policy documents, China's South-South cooperation with African developing countries differs from *North-South cooperation* between traditional DAC donors and developing countries, because it follows the logic of a mutual "win-win" partnership between equals, rather than the asymmetrical, one-way donor-recipient paradigm. Unlike the DAC development model, which is aimed at poverty reduction through the disbursement of ODA, China's "South-South" discourse relies on the language of economic partnership rather than that of aid. As a matter of fact, Chinese aid is primarily used to finance Chinese companies to build infrastructures in Africa, like roads and hospitals (Brautigam, 2011; Ling, 2010). Hence, the Chinese development approach is characterised by a business oriented "win-win" economic cooperation and Chinese aid therefore largely deviates from the DAC definition of ODA – which excludes commercial arrangements by private actors (Brautigam, 2011; Wilson, 2010).

Complementarity between Western and Chinese Aid as a Prerequisite for Multilateral Cooperation

DAC and Chinese aid to Africa is governed by a number of diverging principles and follows quite different motives. Yet, it would be erroneous to conclude that these differences necessarily lead to a situation of competition between a supposed "Western" and "Chinese" development model in Africa. In contrast to the Cold War period, during which African countries could only choose to look either East or West, current African leaders can engage with a multitude of different partners in parallel. Some scholars have therefore suggest that instead of analysing this growing multipolar global order in terms of competition, one should rather focus on how DAC and Chinese aid to Africa complement each other (Jianbo and Xiaomin, 2011; Ling, 2010; Stahl, 2012). New forms of multilateral development cooperation could assist this process by helping identifying the precise comparative advantages of each development approach, encouraging mutual learning, as well assisting in the formulation of best practices to foster African development.

In the past years, China and traditional donors have entered into increasingly dense exchanges within the UN, the World Bank and the OECD. This initial multilateral development dialogues have translated into some minor adaptations of both the Western and the Chinese development approach.

Taking into account China's domestic development experience and its contribution to tangible infrastructure projects in Africa, Western donors have started attributing more attention to Africa's economic and business opportunities. Since some years, DAC donors are putting more emphasis on the contribution of the private sector to development cooperation, for instance, through the establishment of public-private partnerships. This goes along with a growing awareness of the fact that ODA from traditional donors cannot constitute the only external source of growth and development in Africa, but should rather complement other financial resources, such as Foreign Direct Investments (FDIs).

In parallel to the debate among Western donors about the genuine benefits of ODA for the development of the African continent, the Chinese leadership has begun reconsidering its strict interpretation of the principle of non-interference (Stahl, 2011). Similarly to traditional donors, China has been confronted with the consequences of operating in an unstable African security environment and the

Chinese leadership has started reconsidering how to best secure its economic interest in Africa (Saferworld, 2011; Stahl, 2011). In the case of Sudan, the Chinese leadership has showed growing willingness to work together with the international community in the view of finding a political solution to the conflict (Large, 2008). At the same time, China has increased its participation in UN peacekeeping operations in Africa and started supporting the AU. Not only has China built the new headquarters of the African Union in Addis Ababa, but it has also welcomed the AU as an official member of the FOCAC. Moreover, recent attempts by the Chinese government to formulate a new Chinese security strategy in Africa have to be put in the broader context of a growing Chinese research on governance (Goikhman and Herrmann, 2012; Stahl, 2011; Yu, 2002).

The China-DAC Study Group – An Original Attempt at Multilateral Development Cooperation between Traditional Donors and China

Against the general emergence of multilateral development cooperation between China and Western donors, this second section focuses on the role of the DAC in this process. With most Western donors belonging to this multilateral forum, it is not surprising that the DAC has recently tried to reach out to emerging donors like China. In this context, this section attributes a particular attention to the specific initiative of the China-DAC Study Group as an original initiative of multilateral development cooperation between traditional donors and China, specifically targeted at fostering development, governance and security in Africa.

The OECD DAC Outreach towards Emerging Donors and the Origins of the China-DAC Study Group

Since around 2005, traditional donors have begun conceding the growing role played by emerging donors like China, Brazil and India, and the added value of their unique development experience.[5] In this context, traditional donors made growing attempts to engage in a multilateral cooperation   with emerging donors in the framework of the OECD DAC. Against the background of the OECD's general "Enhanced Engagement" process with Brazil, China, India, Indonesia and South Africa (OECD, 2007), the DAC started to reach out to non-DAC donors, offering

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[5]   Although all three countries have witnessed extraordinary economic growth, China's development track record seems particularly impressive: on the basis of economic policies initiated in the 1970s, several hundred million Chinese people were lifted out of poverty.

them the possibility to familiarise themselves with DAC principles and standards, and inviting them to participate in DAC activities (OECD, 2011a). As part of this outreach process, DAC donors made particular efforts to disseminate the principle of *aid effectiveness* to emerging donors. The norm of aid effectiveness was introduced by the first High Level Forum on Aid Effectiveness (HLF) held in Rome in 2002. Yet, it was the Second High Level Forum in Paris in 2005 – resulting in the adoption of the Paris Declaration on Aid Effectiveness – that marked the beginning of guiding principles of aid effectiveness (OECD, 2005b). Although China signed the 2005 Paris Declaration, it did so primarily in its capacity as a recipient of aid rather than as a donor (Stähle, 2008). Three years later at the third HLF in Accra, DAC donors therefore explicitly stated in the final document – the Accra Agenda for Action (AAA) – their ambitions to establish a dialogue with emerging donors. The foundations for this multilateral cooperation between DAC and emerging donors were laid at the most recent HLF held in Busan in December 2011, through the adoption of the Global Partnership for Effective Development Cooperation (OECD, 2011b).

Among the group of emerging donors, China was subject to particular attention by DAC donors. In February 2008 the Network on Poverty Reduction (POVENT) – a DAC subsidiary body – organised a joint workshop with the Chinese authorities in Paris on the topic "Reducing Poverty and Promoting Pro-Poor Growth: China's Experience in Rural Poverty Reduction at Home and in Africa". From this workshop first proposals for possible areas of China-DAC cooperation arose (OECD & IPRCC, 2009). Five months after the workshop, the then DAC chair Eckhard Deutscher travelled to Beijing to meet representatives of the Chinese Ministry of Commerce (MOFOM) and the State Council Leading Group Office of Poverty Alleviation and Development (LGOPAD), and to enter into more concrete discussions on collaboration between China and the DAC (OECD & IPRCC, 2011a). Different events, bringing together DAC officials and Chinese representatives, emerged throughout the year 2008 and marked the beginning of more regular contacts between the DAC and China. On the basis of this growing interaction between the DAC and China, the proposal of a more institutionalised dialogue was put forward. This led to the establishment of the China-DAC Study Group.

The Structure and Functioning of the China-DAC Study Group
The China-DAC Study Group was officially set up in January 2009 as a joint body

composed of Chinese and DAC representatives. The joint nature of the Group is symbolised by the positions of the two honorary presidents and the two co-chairs (OECD & IPRCC, 2009). In the Group, China is primarily represented through the International Poverty Reduction Centre in China (IPRCC). The IPRCC is quasi-governmental organisation based in Beijing. Although it was established in 2004 with the support of the United Nations Development Programme (UNDP) and the World Bank, the IPRCC holds strong ties with the Chinese Ministry of Foreign Affairs (MFA) and Chinese Ministry of Commerce (MOFOM). The objective of the IPRCC is to advance South-South cooperation through knowledge building, advocacy and training activities. On the DAC side, not all DAC members have joined the China-DAC Study Group. Table 1 shows that in its original composition, the China-DAC Study Group was primarily driven by the EU/European Commission, France, Germany, the UK and the US. The work of the China-DAC Study Group is coordinated by a joint secretariat, composed of officers from the IPRCC and the OECD DAC.

The work of the China-DAC Study Group is centred on two main themes: first, to study more thoroughly China's own development experience and its role as an emerging donor and second, to draw common lessons from the Chinese and DAC aid practices to Africa (OECD & IPRCC, 2011a; 2011b). During the initial period between 2009-2011, the work of the China-DAC Study Group was concentrated on the organisation of four large international conferences[6] (OECD & IPRCC, 2011a), two of which were held in Beijing and two in Africa (in Mali and in Ethiopia). Each of the four events had a different thematic focus: development partnerships; agriculture, food security and rural development; infrastructure; and enterprise development. Hence, the China-DAC Study Group represents a flexible platform of knowledge-sharing and mutual learning between Chinese and DAC policymakers, experts and academics. As the work of the Group specifically focuses on fostering development on the African continent, some African stakeholders were also invited to join the discussions (OECD & IPRCC, 2009).

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[6] First conference on "Development partnerships" held in October 2009 in Beijing, second conference on "Agriculture, food security and rural development" held in April 2010 in Bamako, third conference on infrastructures held in September 2010 in Beijing and fourth conference on "Enabling environment for enterprise development" held in February 2011 in Addis Ababa.

Table 1: Original Membership of the China-DAC Study Group

Honorary Co-Presidents	Wu Zhong (IPRCC Director-General)
	Eckhard Deutscher (OECD DAC Chair)
Co-Chairs	Huang Chengwei (IPRCC)
	Richard Carey (OECD DAC)
Director	Prof. Li Xiaoyun (China)
Co-Leaders	Prof. Li Anhan (China)
	Prof. Li Xiaoyun (China)
	Jean-Raphael Chaponnière (France)
	Robert Haas (Germany)
Members	Jennifer Adams (US)
	Peter Craig-McQuaide (EU)
	Adrian Davis (UK)
	Bruno Georges (Belgium)
	Dr. He Wenping (China)
	Philip Karp (World Bank)
	Naohiro Kinato (Japan)
	Mao Xiaojing (China)
	Michael Stirnweiss (Germany)
	Tori Tveit (Norway)
	Wang Yantao (China)
Secretariat	Michael Laird (OECD DAC), Yan Wang (OECD DAC), Zhang Huidong (IPRCC), Ran Jin (IPRCC)

Source: OECD (2009b)

A key characteristic of the China-DAC Study Group is its flexible and informal working method. As the Group is coordinated by a rather small secretariat, with limited resources, it works primarily on an ad hoc basis, based on initiatives coming from individual Group members. In fact, each of the four events was organised on a voluntary basis by one or several members. For instance, Germany funded and organised the first China-DAC Study Group conference on Development

Partnerships in China and France took the lead for the conference on agriculture in Mali. Individual initiatives and good personal relationships are therefore essential to the success of the Group. The unofficial character of the Group is reflected in its founding scheme, as well as its overall output. The China-DAC Study Group does not possess an independent budget, based on mandatory contributions of its members. Instead, its activities are self-funded on a cost-sharing basis. As regards to the output of the Group, its work resulted in a two-volume report, which was jointly published by the IPRCC and the OECD DAC (OECD & IPRCC, 2011a; 2011b). The report provides a summary of the main findings of the four conferences held in the framework of the China-DAC Study Group and was presented at a policy synopsis held in Beijing in June 2011. It is important to stress that the work of the China-DAC Study Group did not lead to the adoption of any official policy document, as this would undermine the informal nature of the Group.

Following the first phase of the work of the China-DAC Study Group, which was finalised with the publication of the report in 2011, it was agreed to modify the mandate of the Study Group. Two major modifications for the second phase of the work of the China-DAC Study Group were introduced: the functioning was changed from the organisation of large-format thematic conferences to smaller action-oriented roundtables and the exchange was shifted from discussions on broad development themes to focusing on the development challenges of specific African countries or regions. As part of its attempt to make more concrete contributions, the Group has now started to examine more systematically the possibilities of organising common projects between China and DAC donors in Africa. In this context, two joint field visits to Tanzania and Zimbabwe were organised in the period 2011/2012, in order to compare the implementation of concrete projects by China and DAC donors.

A Preliminary Assessment of the China-DAC Study Group: Achievements and Limitations

The China-DAC Study Group constitutes a rather recent endeavour and its new phase of work only began in 2011. Although it is still too early to draw overall conclusions from this venture, two positive outcomes have however become apparent.

Although largely disregarded, the most important contribution of the Study Group lies in the process of confidence-building between traditional donors and China (Stähle,

2008, p. 152). It has offered an alternative narrative to the prevailing description of a rivalry between a supposed Chinese and Western aid "model" in Africa. The building of trust was particularly important for Beijing, which felt uncomfortable with what it considered unfounded Western condemnation of its activities in Africa. The China-DAC Study Group remedied this by disseminating information on the modalities of Chinese development assistance and thereby discrediting certain myths upheld by DAC donors regarding Chinese aid to Africa. The success of the China-DAC Study Group in terms of confidence building between Chinese and Western donors is largely based on its flexible and informal working method. Despite the fact that Study Group benefited from the institutional support of the OECD DAC, China was not constrained to join the DAC or play by its rules. Instead, it was given the opportunity to familiarise itself with the standards of the DAC and to eventually take over or adapt some of them according to its own policy priorities. In the same way, DAC donors participating in the Study Group could make autonomous proposals as long as they would provide the necessary funding.

On the basis of the mutual trust between China and DAC donors, the work China-DAC Study Group resulted in another achievement, which is the recognition of the necessity of combined China-DAC action to address more effectively African development, governance and security challenges. Hence, the Study Group has not only contributed to a growing openness for exchange between the DAC and China, but it has also facilitated the search for a common ground for more tangible cooperation. Consequently, initial joint activities, such as the publication of a common report and the organisation of joint field visits in Africa have evolved. Moreover, the organisation of joint field visits has allowed DAC and Chinese representatives to learn more of the difference in the implementation of DAC and Chinese projects in specific African countries. Hence, the joint field visits could pave the way for more substantial cooperation in the future, potentially in the form of *trilateral, triangular* or *tripartite* projects (Brautigam, 2009; Stahl, 2012; Yamashiro Fordelone 2009).

In spite of these two important accomplishments, the China-DAC Study Group is also facing a number of challenges. In particular, there are three possible impediments which could prevent the China-DAC Study Group from transforming into a more genuine form of multilateral development cooperation between traditional donors and China.

A first possible obstacle might arise from the organisational set-up of the Study Group. Unlike traditional forms of multilateral cooperation, the secretariat of the China-DAC Study Group can only play a limited role and the Group largely relies on the input of its members. Not only is the China-DAC Study Group secretariat relatively under-staffed, but its work is further complicated by its dual location – some officials work at the IPRCC in Beijing, while others are based at the OECD in Paris.

Another major drawback is related to the flexible and unofficial mandate of the China-DAC Study Group. Whereas the informal nature of the Study Group constitutes one of the main reasons for its success, it is at the same time a major weakness. The informal nature of the Study Group has caused some dissatisfaction particularly among traditional donors. Some DAC donor representatives voiced regret about the fact that discussions within the Study Group did not result in a formal binding agreement or the adoption of an official policy statement (Stahl, 2012). The frustration of some traditional donors over the supposed lack of output reveals unrealistic expectations by most DAC members regarding the possible contribution of the Study Group. In fact, a majority of DAC donors mistakenly saw in the China-DAC Study Group a preliminary step towards Chinese membership in the OECD DAC. However, since the very beginning of the formation of the Study Group, the Chinese leadership has not concealed its cautious stance towards the DAC. China's ambiguous relationship with the OECD DAC and its lack of full political commitment to the China-DAC Study Group has manifested itself through two elements. First, on the Chinese side, the Group activities are implemented by the IPRCC, which does not represent an official government body. In addition, only a limited number of Chinese policymakers have so far participated in the China-DAC Study Group. Instead, the Study Group was mostly attended by Chinese scholars and academics, who cannot act in the capacity of official representatives of the Chinese government (Rampa and Bilal, 2011). The Chinese membership in the Study Group can therefore serve as an indication for China's lack of political will in regard to possible membership in the OECD DAC. Chinese leaders fear that by joining the DAC, China could no longer refer to the status of a developing country, which would undermine its political discourse of South-South cooperation based on equality.

The limited role of the China-DAC Study Group secretariat, as well as the lack

of Chinese political support could complicate the transformation of what was conceived as a preliminary exercise of informal multilateral dialogue between China and DAC donors into a more institutionalised form of multilateral cooperation. Yet, it is the lack of African ownership which is probably the most important obstacle for considering the China-DAC Study Group as a fully-fleshed form of multilateral development cooperation. So far, the African representatives have been involved in only a limited number of activities organised within the framework of the Study Group. Due to the composition of the China-DAC Study Group secretariat, with Chinese and DAC representatives, the agenda of the Group has been driven mostly by the interests of DAC donors and China and largely ignored the position of African recipients. The absence of the African Union from the China-DAC Study Group is particularly striking. The only time an event by the China-DAC was attended by a high-level officials from the AU was during the China-DAC Study Group conference held in Addis Ababa in 2011, which was attended by the then Chairperson of the African Union Commission, Jean Ping (AU, 2011). As a result, the Group still faces the challenge of establishing a new type of multilateral cooperation involving all three partners – namely traditional donors, China as an emerging donor and the African recipients – on an equal basis.

Conclusion

In sum, this paper has highlighted the complementary nature of Chinese and Western aid to Africa, arguing that this constitutes a starting point for possible multilateral development cooperation between China and traditional donors. It has dedicated specific attention to the OECD Development Assistance Committee (DAC) and the China-DAC Study Group as an original forum for multilateral collaboration between traditional donors and China, explicitly concerned with fostering development, governance and security in Africa.

In the context of overall attempts of multilateral cooperation between China and Western donors, the China-DAC Study Group constitutes a particularly promising example. The China-DAC Study Group not only built mutual trust and a growing sense of openness for exchange between traditional DAC donors and China, but it also laid the foundations for more tangible multilateral cooperation. For instance, the joint field visits in Africa could pave the way for future *trilateral, triangular* or

tripartite projects.

Yet, the China-DAC Study Group has also highlighted three main challenges regarding the possibility of establishing a genuine form of multilateral development cooperation beneficial for Western donors, China and African developing countries.

First and most importantly, concerns remain regarding African ownership of multilateral development cooperation initiatives. The experience of the China-DAC Study Group has reinforced these African apprehensions. A possible solution would be to allow the African Union (AU) to play a more prominent role in international organisations like the OECD. For instance, the new AU chairperson, Dlamini Zuma, should convince African leaders to prioritise the elaboration of an AU partnership strategy. This would allow the AU to better represent the interest of African developing countries in the growing multilateral endeavours between traditional and emerging donors.

Second, Western donors have to understand that multilateral cooperation efforts – like the China-DAC Study Group – should not be driven by erroneous expectations of socialising China into the standards of the traditional donor community. While Chinese policymakers are interested in adopting some of the practices of traditional donors, it is unlikely that Chinese aid will ever resemble that of the traditional donors. Instead, Chinese and Western development approaches – which are based on different histories and identities – are most likely to remain essentially different.

Closely linked to this second challenge is the question of the most adequate institutional setting for multilateral development cooperation between China and traditional donors. The China-DAC Study Group has shown that a key condition of its success was the acceptance by traditional donors of China's refusal to join the DAC as a full member. Based on its identity of a developing country, China is unlikely to engage in international organisations that it considers to be dominated by industrialised countries from the West. Hence, multilateral development cooperation between China and traditional donors is more likely to emerge in global organisations, where China is on an equal footing with Western donors and can therefore exert influence on the organisation's rules and procedures.

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Booming Sino-Maghreb Economic Relations: Incentives for a New European Partnership

Thierry Pairault

Chinese Direct Investment in the Maghreb

In 2010, the Maghreb countries' stock of inward foreign direct investment (FDI) represented 0.6% of world-wide FDI stock, and one fifth of Africa's stock of inward FDI. In the same year Gross Domestic Product (GDP) in the Maghreb stood at around 21.7% of that of Africa as a whole. China has only played a small part in this global process since the Chinese stock of FDI in Africa equates to a mere 0.06% of the world-wide FDI stock. However, it is important to note that the Maghreb countries are receiving an increasing amount of the Chinese stock of FDI to Africa. In 2010 they received 8.2% of the pan-African Chinese stock of FDI, compared to only 2.5% in 2003 (Pairault, 2013b; 2013c).[1] Notwithstanding, this overall picture conceals profound differences between the Maghreb countries.

There is a great inequality regarding the stock of FDI received by each of the Maghreb countries. Morocco and Tunisia have benefited the most, by far, from total FDI—which amounted to 36.7% and 24.7% respectively of FDI received by the Maghreb countries between 2003 and 2010. Algeria's and Libya's inward FDI grew significantly during the same period, but their stock remains much lower than for Morocco and Tunisia. However, the situation is dramatically different if we consider only the Chinese FDI received by each Maghreb country. Algeria alone received 87.3% of the stock of Chinese FDI to the Maghreb which equates to 7.2% of Chinese FDI stock in the whole of Africa during the same period. But Chinese stock of FDI in Algeria equals only 4.8% of its whole stock of FDI. In comparison, during the same period, 2.6% of Mauritania's total stock FDI comes from China. However, Libya, Morocco and Tunisia not only received little FDI from China (0.25%, 0.43% and 0.02% respectively of Chinese FDI in Africa) but Chinese FDI represented only a small share of the total FDI received by these three countries (0.17%, 0.11% and 0.01% respectively) (Pairault, 2013c).

It is worth looking at the FDI stock per capita, for the various Maghreb countries. On

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[1]   A presentation of statistical sources and their discussion as well as author's calculations are given in Pairault (2013b; 2013c).

average in Tunisia and Libya the stock of Chinese FDI per capita is well below the African average stock of FDI per capita but over the average world stock of FDI per capita. The reverse is true for Algeria and Mauritania. In order to determine whether, or to what extent, Chinese FDI could play a part in the Maghreb it is necessary to ask what impact flows of Chinese FDI have on the gross fixed capital formation (GFCF)[2] in these countries. Average annual flows of world FDI have contributed to the Maghreb GFCF in proportions less than half the average for Africa (12% compared to 21%) and two-thirds less when it comes to Chinese flows of FDI (2% compared to 6%) (Pairault, 2013c). The proportion of Chinese FDI in GFCF of Morocco and Tunisia is close to zero – despite the fact that these countries are generally the North African destinations most favoured by world FDI. Algeria and Libya, which have similar global stocks of FDI, experience quite different situations. Algeria relies little on FDI to finance its GFCF (5%), with a Chinese contribution much less than its average for African countries (that is, 3% compared to 6%). However, Libya relies heavily on FDI (44% of its GFCF on average), but the Chinese contribution is even smaller – only 1% (Pairault, 2013c). Obviously, this range of contributions suggests that China has no pan-Maghreb strategy regarding FDI — hence Chinese investment in the Maghreb countries must be seen as part of its more general approach to investing abroad.

The list of enterprises who aim at investing abroad, and are registered by the Chinese Ministry of Commerce (MOFCOM)[3], recorded involvement in 21,487 projects abroad at the end of April 2012, of which 21,254 were for the period 2003-2012, during which the inventory was more systematic and therefore more exhaustive (Pairault, 2012). During this period, slightly over one-quarter of China's foreign investment projects related to developed countries. Of the 15,643 projects earmarked for developing countries (73.6% of the total number of projects) only 145 projects were directed at the Maghreb; that is 0.7% of the total; 0.9% of the number of projects for developing countries; or 7.1% of the number for Africa as a whole. By comparison, 11.7% of these 15,643 projects were in Nigeria; 7.5% in

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[2]   The gross fixed capital formation, during a given period, measures the value of net additions to fixed assets (less disposals) but without deducting the depreciation of fixed assets. It is not a measure but a statistical "indicator" of (net) investment.

[3]   The nominative list of the enterprises aiming at investing abroad and being registered by the Chinese Ministry of Commerce is available at wszw.hzs.mofcom.gov.cn/fecp/fem/corp/fem_cert_stat_view_list.jsp.

South Africa; 6.2% in Zambia; 5.2% in Ethiopia; 4.8% in Egypt; 4% in Tanzania; 4.4% in Ghana; 4.1% in Angola; and 3.6% in Sudan (the same number as in Algeria). In the Maghreb countries, China faces a difficult problem – language. China has to conduct business in Arabic and/or French, two languages Chinese people seldom learn, preferring English. Furthermore, some countries in the Maghreb have an average living standard comparable to, or even higher than, that of China.[4]

It is also useful to consider the importance of "central enterprises", that is publicly-funded companies under central government *direct* supervision. There are only 117 enterprises having such a status by the end of 2011 but they assumed 80% of Chinese outward investment all over the world. That is enough to assess their importance. Central enterprises are the descendants of the old industrial complexes under the branch-type agencies which emulate the Soviet Union economic administration. Today they have their own financial autonomy and legal personality; their activity is more sector-oriented, that is to say they have a core business in addition to carrying out a wide range of activities. They can hold shares in other groups and companies whose capital is therefore wholly or partly (Chinese or foreign) publicly funded and are controlling no less than 20,000 subsidiaries. These central enterprises should not be mistaken for other wholly or partly publicly-funded enterprises that are under the supervision of local government. For example, in the construction sector, the main competitors of central enterprises subsidiaries are the publicly-funded enterprises which are under local supervision.

The central enterprise projects represented 7.5% of all projects in developing countries for the period 2003-2012; 18.3% of those in sub-Saharan Africa; and 26.2% of those in the Maghreb. One might conclude that it is China's intention to impose itself on the Maghreb countries, but the sectoral data demonstrates that this is dubious. I have shown elsewhere (Pairault, 2013a) that in Africa, two-thirds of central enterprises projects during this period are linked to operations aiming at providing China with resources. These can be simple operations, for example,

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4   According to World Bank data, the GNI per capita (converted to US dollars using the Atlas method) reached in 2011 was 4,930 for China; 4,470 for Algeria; 4,070 for Tunisia; 2,970 for Morocco; 1,000 for Mauritania; and 12,320 for *ante-bellum* Libya (data.worldbank.org). With regards to the Human Development Index of 2011, China ranked 101st; whereas Tunisia was 94th; Algeria was 96th; Morocco was 130th; Mauritania was 159th; and *ante-bellum* Libya was 64th (hdr.undp.org/en/statistics).

the exploitation of mines, oil and gas, or other natural deposits, or more complex operations, such as infrastructure construction, in exchange for the procurement of raw materials or concessions for crude oil, ores, timber…. However, it is clear — from the list of enterprises aiming at investing abroad — that investment projects to Maghreb countries are a small minority. Certainly Sinopec and CNPC operate in Mauritania; the former as an oil prospector and the latter as a project manager. Both companies invest with a view to benefiting by procuring Maghreb oil. However, generally speaking, Chinese investment undertaken in the Maghreb aims to open up new markets for Chinese products and services (that is, they are market-seeking) rather than focusing on the supply of rare resources (that is, resource-seeking).

The issue of state supervision might be sensitive for the Chinese authorities. On the one hand, the Chinese government has the responsibility for the behaviour of Chinese enterprises abroad, ensuring they adhere to the host country's FDI operating regulations – that is that they should be fair and transparent, and contribute to economic and social development. On the other hand, China arouses suspicion because it is a communist country; its enterprises are often thought to be under government control and to pursue goals beyond their regular commercial activities and to benefit from all sorts of undue advantages.[5]

Sino-Maghreb Trade Relations

Even though the total value — imports plus exports — of Sino-Maghreb trade increased tenfold between 2003 and 2010 (rising from US$ 1.6 billion to US$ 17.3 billion), it remained of little *quantitative* importance.[6] Except for Mauritania, where the volume of trade with China (imports plus exports) represents 20.0% of its total foreign trade, all other Maghreb countries – particularly Tunisia (2.2%) – have a poor trade record with China. In practice, the way these countries are ranked by share of world trade is inversely related to their degree of dependence upon Chinese trade – as demonstrated by their share of trade with China compared to their total foreign trade.

With regard to trade balance,[7] the situation in the Maghreb countries varies greatly.

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[5]   A report by Mike Rogers (2012) to the U.S. House of Representatives in October 2012 illustrates this situation.
[6]   All figures mentioned in this section are from UNCTAD on-line database.
[7]   Trade balance is the difference between the value of exports and imports in an economy. A positive trade balance is known as a trade surplus and a negative balance as a trade deficit.

Solely Algeria and Libya – the two major oil-producing countries – have global trade surpluses while Libya and Mauritania have small trade surpluses with China. Algeria has a trade deficit with China equal to 9% of its global trade balance. Libya has a small surplus with China equal to 2% of its global trade balance. Morocco and Tunisia have a global trade deficit and a deficit in their trade with China, which is 10% and 14% of their global trade balance. Mauritania has a trade surplus with China which equates to 120% of its global trade balance.

Merchandise exports from the Maghreb to China are a recent (beginning in the mid-2000s), and still limited, phenomenon representing only 5.0% of total exports from the Maghreb. Mauritania is an outstanding exception, because 41.3% of its exports go to China – while Tunisia sends only 0.7% of its exports to China. Seventy-nine per cent of exports from the Maghreb to China are fuel from the three oil-producing countries: Algeria, Libya and Mauritania. However, two-thirds of Mauritania's exports to China are iron and copper. Morocco and Tunisia mainly export manufactured goods, for example, lamps and chemicals, respectively. In other words, at this stage of the development of their economic exchanges Maghreb countries have very specialised exports serving as inputs for the Chinese industry.

Merchandise imports from China to the Maghreb countries increased eight-fold, from US$ 1.4 billion to US$ 11.3 billion between 2003 and 2010; they rose from an average of 3.1% to 9.1% of total Maghreb imports. Tunisia is the country that demonstrates the greatest resistance to Chinese products, as its imports relied on Chinese goods for only 4.7% in 2010.

The structure of the Chinese goods imported by the Maghreb countries does not differ significantly from that in all African countries. On average, during the period 2003-2010, around 90% of imports were machinery, transportation equipment, and other miscellaneous manufactured goods. But on closer inspection, we noted that the main categories of imported Chinese goods did not represent a considerable share of the total import into these countries. The category which had the largest share of the countries' total import was that of machinery and transportation equipment. It is also this category that represented the largest import of Chinese goods between 2003 and 2010 – on average 50% across the Maghreb countries; slightly more in the case of Tunisia (60%). In 2009 Algeria became the first overseas market for Chinese motor vehicles (MOFCOM, 2011). Algeria was first approached in 2006

by the Chinese central enterprise FAW (First Automotive Works) with a view to the installation of an assembly unit in Algeria, but its tariff and land policies made the import of finished products no more expensive than local assembly (El Watan, 2006; 2008a; 2008c; 2012a; 2012b). In the end, the Chinese automobile manufacturers decided to assemble in China and merely opened representation bureaux in Algeria. That was also true of the Shaanxi Automobile Group – a publicly funded enterprise under the supervision the Shaanxi provincial government. It initially planned to set up an assembly unit in Sétif (a town in north-eastern Algeria) and scheduled to be operative in 2010 (El Watan, 2008b) – but eventually, the following year, just opened representation bureaux in Algeria and Libya.[8] It is also true for the two buses manufacturers Higer and JMC. So far as the import of machinery and transportation equipment is concerned it is also worth noting that:

- Around one third of all imported telecommunications equipment in Maghreb comes from China,
- Algeria and Libya import around 13% of their road vehicles from China. Algeria imports 14.7% of its civil engineering and contractors' plant and equipment from China, and Libya imports 24% of its civil engineering and contractors' plant and equipment from China,
- Mauritania imports 21% of its electrical equipment from China.

In addition to machinery and transport equipment, Chinese textiles are also imported into the Maghreb countries. Algeria, Libya and Mauritania import from China a significant share, 46%, 30% and 46%, respectively, of their total imports of textiles. However, importation of textiles, for these three countries, represents only 6%, 20% and 33%, respectively, of all Chinese imported goods. And it is important to note that, as far as Mauritania is concerned, these textiles may be re-exported to neighbouring African markets.

Competition in the Maghreb between China and European Union Countries?

The question now to be addressed is to what extent does China compete with the

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[8] According to the nominative list of the enterprises aiming at investing abroad and being registered by the Chinese Ministry of Commerce.

European Union in the Maghreb, so far as their economic relations are concerned? Indeed, French construction contractors Vinci, Bouygues and Eiffage consider their Chinese counterparts, China State Construction Engineering Corporation (CSCEC)[9] and China Railway Construction Corporation (CRCC),[10] to be strong competitors, or even "unfair" contenders. Actually, the World Bank has disbarred the CSCEC from the list of firms eligible to be awarded a World Bank-financed contract from 2009 to 2015 because it had been sanctioned under the Bank's fraud and corruption policy (World Bank, 2012).

FDI flows from the European Union reached high levels, mainly as a result of the structure of FDI by activity. In 2010 services represented the biggest share (57%) of the European Union's FDI stocks (outside the European Union) compared to 70% before the financial crisis in 2007. However, more than two-thirds of these stocks were related to financial intermediation, and the Maghreb countries were mainly looking for investment in other activities. Consequently, the Maghreb countries share of the European Union's FDI stocks was no higher than 0.7% in 2010 — with half coming from France, of which about 90% was investment in the service sector, including financial intermediation.[11] While the nature of foreign investment demonstrates each country's specialisation, investors from one country should be aware of the capabilities of those of other countries. Achieving success when investing abroad can prove difficult, even for veteran enterprises. It is especially challenging for Chinese enterprises because they lack experience in establishing and managing overseas units. They not only need to learn how to access foreign economies successfully, but also to operate and thrive in them as well. Hence, there is potential for cooperation between European and Chinese enterprises, regarding investment in the Maghreb. It seems an exaggeration to suggest that China might be a *strong* rival to European Union countries, with regards to FDI in the Maghreb, but when the import of Chinese goods is considered it might be somewhat different.

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[9] A central enterprise in charge of constructing Algiers' great mosque.
[10] With the China International Trust and Investment Corp. (CITIC) as financier, it was in charge of constructing the central and western sections of the East-West Motorway (169 km and 359 km respectively). For more details, see JORA, 2005.
[11] Author's calculations from Eurostat database, table *bop_fdi_pos_r2*, epp.eurostat.ec.europa.eu/ portal/page/portal/statistics/search_database

From 2003 to 2010, Maghreb imports of manufactured goods[12] have experienced a rather impressive increase irrespective of whether their origin was European, Chinese or else. As a whole, the volume of manufactured goods imported by Maghreb countries was multiplied by 2.7 and that from the European Union by 2.1 — that is less than the trend but growth remains substantial (more than doubling). By contrast, Maghreb imports of manufactured goods from China were dramatically multiplied by 8.7. This significant increase enabled China to achieve sales representing over 12% of Maghreb's importation of manufactured goods — at time when the EU share fell from 71% to 55%. Within eight years the European Union's quasi-monopoly was seriously challenged by China, while its exports to Maghreb were still booming. Furthermore China was not the only country that benefited from the recent *consumption hunger* of the Maghreb countries, but it is definitely the country that benefited the most from it.

With regard to the importation of manufactured goods by degree of manufacturing,[13] the distribution did not change significantly during the period 2003-2010. The intermediate category (that is manufactured goods which require medium skill and technology intensity to produce) was the most remarkable – because it represented 41% of all manufactured goods imported by Maghreb countries in 2010. This was also the category which provided China with its highest share of exports to the Maghreb — one-third between 2003 and 2010. China's market share has steadily increased in every category in particular in the following two. Regarding the *labour-intensive and resource-based manufactures* category, during this period, two-third of such goods were imported fabrics and clothes of which 12.5% were made in China. With regards to the *unclassified manufactures* category, between 2003-2010 more than a third of such goods imported into the Maghreb were arms and ammunition, of which two-thirds were sold by China, mainly to Morocco. The question is, to what

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[12] According to UNCTAD's definition (UNCTAD, 2011a), the category *manufactured goods* includes goods covered by section 5 of the Standard International Trade Classification (SITC) (chemicals and related products); section 6 (other manufactured goods); section 7 (machinery and transport equipment); and section 8 (miscellaneous manufactured articles). This category does not include goods covered by sub-section 667 (Pearls, precious & semi-precious stones) and sub-section 68 (Non-ferrous metals).

[13] UNCTAD named five categories (UNCTAD, 2011b): labour-intensive and resource-based manufactures; manufactures with low skill and technology intensity; manufactures with medium skill and technology intensity; manufactures with high skill and technology intensity; unclassified manufactures (including arms & ammunition).

extent Chinese goods could substitute for European goods?

Below I will examine three categories of goods which might illustrate a competition between China and the European Union (Pairault, 2013c):

- Fabrics, clothes and footwear (SITC 65 + 84 + 85): between 2003 and 2010, China gained a significant increase in market share (from 5.4% to 17.2%) of the Maghreb market. During the same time the European Union's market share decreased (from 79.2% to 59.8%) – with the exception of footwear, which increased from 37.6% to 43.0% – but it is noteworthy to observe that European exports of such goods to Maghreb countries are still increasing even if it is at a dawdling pace as compared to other countries.

- Road vehicles and other transport equipment (SITC 78 + 79): here, too, is a vivacious market experiencing the extinction of some European monopolies that certainly does not mean a decline in the European exports' value, on the contrary! Although China's success in this market is evident its overall market share is, nonetheless, still small (less than 10% in 2010. This fact should not conceal any definite multiplicity of situations. With regards to the *Motorcycles & cycles* category (SITC 785), China gained a 56% market share in 2010, but this represented only 1% of the import of the *Road vehicles and other transport equipment* category into the Maghreb that year. Conversely, regarding the *Aircraft & associated equipment, spacecraft, etc.* category (SITC 792), China's share was negligible in 2010, whilst the European Union countries had a 60% of this market which represented 13% of Maghreb's importation of the *Road vehicles and other transport equipment* category that year. With regard to the *Motor vehicles* category (SITC 781 + 782 + 783) China's market share was almost 13% in 2010 whilst the European Union countries had a 46% of this market which represented 63% of the import by the Maghreb of goods in the category *Road vehicles and other transport equipment*.

- Information and telecommunications equipment (STIC 75 + 76): in this category China's increased market share was at the *expense* of other countries. With regard to the importation in the Maghreb of *Office machines and automatic data processing machines* (SITC 75) and *Telecommunication*

and sound recording apparatus (SITC 76), China's market shares increased from 14% to 40% and from 11% to 41%, respectively. Information and telecommunications equipment imports from China represent about 16% of all imports into the Maghreb of manufactured goods.

The Maghreb countries, in particular those with an "upper middle income"[14] standard of living (Algeria, Libya and Tunisia), are an attractive market for China and other emerging countries. It is clear that there has been a rapid increase in the export of goods from China to Maghreb countries (mainly since 2003), particularly in order to satisfy their growing demand for goods requiring medium skill and technology to produce (*e.g.* agricultural machinery, tractors, motor vehicles, steam turbines…). China's increased market share, in this area, has been at the expense of sales from European Union countries – notably France, whose market share is weakening. However, European Union countries continue to dominate in market sectors where they have technological advantage, and in markets where China has little presence (e.g. ICT goods,[15] aircraft…).

Conclusion

By way of conclusion, two main points should be stressed. Firstly, it is the early days of Sino-Maghreb economic relationships. And, secondly, although these relationships are rapidly gaining in importance, they still remain relatively underdeveloped. It is also important to mention that the Sino-Maghreb economic relationships should not be seen as being the result of a specific Chinese strategy towards the Maghreb as a whole. Rather China tailors its relation with individual Maghreb countries on a bilateral basis even after the creation in 2004 of the Sino-Arab Cooperation Forum. Looking at the autonomy gained by Chinese enterprises abroad and more specifically by the central enterprises that achieve 80% of the Chinese FDI, it is obvious that there is not one unique strategy but a plurality of strategies (as much as actors). Therefore, conflicts are bound to happen, conflicts between the Chinese government

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14   "For operational and analytical purposes, the World Bank's main criterion for classifying economies is gross national income (GNI) per capita. […] Based on its GNI per capita, every economy is classified as low income, middle income (subdivided into lower middle and upper middle), or high income." (data.worldbank.org/about/country-classifications).

15   In 2011, European ICT exports to Maghreb countries are three fold those of China, European exports of electronic components to Maghreb countries are 37 fold those of China, European exports of computers and peripheral equipment to Maghreb countries are 6 fold those of China… (UNCTAD on-line database).

and the Chinese enterprises (with regards to policy and financial objectives), and conflicts between host country governments and the Chinese enterprises (with regard to development and financial objectives). The latter type of conflicts finds its most favoured expression with the use of Chinese labour.

The Chinese labour presence in the Maghreb has not yet been addressed in this paper. Information on this situation is extremely sparse. By the end of 2010, Algeria and Libya utilise 40% of Chinese labour in Africa, and 11% of the Chinese workforce abroad (MOFCOM, 2012). This workforce is comprised of temporary workers, with fixed term contracts, and expatriate salaried workers in Chinese enterprises operating civil engineering projects overseas. The former are workers provided by China at the request of a foreign employer, while the latter are workers employed by Chinese enterprises that carry out work abroad, as the result of tendering for contracts or the signature of a package-deal which has come to be known as the "Angola Model" — raw and unprocessed resources in exchange for building infrastructures (Corkin, 2012; Dzaka-Kikouta, 2012). Generally in Africa, and in Algeria and Libya in particular, most Chinese workers are those employed by Chinese enterprises (195,584, 40,625 and 40,080 workers respectively for Africa, Algeria and Libya, that is to say 85%, 90% and 86%, of the jobs held by overseas Chinese workers in late 2010). These figures do not include Chinese people who emigrated (some with their family) as individuals or who decided to remain abroad at the end of their contract.

So far as Algeria is concerned, the article 33 of a decree promulgated in 1993 to promote foreign investment, determined that foreign enterprises investing in free zones[16] could recruit as many foreign technical and managerial staff as they saw fit. To hire foreign workers in free zones, a foreign enterprise only needs to report to local authorities (JORA, 1993; 2001). Without doubt this provision has encouraged Chinese investors, such as that of the CITIC-CRCC consortium — responsible for the construction of part of the East-West motorway in Algeria (see above) — to consider that they had equal latitude when hiring Algerian employees. There is no doubt either that the corruption of the Algerian regime could incite some Chinese enterprises to take further liberties with regard to labour law and others laws as well.[17]

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[16] These free zones (zones franches) are what we would call today special economic zones (Aidoud, 1996).

[17] The fortunes and misfortunes of the CITIC-CRCC consortium in Algeria are explained in articles published by the daily El Watan (www.elwatan.com).

The Chinese presence in the Maghreb seems less reminiscent of a South-South cooperation strategy and more like the traditional economic relationships between developed and developing countries (manufactured goods in exchange for raw and unprocessed resources) as Lamido Sanusi (Governor of the Central Bank of Nigeria) bitterly complains in a recent issue of the *Financial Times* (Sanusi, 2013). If this is, indeed, the case, traditional partners of developing countries – such as those of the European Union – face even greater challenges. China would no longer be the *workshop of the world*, purchasing in Africa to feed the factories that developed countries relocated in China. Rather, China would be a competitor in sectors such as transportation and telecommunications – using the Maghreb as a springboard, first, to the African markets and then to Europe and the USA (Nicolas, 2010, p. 50; Schiere & Gu, 2011, p. 17; World Bank, 2008, pp. 25-34). China's expectations will be fuelled by the Maghreb countries' desire to increase their economic activities by fostering their relationships with China. In such circumstances, European Union might have to rebuild its political and economic partnership with Maghreb countries.

While defending its security interests and disseminating its model of democracy, the European Union has created a great opportunity for China to enter, without "conditionality", the markets of the Maghreb. The enduring financial crisis has also created opportunities which Chinese companies are taking advantage of. China cannot simply be seen as a *white knight* lending a helping hand to its underdeveloped African *brethren* – because it has its own vested interests; that is protection of investment and trade opportunities. In this China is no different from European, Asian or American countries engaging with the continent. Protecting China's economic security (*weihu guojia jingj anquan*), by opening China up to the outside world, was the catchword of Jiang Zemin's report to the 16th Party Congress on 8 November 2002 (Renmin ribao, 2002). China has obviously successfully adopted this directive but, despite significant achievements, the future is not set yet. It should be noted that, firstly, the Arab Spring has reshuffled the cards (popular protests, new leaders, new ideologies…). And, secondly, there is a new focus on security issues (that is dealing with the threat of terrorist networks) which was adopted by the Arab Maghreb Union Foreign Ministers Council while meeting in Algiers on 9 July 2012. After the failure of the Barcelona Process, launched in 1995, and that of the Union for the Mediterranean in 2008, there might now be an opportunity for the European

Union to rebuild its partnership with the Maghreb[18] — and better deal with Chinese economic competition.

The growing economic importance of China should not conceal the on-going economic and political importance of the Maghreb's (and to a larger extent Africa's) traditional partners — chiefly the European countries — which still generate most of Maghreb's foreign economic exchanges. At the same time this conjunction of circumstances stresses the complementarity of emerging partners such as China. Nevertheless, to increase its political influence China must be more willing to exert a leadership role, not solely to achieve its own economic objectives but to demonstrate its readiness to proactively engage in world affairs. This primarily means that China must give up its policy of alleged non-interference. Anyhow non-interference has proven to be interference as well. Leadership generates interference and conditionality, as well as governance – which is nothing more than a list of so-called best practices laid down by a state, a group of states, or an institution. As Professor Zhang Baohui stated it, China will not succeed in promoting its national interests if it continues to confine itself to confrontation with the European Union and the United States. Instead, a more sensible strategy for China would be the promotion of its national interests through cooperation (Zhang, 2004). Since 1998, the European Union's policy is to convince China that it can promote its legitimate interests through the current world system (CEC, 1998; EP, 2012). In Maghreb, seeking more actively enhanced cooperation with Maghreb traditional partners could not but assist in the strengthening of regional security and peace.

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[18]   The Barcelona Process (or Euro-Mediterranean Partnership) is an initiative, which lays the foundations of a proposed new relationship between European Union, Mashriq and Maghreb. It was re-launched in 2008 as the Union for the Mediterranean (www.eeas.europa.eu/euromed/index_en.htm).

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China's Global Role in the East African Oil and Gas Bonanza

Ross Anthony

Introduction

The oil and gas bonanza currently underway in East Africa looks set to alter the broader economic and geopolitical landscape of the region. While prospectors have been aware of potential oil and gas reserves in East Africa for over a century, geological complexity and political instability have conspired to hamper exploration. A recent game-changer has been the stratospheric rise in global oil prices. Up until the early 2000s, exploration in regions such as East Africa proved economically unviable. However, with the rise in oil prices over the second half of the 2000s, exploration and development have offered the potential for handsome returns. As China continues its quest to secure new oil and gas reserves, East Africa is becoming an increasingly important region. Both Chinese state and non-state companies have gained a foot-hold in Uganda, Tanzania and Kenya, where they are involved in both upstream and downstream[1] activities.

The recent East African oil and gas bonanza has been frequently labeled as a new *frontier* in oil and gas exploration (Dennys, 2012; Fin 2012). Certainly, as vast economies, such as China's, have shifted to growth-orientated market reforms, new regions – such as in East Africa – have signalled new opportunities, but also impending limits to new oil finds. Thus, the finds in East Africa should be reflected in the policies of the states involved, not so much in securing oil for national interests but rather with regard to the broader global concern over the sustainability of hydrocarbons. The Chinese presence in East Africa reaffirms that China's oil market is highly interlinked with that of other regions. As global interest in the East African oil sector increases, discourses which portray a resource scramble, pitched along geopolitical lines, not only overlook the economic embededness of such a bonanza within the greater global economy but, in doing so, obscures the social responsibility the global community must bear. That is to say, a global economic system, whose infrastructure is largely driven by non-renewable energy sources, necessitates global strategic thinking about how to sustain such an economy in the future. East Africa

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[1] "Upstream" in the oil industry, refers to activities such as exploration and the drilling of wells in order to bring the oil up to the earth's surface; "downstream" refers to the refining and processing of crude oil as well as the marketing and distributing of finished products such as petrol and kerosene.

as the *new frontier* should be situated within broader debates on global security and environmental sustainability.

An Interconnected Landscape

With regards to China-Africa relations, there is a tendency to sometimes lose focus of the larger picture, namely that China's presence in Africa, like the Euro-American sphere and beyond, is in a very significant way an economic one. This larger presence on the African continent is driven by what is commonly referred to as economic globalization—that is, the increased interconnection of world economies in which companies (Gao, 2000), often in conjunction with, and through the facilitation of, states, compete with each other in a global market place. Thus, it is important to situate China's recent developments in Africa as part of its shift towards, and integration into, a global circulation of resource extraction, manufacturing and consumption. China's market economic reforms and its subsequent *going out* policy is part and parcel of this economic shift; as the result of which it has had to compete in the global marketplace. Thus, not only has it increased its presence in Africa (and elsewhere) but also it has had to compete with other elements of this economic system, including powerful Euro-American companies with advantageous pre-existing colonial ties.

Much attention has been paid to how the Chinese style of engagement in Africa is different, such as in the realms of aid (Brautigram, 2010), soft power (King, forthcoming) and finance (Corkin, 2007). But there is also increasing attention on the similarities between Chinese actors and other actors, particularly evident within the oil sector. Erica S. Downes points out that the Chinese presence in the African oil market expands, rather than contracts, the amount of oil available on global markets. Rather than having a tightly coordinated national energy security strategy, Chinese National Oil Companies (NOCs) compete with other companies with the primary focus of a return on investments (Downes, 2007, p.43). There is relatively poor coordination between the various Chinese NOCs in Africa, and a significant portion of the oil extracted by them is sold on the global market (Ibid, p. 47) rather than being shipped back to China.

In the case of East Africa, we see an increasingly interconnected picture in which China's NOCs compete with an array of other companies. This interconnected and

competitive approach to viewing oil in Africa is reflected in the East African case. China has to compete with over 50 other energy firms currently involved in East Africa, including Norway's Statoil; British Gas and Cove Energy (UK); America's ExxonMobil; France's Total; Italy's ENI; India's GAIL and ONGC; and Thailand's PTTEP. Rather than dominating the field, Chinese state firms are involved in disparate and complimentary ways. Within countries containing natural gas, the Chinese presence is either limited to downstream activities or is absent. In Tanzania, the state-owned giant CNPC (Chinese National Petroleum Corporation) is involved in the construction of a 500 km US$ 1.2 billion pipeline which will transport Tanzania's gas from Mtwara to Dar-es-Salaam. Chinese enterprises, however, are not involved in upstream extraction; such activities are dominated by multi-nationals such as Statoil (Norway) and ExxonMobil (US). In the case of Mozambique, where significant gas deposits have been discovered, Chinese enterprises are largely absent (although they are heavily involved in the extraction of other energy sources, such as cooking coal) (Anthony, 2013).

In certain regions, such as Uganda, China is involved in joint, multi-national ventures. The China National Offshore Oil Corporation (CNOOC) holds a one-third stake, along with Tullow and Total, in the development of oil blocks within the Lake Albert region - where reserves are estimated to be around 2.4 billion barrels. The lake, which constitutes an international borderline with the DRC (Democratic Republic of Congo) contains significant reserves on the Congolese side, although these have yet to be as fully developed as those on the Ugandan side. While China is already significantly involved in the construction of refineries on the continent, they are usually developed in conjunction with the given African country's state-owned oil company. This is what sets the Ugandan refinery apart; it involves a conglomerate of foreign firms rather than an exclusively Chinese-African state- owned enterprise venture. This particular collaboration arose when the Ugandan government insisted on the construction of a refinery, which will satisfy the country's (as well as some of its neighbours') oil demands. The cost of such a project obliged all partners to cooperate, as it exceeded Tullow's capacities. A pre-cursor, in this regard, is the construction of Sudan's 1600 km Greater Nile Oil Pipeline, which involved Indian, Malaysian and Chinese companies (the latter of whom, the China National Petroleum Corporation, owned a 40 per cent stake in the project, as well as managing the

operation of the pipeline). Certainly, this kind of engagement is not only true of Africa but also globally. For instance, as Shankleman has illustrated, Sinopec has collaborated with Total in the Yemen and in Canada; CNOOC is a shareholder in the BP-operated Tangguh liquefied natural gas project and oil and gas fields off West Java, and owns shares in BHP Billiton-operated assets in Australia and Total-operated assets in Nigeria; and Sinochem is partnered with Sweden's Lundin in its Tunisian operations and with Repsol in Ecuador (2009, p. 33)

In forecasting China's future engagement in Africa's oil and gas extraction industry, it is prudent to keep in mind the multi-national joint-venture model. As can be seen, the Chinese presence, while significant, is off-set by a host of Euro-American, Middle Eastern and other Asian companies also involved in exploiting the region's energy reserves. Infrastructural underdevelopment in the region is forcing Chinese companies to engage on the continent in new ways including the rise of joint Chinese-Euro-American ventures.

An Ethics of Global Engagement

The kind of economic interconnectedness evident within the petroleum industry is part and parcel of a larger, global economic system. Thus, China's engagement in the region should be viewed, as mentioned above, as part of an increasing integration into a system in which resource extraction and the global manufacture, circulation and consumption of goods are all interlinked. In 1980, China used six per cent of global oil supplies, but by 2009 this had increased to 20 % (Dannreuther, 2011). While the socialist-era ethos of self-sufficiency, coupled with modest domestic consumption, had resulted in little non-reliance on foreign oil, by 1993 China had become a net importer of oil. China's first ventures abroad included Canada, then Thailand, Papua-New Guinea, and Indonesia, and later the Middle East, South America and Africa. By 2010 Chinese oil companies had stakes in more than 200 projects in about 50 countries, and the value of these projects was estimated at more than US$ 80 billion. Total overseas equity oil production could reach 100 million tons per year by 2020 (Dannreuther, 2011).

Driving China's economy is its role as a global manufacturer. At present, China produces two thirds of the world's photocopiers, shoes, toys and microwave ovens; half its DVD players, digital cameras and textiles, and one third of the

world's desktop computers (Jacques, 2012, p.162). Oil is essential not only in the transportation of these materials, and the running of the machinery to produce them, but it is often a constituent part of the products themselves, such as plastics and paints. The manufacturing boom has fostered a number of close, international relationships, including what Ferguson and Schularick (2007) have referred to as *Chimerica*—the situation in which American business and Chinese competitive advantage are inextricably bound. Another driver of China's oil consumption is its own development agenda. Of course, a crucial element of this is the vast state-driven infrastructure projects across the country, centring on transport and construction. But more importantly, the Chinese economy is also being driven by the explosive growth of an internal consumer culture. In some respects, there are clear links between the increasing demand for a middle class urban life style and the extraction of resources. Take for example China's burgeoning automobile market. Currently one-third of its oil is consumed by cars in China. This share is projected to grow to 50% in 2020, as the government is promoting the car market as a pillar of industry for economic growth. By 2020, sales are projected to reach 30 million, and rising (Yergin, 2011a). Huo et al. (2007) have projected that, by 2050, China's on-road vehicle oil consumption could consume 12.4-20.6 million barrels per day.

While cars are the most manifest example, they are reflective of a broader middle class consumption, which is on the rise in China. The Party, which is forced to juggle with the phenomenon of being committed to socialism through market ends, promotes a restrained middle class form of prosperity.[2] Nevertheless, in global terms, it is apparent that China's shift towards a market economy places it increasingly within the realm of large global consumers and polluters. From this viewpoint, Chinese engagement in the oil industry demonstrates its participation in a much bigger economic system. In the following section, I will make a case for the importance of China's engagement in global institutions, in relation to questions of energy and security, and explore how the East African context will provide challenges and opportunities in this regard.

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[2]   In official Chinese media, slogans and speeches, it is often stated that China should strive toward achieving "moderate prosperity" (*xiaokang*). This is a way in which the Party attempts to promote a non-excessive market consumption.

China's Challenges are Global Challenges

China's shift to a market economy, and its increased presence in Africa, has meant it has also had to contend with some of the deeper problems implicit in globalisation. Within the resource sector this comes with environmental concerns, and issues around extraction itself. As is the case with global energy companies wanting to invest in the African oil and gas industry, China, along with all the other competing countries and multi-national corporations involved, must find ways of dealing with the daunting political challenges of resource extraction in developing countries. One such concern is the *oil curse* scenario, in which the reserves, rather than benefiting the country, enrich a small elite. This is often bound up with the potential for territorial and separatist conflict. Thus, considering China's globally interconnected role in the East African oil and gas sector, it is crucial that China, along with other global players, must assume shared responsibility for promoting peace and security within the region. In East Africa there is good reason to believe that familiar problems might plague hydrocarbon development. Anderson and Browne (2011) explain the East African situation:

> It is remarkable that the vast majority of the most significant oil fields so far identified lie in troubled border areas and disputed territories: the Abyei sector of Sudan, the Ilemi Triangle and northern Kenya, the Lake Albert basin, the Ogaden, and the Sool region - between Somaliland and Puntland. All these areas are marked by longstanding and unresolved international disputes, and even in the more peaceable Tanzania there are unresolved tensions between the mainland and Zanzibar over hypothetical royalties for the as yet undiscovered oil in and around the islands.[3]

While it is not inevitable that hydrocarbon development in the developing world will contribute to social and political malaise (Di John, 2011; Dunning, 2008), it is a very significant possibility. A number of studies have demonstrated how oil windfalls give governments' exceptional wealth and power, often allowing them to silence dissent. Oil in ethnic minority regions often hastens these groups to take up arms, as they fear none of the revenue will come to them (Banfield, 2003; Bannon & Collier, 2003; Gary & Karl, 2003; Renner, 2002; Watts, 2004). Michael Ross, in analysing

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[3] We might add to this the recent flare up in tension between Tanzania and Malawi regarding a disputed border region on Lake Malawi where tensions have flared up following the possible discovery of oil and gas reserves (Ngongondo, 2012).

170 countries and drawing on 50 years of data, concludes that, within the developing world, oil states are, amongst other things, for instance, "twice as likely to have civil wars as the non-oil states" (Ross, 2012, p. 1-2) as well as being more secretive, more financially volatile, and more discriminatory, economically, towards women. While Ross acknowledges that oil revenue can have a positive effect on countries, his main point is that such positives are less likely to result from resources found in developing regions. Countries with high incomes, diversified economies, and strong democratic institutions are not subject to the same malaise.

These kinds of issues are most certainly relevant to Chinese engagement in the region, as much as they are to other global investors. Due to political instability in various parts of Africa, the security risks involved in oil and gas extraction are high. The Chinese have experienced this firsthand, with attacks on personnel in the DRC and Nigeria, where the rebel group MEND (Movement for the Emancipation of the Niger Delta), who have targeted foreign oil investors, warned that the Chinese presence "places its citizens in our line of fire" (Taylor, 2007). Ethiopia and Sudan have also witnessed the abduction and murder of Chinese workers. Within both Sudans, for instance, the part-Chinese owned Greater Nile Oil Pipeline has been subjected to alleged attacks by the Sudanese government along portions of the pipeline in South Sudan. The South Sudanese Information Minister, Barnaba Marial Bejamin recently stated that such attacks are "the same as bombing the resources of China" (Al Jazeera, 2012).

Within the East African context, one potential element of instability is the route of pipelines, many of which are the product of Chinese involvement, which may have to cross unstable territories. In addition to the Tanzanian pipeline mentioned above, Uganda will be the beneficiary of two shorter pipelines, which will link Lake Albert to a nearby refinery. Another proposed pipeline will link oil finds in the Ogaden Basin (Ethiopia) to Berbera, a port in the autonomous region of Somaliland. Hong Kong-based PetroTrans has expressed interest in this project, although no commitments have been made. Another proposed pipeline would connect recently independent South Sudan's oil fields to the port of Lamu in Kenya, thereby offering South Sudan a way to transport its oil to market without having to go through Sudan. Discussions are on-going but China has remained non-committal thus far.

A central theme of China's foreign policy is its emphasis on non-interference in

other countries affairs. China's non-interference stance stems from a the 1954 Five Principles of Peaceful Coexistence policy, which includes mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence (Shinn and Eisenman, 2012). Demanding adherence to these principles reflects China's concerns about other countries interfering in its own affairs. As China increases its economic leverage within Africa, investing more in the continent, one would anticipate that the non-interference policy would become increasingly challenging to sustain. This can be seen in the Sudan, for example, where China's intimate relationship with the Khartoum government (fostered significantly by its oil interests there) put it in the unique position of being able to play a diplomatic role in talks between the north and the south (Patey, 2007). More recently, China has lent its support to an ECOWAS (Economic Community of West African States) intervention in Mali in order to tackle Islamic militancy there.

China's potential to play a role in the future stability (or instability) of the region is significant. Because China's presence in East Africa is bound to get larger, it is important that the securitisation of the continent, and the politics of energy security, is conducted increasingly along the lines of global institutions. In some respects, this is already happening. China has had UN peacekeeping soldiers deployed in various African countries, including the DRC, Liberia, Sudan and Cote d'Ivoire. In other respects, the Chinese are more hesitant. For instance, they have not joined global energy initiatives, such as the 2002 Extractive Industries Transparency Initiative (EITI)—which sets standards for oil and mining companies to publish what they pay to governments as taxes and royalties. Nevertheless, China must engage with these principles insofar and comply with the disclosure requirements of those governments which do implement EITI (Shankleman, 2009). Worth noting, is that within East Africa Tanzania is a candidate country and Mozambique has recently been declared compliant.

More broadly, the East African oil landscape signals the increasing necessity of effective, multi-partner global institutions capable of energy governance which will contribute towards global security. Marton and Matura have argued that African oil, rather than being subject to a *scramble* between nations should be viewed within a larger perspective—in which oil is part of what they call a "global pool of

increasingly scarce natural resources" (2011, p. 31). They quote Gawada Bahgat, to reinforce this point:

> Current and projected characteristics of global oil markets indicate a strong need for cooperation between producers, consumers and international oil companies. Such cooperation would underscore common interests in all these parties share. It would also ensure both the security of supplies and demand. In short, close cooperation between all major players in the oil industry would contribute to overall stability of global oil markets and international economy (Marton & Matura, 2007, p.94).

Institutions which facilitate such cooperation should not only be aligned along the lines of states but also include a complex array of national actors, non-government actors and hybrid entities. Unfortunately, at present, no effective mechanism exists. Dubash and Florini (2011, p.15) argue:

> Global energy governance consists of inadequate and uncoordinated mechanisms attempting to achieve fragmented and un-prioritised objectives… we do not currently have the institutional infrastructure needed to address the significant and urgent challenges we face.

This is not to say that such coordination is impossible, as is witnessed in East Africa with regard to the response to international piracy off the coast of Somalia. Held (2012, p.427) has argued that because the problem (i.e. piracy off the coast of Somalia) has threatened global supplies of oil, states including China have been quick to act through trans-national organisations. However, he says that such action is only possible when *powerful sovereign interests* are at stake. Nevertheless, this does demonstrate that such coordination is possible when there is the political will.

Global involvement will become increasingly pressing, not just in the interests of securing regional stability but also, more broadly, in the interests of securing future energy reserves. This is because traditional oil reserves are becoming increasingly difficult to find and East Africa, as the most recent *frontier*, signals the potential for finding more long term solutions regarding securing new oil frontiers. It has been argued that rather than oil being subject to a peak, the development of new technologies of extraction will contribute to an oil plateau[4] (Yergin, 2011b). If such

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[4]   Many hydrocarbons reserves are difficult and expensive to extract – an example being tar sands (located in countries such as Canada and Venezuela) in which the oil needs to be separated from the sand in which it is imbedded. Yergin argues that as technology improves, more ingenious methods

a prediction is accurate, then it provides a window of opportunity through which the countries involved can formulate more effective policies on how to tackle this as a long-term global problem. It is in China's interests, along with the interests of other countries with a heavy presence in the oil industry, to formulate long-term planning.

Conclusion

In this paper, I have stressed the interconnected nature of the Chinese oil industry to the greater global economic network. Using East Africa as a case study, I examined how this interconnectedness operates at regional and local levels. By examining issues within the oil industries' relationships, and the political instability in the East African region, I have identified the need for China's increasing involvement in global institutions. More broadly, I have argued that East Africa—as a frontier of exploration—should initiate debates as to the future viability of hydrocarbons as an energy source. This is a crucial question within the context of the hyper-competitiveness of the global market place, with its emphasis on consumption and economic growth. With populous nations, such as China and India, embracing such principles, the pressure on global energy reserves will naturally increase. This invites a wider debate on to what extent it is in the interests of all countries and corporations involved to make long term plans regarding the transition to other cleaner/alternative forms of energy.

The following decade of energy development in East Africa will serve as an interesting test-case. Unlike other regions in Africa, such as Angola and Nigeria, China's involvement in East African energy sector, along with all the other competitors, is a relatively new phenomenon. In light of the potential political instability in the region (possibly exacerbated by the oil) it will be informative to witness how the various actors, China included, engage with such challenges. Additionally, there is the question of what role trans-national institutions and initiatives can play in the creation of opportunities for the development of a more stable, forward-thinking, and global-orientated oil policy. However, the success of this largely relies on the

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are devised to extract these reserves, thus increasing the amount of oil available. A good illustration of this is the recent shale gas boom, in which new technology, known as "fracking", has enabled extraction. This technological innovation has dispelled recent concerns of impending global energy shortages. Yergin predicts new technologies developed to unlock remaining reserves will run counter to consumption patterns, thus transforming an impending energy crash into a slowly descending plateau (2011).

will of the actors involved, who tend to act only when their core interests are at stake. It is important that long term questions regarding regional political security, as well as energy and environmental security, should be kept in mind. Because these issues do not have immediate consequences, it remains to be seen whether the stakeholders involved will prioritise them.

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The Corporate Social Responsibility of Chinese Oil Companies in Nigeria: Implications for the Governance of Oil Resources

Wang Xuejun

The Current Status of Chinese Oil Companies Involvement in Oil Exploitation in the Niger Delta

In late 1990s and early 2000s Chinese oil engineering and service companies began to enter the oil service industry in Nigeria. At that time they worked in the Niger Delta only as contractors, which enabled China to access Nigerian oil exclusively through long-term contracts and discrete purchases from the market. But within a short period, China began to seek ownership of Nigerian oil reserves – with the intention of expanding oil production capability of its enterprises and securing access to crude oil from Nigeria. During Obasanjo's Presidency (1999-2007) three major Chinese state-owned oil companies—the China National Petroleum Corporation (CNPC), the China Petroleum and Chemical Corporation (SINOPEC), and the China National Offshore Oil Corporation (CNOOC)—began to invest in the Nigeria's oil sector. They registered their own companies in Department of Petroleum Resources (DPR) of Nigeria; SINOPEC in 2003, and CNPC and CNOOC in 2006.

During Obasanjo's Presidency CNPC got four blocks in 2006: that is two oil production licenses in the Niger Delta and two in the Chad basin. In return, CNPC promised to invest $2 billion in Kaduna's struggling refinery. In the same bidding rounds, CNOOC got four blocks in Niger Delta in return for a $2.5 billion loan from China's Exim Bank for the rehabilitation of the Lagos–Kano railway and the construction of a hydro-electric power station at Mambilla. Chinese companies also acquired other Nigerian oil assets during this period. In 2006 SINOPEC took a 29% stake in an oil block (block 2 of the Nigeria–São Tomé Joint Development Zone), and CNOOC paid $2.3 billion for a 45% stake in an oil mining license in the lucrative Akpo offshore field - financed by a loan from the Exim Bank of China.

However, because of political, economic and profit constraints the number of oil reserve blocks owned by the Chinese companies have decreased over time. Now CNOOC holds only one offshore block (OML130) in the shallow water of the Gulf of Guinea. CNPC has one onshore block (OPL471) in Bayelsa state; SINOPEC owns three blocks – OML64-66 in Edo state, Stubb Creek in Akwa Ibom state and

JDZ-2 in deep waters of Niger Delta basin. In addition, in 2009, SINOPEC spent $7.2 billion on the purchase of the international oil company Addax - which further increased China's presence and influence in the Nigerian oil sector. Addax petroleum has five oil blocks – OML124 in Imo state, and OML123, OML126, OML137 and OPL291 in Gulf of Guinea. Its production capacity has amount to 85,000 barrels per day by the end of 2012.

Chinese overseas investments take many forms, including acquisition of companies with existing portfolios of projects; small shareholdings in projects operated by western companies; and Chinese-operated oil fields and mines (Shankleman, 2009, p. 20). Through their investments in Nigeria, CNPC, SINOPEC, and CNOOC are variously involved as operator, non-operator shareholder, and joint venture partner, respectively. CNPC owns and operates the OPL-471 block – which is still in the exploration stage. SINOPEC and CNOOC have cooperative relations with western oil companies through their overseas operations. CNOOC is a non-operator shareholder of the Total-operated asset OML130, and through a joint venture agreement SINOPEC is collaborating with western and Nigerian oil companies in their three blocks.

In addition to the aforementioned Chinese companies, who operate as suppliers in the Nigerian oil industry, there are a number of Chinese oil engineering and service companies working as contractors and undertaking production activities, such as exploration, well drilling, and engineering. These companies include the Henan Petroleum Nigeria, SINOPEC Changjiang Engineering Service, SINOPEC Oil & Gas Service Company Nigeria, CNOOC Energy Service Nigeria and BGP International Nigeria of CNPC. And, notably, some privately-owned Chinese drilling service companies have even emerged in the Niger Delta. They will also be taken into account when assessing China's role in the oil governance of the Niger Delta region. Chinese companies are increasingly integrated into the global extractive industry, as both suppliers of, and customers for, construction services; major equipment items, such as drilling rigs; and engineering, legal and financial services.

Unlike the dominant role they play in the Sudan or in Angola, Chinese Oil Companies (COCs) in the Nigerian oil producing sector occupy a relatively much lower position. COCs entered the Niger Delta only a short time ago, and they are still in the initial stage of extraction. Not a single drop of crude oil has been taken from underground

by two of the three main COCs – SINOPEC and CNPC.[1] The three main Chinese stated-owned oil companies are new players in the international oil industry, they are just at th*e junior stage* of becoming genuine established international corporations. Despite these disadvantages, the COCs have begun to play a role in the Nigerian oil sector. This was confirmed by a project official in DPR of Nigeria, who said:

> The COCs and their subsidiaries are already playing a significant role in the oil and gas sectors. Some oil wells awarded in 2004 and have become subject of litigation to stop the government from taking over the wells from Shell and giving them over to the COCs. SINOPEC is partnering with local oil companies, such as Universal Energy at Uyo, in Akwa Ibom state, for [Stubb Creek] Marginal Oilfield operations. As stakeholders, the COCs' involvement is producing results. By the third quarter of 2012, [Stubb Creek] marginal field will be in full production. In terms of oil production capability, they are competitive enough to offset the monopoly by the traditional oil companies.[2]

Corporate Social Responsibility (CSR) Activities of COCs in Nigeria

Health, Safety and Environment Policy and Practice

One important aspect of COCs' consciousness and performance of CSR in the Niger Delta is their strict environmental protection policy. According to a senior manager of Sinopec International Petroleum Exploration Company-Nigeria (SIPEC):

> We must conduct a careful investigation into the local environment before beginning our exploration. An Environmental Impact Assessment report (EIA) is the second thing we need to do before any operation is conducted in the oil field. A periodic environmental assessment is performed throughout the exploitation. In addition, every worksite must formulate an environmental emergency response plan, lest any accident such as oil leak happens.[3]

Arguably, SIPEC's environmental policy has a high standard, for it aims at zero pollution of the environment within its area of operation. In fact, SIPEC not only seeks compliance with the directives of the Nigerian Federal Ministry of Environment and

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1   CNOOC is the only one of the COCs which has obtained oil interests in Nigeria. It bought 45 % of the work interests of the OML 130 block, and shares this interest with Total – through a production-sharing agreement. CNOOC began producing crude oil in 2009 and could produces175 thousand barrels of oil per day by the end of 2012.

2   Interview in Lagos, August 29, 2011.

3   Interview in Lagos, August 29, 2011.

DPR, but it also seeks to comply with the global directive ISO 14001.[4] According to the company this is because it is keen to promote best practice and contribute to the reduction of carbon emissions – that are causing global warming and climate change. This is a step in the right direction, since climate change poses a serious threat to sustainable livelihoods, the water supply, and human security in Nigeria. But critics of ISO 14001 say its shortcoming is that it applies only to processes, rather than to both processes and practices. Hence, the ISO may be no more than a tool to divert attention from a 'green-washing' that will not address the real issues surrounding oil operation. However, this kind of criticism cannot negate the fact that China is being integrated into the global effort to encourage *player* responsibility in the protection of the environment. This point is also reflected in the fact that all COCs and their subsidiaries have dedicated Health, Safety and Environment (HSE) managers, who are responsible for the environment, the health and safety of staff, and the security of production facilities.

Implementation of Local Content Requirement of Nigeria

Local content requirement is a popular government regulation on foreign direct investment.5 In recent years Nigeria began to carry out strong localization strategy in oil industry. Federal government of Nigeria asked International Oil Companies operating in Nigeria to provide it with concrete strategies that they had developed and adopted to ensure compliance with provisions of the Nigerian Content Act. So implementing local content requirement is another important aspect of CSR fulfilled by the COCs. A senior manager of SIPEC stated that project bids need to contain clear local content, and detailed local development plans. He said:

> We hire local people in our companies as much as possible, and we also place much emphasis on professional training for Nigerian employees. Those excellent Nigerian staff working in our companies will be granted opportunities to further their

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[4]   ISO 14001 sets out the criteria for an environmental management system and can be certified to. It does not state requirements for environmental performance, but maps out a framework that a company or organization can follow to set up an effective environmental management system. It can be used by any organization regardless of its activity or sector. Using ISO 14001 can provide assurance to company management and employees as well as external stakeholders that environmental impact is being measured and improved. More information can be gotten from official website of ISO, http:// www.iso.org/iso/home/standards/ management-standards/iso14000.htm.

[5]   Local content refers to the added value brought to a host nation through local workforce development, developing supplies and services locally and procuring supplies and services locally.

professional training at the headquarters of SINOPEC in Beijing.[6]

The focus on local content can be seen in an invitation of SIPEC for the Pre-Qualification for the Provision of Drilling Support Services. According to the document, the OML 64 & 66 blocks – jointly developed by SIPEC and the Nigeria Petroleum Development Company (NPDC) –would be scheduled to come on stream between 2011 and 2013. In order to realize this objective, SIPEC as operator needed to select qualified contractors to provide drilling support service. In the process of selecting qualified contractor, SIPEC pledged to adhere to Nigerian local content provisions, and required that contractors should comply with the following Nigerian content directives:

- All Companies shall create value in-country with the target of 70% by 2010, in terms of monetary expenditure, through the deliberate utilization of Nigerian human and material resources – without sacrificing safety, health and environmental standards.

- All project management teams and centres must, where possible, be located in Nigeria. Only Nigerian companies registered with the DPR will be considered. Any contractor that does not score 60% on the Nigerian content criterion will not participate in the next step of the bid process.

- The company's objective should be to ensure that contractors comply with these directives. Contractors will be required to demonstrate their content capabilities and willingness to perform this work in compliance with these directives.

SIPEC also tried to adopt a best practice approach, with regard to local employment. By September of 2011, it had 33 Chinese, 3 Western, and 120 Nigerian staff. Furthermore, some Nigerian staff of well-educated background and executive ability held positions in management and technical positions. Another subsidiary of SINOPEC, Henan Petroleum Exploration Bureau located in Port Harcourt of Nigeria has the same performance as SIPEC on local content requirement. It had one project management office and four drilling teams, and employed almost 300 people, including around 180 Nigerians and 110 Chinese staff.[7] In addition, as for still another subsidiary of SINOPEC, Chanjiang Engineering Service, all staff in two

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6   Interview in Lagos, August 29, 2011.
7   Interview in Port Harcourt, September 25, 2011.

seismic exploration teams is local Nigerian people. The Managing Director of the company explained that when they first entered Nigeria they could not employ large numbers of local people because there was a shortage of skilled Nigerian workers. Now as a result of training programmes the number of local skilled workers has increased, enough to support its exploration activities.[8] However, the interviewees from the three subsidies of SINOPEC including SIPEC admitted that the ratio of locally employed people is still much higher in Western oil companies than in the COCs in Nigeria.[9]

Table 1: SIPEC's Community Development Projects

Supporting oil blocks	Projects	Community/State	Cost
OML 64 & 66 oil blocks since 2008	Dorms for teachers	Kantu	$100,000
	Broadcast station	Kunukunuma	
	School staff house	Krutie	
Stubb Creek oil block since 2005	School with 6 class rooms and 2 offices, and desks	Unyenge	$129,900
	Drinking water well	Ntak Inyang	$36,000
	4 drinking water wells	Unyenge	$173,500
	School with 6 class rooms	Ntak Inyang	$11,800
JDZ-2 Oil block until 2010	School electricity generation project 2007-2008	Plateau State	not available
	School wall 2008-09	Kaduna State	not available
	Repairs to 3 accommodation blocks, 30 pieces of furniture and 200 desks and chairs 2009-2010	Delta state	not available
	Water-supplying facility for community and school sidewalk 2009-2010	Sao Tome and Principe	not available

Source: Compiled based on interview[10]

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8   Interview in Lagos, September 9, 2011.
9   Interview in Lagos, August 29, 2011
10   Interview in Lagos, August 29, 2011

Community Development Projects

Philanthropic investment in community development projects is the third way through which COCs meet their CSR commitment in Nigeria. Quite a number of such projects have been implemented by SIPEC (see Table 1 below). These community projects are planned and implemented by the oil blocks, which are located in particular communities. In addition to the CSR projects shown below, SIPEC also provides scholarship sponsorship for children in the host community. For example, the JDZ-2 oil block provided scholarship funding schemes in 2009 and 2010 – as a result of which 60 Nigerian students received financial aid.

To a large extent, the COCs' social donations and community development projects are driven by the requirements of the host government and specific local communities. According to the SIPEC manager:

> The DPR requires oil well developers to submit a development plan of action. In this way, specific measures – which can be taken to support and promote local community development in the Niger Delta – are embedded within our bidding plans… during the bidding process we were also required to sign a memorandum of understanding with the host community, agreeing to provide a variety of financial aid for the community – such as offering stipends to students, helping to build more schools and office buildings, digging wells, and supplying jobs and special training to local people.[11]

To satisfy the requirements from the Nigerian side, SIPEC developed a community development plan, aimed at *transforming* members of the public from being mere onlookers into major stakeholders. In this way the negative views the host communities had of the oil companies were changed. The community development plans were modelled on sustainable development paradigms, including holistic participatory approaches. This meant that the programmes had to place the public at the *heart* of the process. This was achieved through consultation, negotiation, and the effective participation of the public in the project planning and implementation process. In this way, local people become the *owners* and managers of their social facilities, infrastructure, and cottage industries.[12] From this community development planning it can be seen that SIPEC understands its social responsibility in its operational areas.

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[11]　Interview in Lagos, August 29, 2011.
[12]　Interview in Lagos, August 29.2011

Assessing the CSR Performance of the COCs: A Comparative Analysis

As demonstrated in the above narration, the COCs have begun to participate in local social responsibility activities in Nigeria. However, their CSR performance is still clearly much less than that of Western oil multinationals, such as Shell and Exxon Mobil. But why is this?

Firstly, the COCs' concept of CSR is relatively narrow. They confine CSR to philanthropic donation on small projects, and they have not taken into account the long-term developmental issues of satisfying CSR. The Shell Petrol Development Company of Nigeria (SPDC) has a much more sophisticated approach, in this respect. This is evidenced by SPDC's establishment of a sustainable community development unit, and a shift in its CSR emphasis from benevolent infrastructure projects to more promising smaller projects, such as micro-credit schemes (Frynas, 2005). SPDC is also involved in poverty alleviation projects, which aim to encourage the development of the host community economy.

Secondly, COCs have adopted a simplistic way of implementing CSR in Nigeria. Except for local communities where their operations take place, the COCs have little contact with local actors or international stakeholders. In this regard, Western oil companies are much more sophisticated than the COCs. For instance, SPDC has entered into partnership with external development agencies – such as United States Agency ofr International Development (USAID) and various NGOs, in order to co-host CSR initiatives. An example of this is its partnership with USAID and the International Institute of Tropical Agriculture in an $11.3 million project over five years to develop cassava farming (Amadi, 2012).

Thirdly, when compared to western oil companies, the social responsiveness of the COCs is very low.[13] They are not sensitive to external appeals and pressure from local NGOs and transnational networks, including Extractive Industries Transparency Initiative (EITI). Almost all of the Managing Directors of the COCs I interviewed had no knowledge of EITI. COCs' low level of corporate social

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[13] Corporate social responsiveness refers to the sensitivity and capacity of a corporation to respond to social pressures. It has been described as a replacement of, a refinement of, or a complement to CSR in the evolving process of CSR. In essence, it takes on more of a means or an action orientation. A corporate of good social responsiveness does not inevitably have good corporate social performance, while good social responsiveness is necessarily the precondition for good record of CSR. The differences and connections of the two concepts can be learned more through Donna (1991).

responsiveness is indicated in two ways. Firstly, all the COCs have no manager of community relations, although the management of community relations are an important element of operations in the Niger Delta. Secondly, none of the COCs have publicity material which outlines what they have contributed to the development of the host communities and the country. In contrast, western oil companies not only have community relations managers, but they also publish annual reports on their social and economic contributions to Nigeria. This information is easy obtainable and useful to, for example, NGOs and scholars. An important reason for the COCs' low social responsiveness is their inefficient bureaucrat culture – which means they are not sensitive to pressure from unofficial agencies and international or local civil society groups.

Fourthly, COCs attract more criticism from Nigerian civil society than the established western oil majors, with regards to CSR issues such as transparency and human rights. The survey conducted by the author revealed criticism of the COCs' lack of transparency, poor working conditions, and bad record of human rights. Some respondents complained that the COCs required them to work for longer than eight hours per day, paid low wages, and were not concerned about staff welfare issues.

The differences between the approach of the COCs and the western oil multinationals to CSR are based on two factors. One is the difference between China and Nigeria's political cultures, and the other is the difference between the COCs and the western oil companies' operating periods in Nigeria. Nigeria is deeply influenced by western political culture, so there is a much higher level of consciousness about human rights, democracy and freedom in Nigeria than in China. This is the critical factor which has led to a lot criticism about the COCs from Nigerian civil society. In addition, the COCs are late players, not only in the Nigerian oil industry but also in the international oil arena. Shell has been in the Niger Delta for more than 60 years, while the COCs have been there for only around 10 years. As a result, the COCs have fewer shares in the profit of the Nigerian oil sector than Shell, and much less financial capacity to undertake CSR. They also have less experience of conducting CSR.

Does China's Non-EITI Status translate into Irresponsible Corporate Behaviour?

The relationship between China and the EITI is an important consideration, which mirrors China's attitude towards CSR. China expressed its support of EITI in several international fora, notably the UN General Assembly Resolution which emphasises that transparency should be promoted by all member states, and the G20 Pittsburgh Declaration which supports participation in EITI *(Paris, 2010)*. In fact, China's supportive position is not only embodied in discourse in international fora, but it can be also identified by practices of Chinese companies in foreign countries. Petro China Tamsag in Mongolia is a case in point. According to the Business Council of Mongolia:

> Petro China Tamsag has been included in the Working Group to help the National Council in implementing standards of EITI in Mongolia. As a member of the group, this Chinese company now attends EITI meetings and submits reports on its expenses, the amount it paid in taxes, and various other details it has often been accused of not making public. An EITI external auditor is now inspecting the 2008 and 2009 reports of the company.[14]

Because the implementation of EITI is compulsory in some oil-rich countries, including Nigeria, COCs must follow the EITI rules – regardless of whether they support the initiative or not. As Jonas Moberg, the head of the EITI International Secretariat, said, "so far, we have not seen a single incident where a company based in China or another emerging market has refused to collaborate with a host country implementing the EITI" (Moberg, 2010). She implied that companies from emerging markets are becoming increasingly involved in the implementation process of EITI.

As far as the relations between China and EITI are concerned, a *Regional Director of the EITI International Secretariat stated*:

> In an increasing number of countries, including Nigeria, China's oil companies operating in the country's extractive sector are bound by law to report their payments to the Government, in accordance with the EITI. At the same time, the EITI offers China a tool that serves as an instrument to promote more stable conditions in supplier countries (Paris, 2010).

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[14]   See the website of Business Council of Mongolia, http://www.bcmongolia.org/news?start=632.

To different degrees, COCs has been involved in the virtual process of EITI in different foreign countries. In Nigeria, COCs are involved in NEITI in such passive and unconscious manners that most of their staff does not the faintest idea of EITI. During my field research almost all of COC staff I interviewed said they had no knowledge of EITI or the Nigerian Extractive Industries Transparency Initiative (NEITI). No Chinese company has made plans to meet the reporting requirements of the EITI process, or about how they will comply with the provisions of the NEITI, with regards to transparency and accountability. According to a senior manager in SINOPEC, "no staff has been assigned this responsibility, since it is yet to be part of company principles and operations".[15] So, it can safely be said that currently EITI is still not well-known or understood within the Chinese population, the government or companies. A further crucial point to consider, in relation to EITI, is that Nigeria did not require China to perform better on EITI – as was expected of China, for example, in Mongolia. Another important point may exist in the bureaucratic strategic culture of the COCs. As economic actors, their first goal is to find a way to extend and strengthen their presence in oil-rich countries. However, the COCs are owned by central government, which means they have an inherent bureaucratic style of management. As a result, the COCs are sensitive only to domestic politics, including within their host country Nigeria, and not to international politics. They will respond to the requirements of the Nigerian government – or other important stakeholders, such as community and rebel groups – or to Chinese central government rules. But if global or local civil society groups ask them to do something, not directly relevant to the interests of one of the aforementioned, they will likely decline.

Although China has been involved in the process of implementing EITI – to varying degrees in different countries – China is still, as yet, not an official EITI-supporting country. However, China's non-EITI compliant status does not prevent it from being a responsible stakeholder in the international extractive industry, because there is no inevitable causal relationship between the two items. EITI is just one of a number of approaches through which stakeholders attempt to achieve a better level of resource governance. Despite their non-EITI compliant status, the majority of the large Chinese state-owned oil and mining companies have joined the universal CSR initiative organisation, the UN Global Compact. As of December 2008, all

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[15]   Interview in Lagos, August 29, 2011

the Chinese members of the oil extractive industry were recorded as being *active* – meaning they have submitted all required reports to the Secretariat (Shankleman, 2009, p. 67). In addition, SINOPEC is a member of the World Business Council for Sustainable Development (WBCSD), and CNPC and CNOOC have joined the International Petroleum Industry Environmental Conservation Association (IPIECA).[16] All of these data signal that COCs has been in the process of gradually integrating into international society and becoming responsible actors.

In fact, there is much criticism about the effectiveness of NEITI. The comment of Michael Karikpo, Programme Manager of Environmental Rights Action, an important NGO in Nigeria, reflects the universal disappointment of people in Nigeria. He said:

> NEITI is a good idea but not comprehensive enough. It creates opportunities for government to know the taxes paid. It has been unable to ascertain how much oil is being drilled nor been able to use the audits reports that indicted the oil companies to hold them accountable. The NEITI audit required Shell and other oil companies to refund taxes unpaid but the oil companies refused to pay and the Nigerian government backed down on the demands, so it has not been effective. The government has this symbiotic relationship and both partners turn a blind eye and protect each other's interests. The NEITI audit and their performance has watered down its relevance and lost its moral standing to question oil companies. It is almost moribund because it cannot put its foot down to address identified lapses in the oil sector.[17]

Obviously, EITI and its regional initiative, NEITI, need to be reformed and improved. China also needs time to learn and accept the new norm of resource governance, and gradually become a responsible actor in the Niger Delta and the global oil industry in general. It is encouraging that early in December 2007, Chinese central government issued Guidelines to the State-owned Enterprises Directly under the Central Government on Fulfilling CSR to more than 150 state-owned enterprises, including the oil companies CNPC, SINOPEC and CNOOC. The guidelines state

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[16] The WBCSD is a CEO-led organization of forward-thinking companies that galvanizes the global business community to create a sustainable future for business, society and the environment. It was formed in 1995 with the merger of the Business Council for Sustainable Development and the World Industry Council for the Environment. IPIECA is the global oil and gas industry association for environmental and social issues. It was formed in 1974 following the launch of the United Nations Environment Programme. Both of them are influential global initiative organization aiming at solving environment and sustainable development issues.

[17] Interview in Port Harcourt, September 13, 2011

that Chinese companies need to conduct CSR activities, as part of their participation in international economic cooperation. The central government of China has urged state-owned enterprises to:

> …exchange concepts and experience in fulfilling CSR with other enterprises at home and abroad… and conduct more dialogues and communication with relevant international organisations and take part in international CSR standards' formulation (State-owned Assets Supervision and Administration Commission of China, 2011).

Based on the increasing realisation of the need to conduct CSR overseas it is likely that, in the future, China will become fully NEITI-compliant, and a responsible stakeholder in Nigeria.

The COCs' Future CSR trends

Our findings indicate that the COCs have been welcomed into the oil industry by the Nigerian government, the local communities, the CSOs, and even the western oil companies. But at the same time there are high expectations about the performance of Chinese CSR, and how oil governance in the Niger Delta can be improved. COCs are hoped to achieve lofty level in almost all aspects of CSR, for example, some Nigerian interviewees said COCs should adhere to the highest standards in the oil industry; should be open and transparent; should be concerned about how they can be strengthened to ensure accountability; should ensure technology transfer; should have their own Community Development Plans; should empower youth through skills acquisition; should not toe the line of the traditional oil majors; and should not neglect the rural communities…[18]

A head of NGO in Abuja said, "If you are new, there is the opportunity to do something new, and make a difference".[19] It seems that the COCs have the potential to make great changes in Nigerian oil sector, such as improving environmental conditions, advancing technology transfer, helping Nigeria with developing our own oil industry, and so on.

Others are more realistic about what can be achieved. A community representative in Bayelsa state said the COCs cannot do better or worse, because it is the role of government and CSOs that matters. Another interviewee in Bayelsa said the problem

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[18]   Interviews in Port Harcourt on September 16-27, and in Bayelsa state, September 16, 2011.
[19]   Interview in Abuja, September 28, 2011

was not the oil companies, but rather the way in which people could be oppressed by, for example, the government, traditional rulers, and influential individuals – who obtained tremendous interest from the oil companies.[20] Michael from ERA agreed, blaming the oil curse on the Nigerian government, which – under Chapter One of the Nigerian constitution – should ensure, for example, the security of the people, the environment, property and human rights. It is the failure of the Nigerian government to enforce this protection that has led to these problems. According to Shankleman (2009), the responsibility for broad-based development in oil-rich countries, like Angola or Nigeria, does not reside with Chinese or western oil companies – but rather governments and civil society. Chinese oil investment does not cause *resource curse* problems in any of Africa's oil producing countries, but it is also unlikely to be a positive force for addressing these problems (Pegg, 2011). In order to identify the exact potential role of the COCs, we need to compare them with their western counterparts. This would not be a wholly academic exercise but rather a response to concerns about the growing presence of COCs in Africa.

We conducted a survey on whether local communities in Rivers and Bayelsa States perceive COCs as categorically different from their western counterparts. From the response of the communities in Rivers state, it is clear that not much is known about the COCs – even in the rural communities – since their production facilities are not yet fully operational. However, while only nine percent of respondents indicated that the COC operations and CSR activities were tangibly different from western oil companies 39 % of respondents claimed that they were basically the same as the oil majors in most aspects of CSR. There were similar results in the Bayelsa state communities. Here, 61 % of respondents claimed that the Chinese oil actors in the Niger Delta were not different from the international oil companies. This should not conceal that the CSR performance of COCs was even worse than Western oil companies on some aspects of CSR. They said the COCs had poor environmental standards; demonstrated a lack of respect for human rights; were unwilling to transfer technology; used security agents against the host communities; engaged cheap labour; were always profit-driven; indulged in non-participatory CSR activities; did not honour their MOU agreements with the host community; and worked with the

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[20]   Interview in Yenagoa, Bayelsa state, September 16, 2011

government at the expense of the local communities.[21]

Table 2: Responses to question about whether COCs are different on CSR from western oil companies

Are COCs different?	Respondents from River state (%)	Respondents from Bayelsa state (%)
Yes	9	15
No	39	61
Don't know	52	24

Two key points emerge from the results of the survey. Firstly, the COCs were not well known to the communities in the Niger Delta. This is probably the main reason why a good proportion of respondents expressed no view about whether the COCs are different from western oil majors. Their views with regards to COCs were requested with the assumption that communities are familiar with the western oil majors, because they have been in Nigeria for more than half a century. The second point to make is that the CSR activities of the international oil companies, including the traditional oil majors and the COCs have failed to impact in Niger Delta. As a result, all of the respondents list negative items to illuminate the similarity between COCs and traditional oil majors.

The result of this survey reveals that in the eyes of local communities there is no significant difference between COCs and Western international oil companies with regards to fulfilling CSR. Furthermore, the CSR approach of western oil companies – such as Shell – must be challenged. Shell has demonstrated that it is "…not making maximum use of CSR to promote sustainable community development in their host communities" (Adekola & Uzoagu, 2012). A project manager of DPR of Nigeria said that all the oil companies were basically the same because they just want to produce oil cheaply and make profits.[22] Not only are the COCs and western oil companies similar in essence and objective – as economic entities – but both have also tended to adopt a similar mode of CSR in essence in the Niger Delta in Nigeria. Although currently they are still in the early stage of oil exploitation – or fulfilling CSR requirements – in the Niger Delta, the COCs are developing quickly in both respects. They have also begun to participate in different types of oil operations – for example, serving each other as contractors, and signing product share and joint

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[21]   Sorted out from focus group discussions in Port Harcourt on September 16-27 and in Bayelsa state on September 16, 2011

[22]   Interview in Lagos, September 8, 2011.

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venture contracts. As a partner, they help formulate and implement joint community development plans – gaining experience in oil resource governance, which will stand them in good stead in the future.

Implications for the Governance of Oil Resource in Nigeria

Ever since entering the Niger Delta, COCs have been performing CSR activities – including encouraging environmental protection; making a contribution to local development; giving donations to the host community; and obeying local laws and regulations – in ways essentially the same as that of other international oil majors. However, the CSR efforts of the COCs have been limited, in terms of their impact on the development of the Nigerian economy and improvement of welfare in the host community. In their *defence,* it should be noted that the COCs are still in the process of adapting to the demands of the region. That is to say, the harsh operating environment of the Niger Delta is impacting more on the COCs than the COCs are impacting on the Niger Delta.

While there is evidence that some oil companies have learned from past CSR mistakes – Shell in Nigeria is the most commonly cited example – and improved their CSR performance, the fact remains that oil companies are highly specialised entities whose strength lies not in adherence to democracy and human rights but in finding, extracting and distributing oil. Adopting the role of imposing change on entire countries is not conducive to the nature of these organisations (Muchlinski, 2001). So even if the COCs' CSR performance improves significantly in the near future, more in line with that of the western oil companies, it will likely remain difficult to be optimistic about the governance of oil resources in Nigeria. The strongest evidence for this comes from Shell, which – despite its excellent record of CSR in Nigeria – has failed to negate the complications arising from resource curse in the Niger Delta. Owing to the structural and systemic deficiencies inherent in CSR practices (Idemudia, 2010), we can assume that the CSR activities of international oil companies can hardly be expected to reduce corporate-community conflict, advance local economy and critically improve the level of common people educations and so on. If that is true, the potential improvement of COCs' CSR will make little difference in the future to the governance of oil resources in Nigeria. However, ongoing debate about China's role in Nigerian oil governance may encourage the COCs to become

more responsible actors in Nigeria. However, the role of oil companies should not be exaggerated to the extent that the attention of researchers and policy-makers is diverted from the responsibilities of the sovereign state. After all, the Nigerian government and civil society groups are the most crucial actors in the *campaign* to address the resource curse in the Niger Delta.

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Evading Punishment: An Analysis of Zimbabwe-China Relations in an age of Sanctions

Ronald Chipaike and Lawrence Mhandara

Background

The imposition of sanctions and/or punitive restrictions on states by other states has become a common phenomenon in international relations over the years. Multilateral sanctions are probably the most legitimate and legal means of effecting policy change in and by a country. These are mostly used by the United Nations (UN) and other international organisations against states that threaten international peace and security. States, especially the most powerful, can use unilateral sanctions in the form of embargoes, targeted restrictions and other measures against recalcitrant states that seemingly pose threats to their interests. These forms of sanctions were imposed by the United States of America (USA) on Cuba in 1960, on Sudan on allegations of sponsoring terrorism,[1] and on Zimbabwe as a result of the land grabs of 1997-2000,[2] the Fast Track Land Reform Programme of 2000-2002 and the reported Zimbabwe African National Union-Patriotic Front (ZANU-PF)-perpetrated violence against opposition parties in various election periods. Currently, the US and EU are in the process of imposing unilateral sanctions on Iran as a result of that country's nuclear energy programme.

The package of unilateral economic sanctions against Zimbabwe was drawn up in the Zimbabwe Democracy and Economic Recovery Act (ZIDERA) of 2001.[3] In this legislation, representatives of the US in various international financial and economic institutions were obliged to oppose any form of financial and economic assistance to the Zimbabwean government until such time as full democracy had been restored. This USA legislation also placed ZANU PF members and their companies, together with selected government entities under restrictive economic measures. It also

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[1] http://sudan.usembassy.gov/ussudan_relations.html

[2] The term land grab has been used in this paper to indicate the unsanctioned and uncoordinated nature of land occupation between 1997 and 2000, the period immediately preceding the official Fast Track Land Reform Programme which commenced in 2000 and ended in 2002.

[3] The Zimbabwe Democracy and Economic Recovery Act (ZIDERA) of 2001 is an American legislation meant to restrict the economic viability of the Zimbabwe government through targeting selected state controlled entities and individuals and placing them under financial, economic and travel restrictions. The objective is to force the democratisation of the Zimbabwe state and government (http://www.osisa.org/sites/defaults/files/sup_files/sanctions.pdf).

suggests a raft of other measures against the Mugabe regime. The European Union (EU) and other countries in the North Atlantic Treaty Organisation (NATO) also imposed various forms of restrictions on Zimbabwe and its leadership, and also imposed trade restrictions in February 2002 (Edinger & Burke, 2008). However, the reality and impact of these measures has been the subject of debate.

The punishment of Zimbabwe by the West brought the realisation by the Zimbabwean government that China could be an alternative trading and diplomatic partner that could effectively replace the USA and the EU. With relations having been established during the liberation struggle (Mvutunganyi, 2010), China responded positively to Zimbabwe's call for intensified relations through the provision of trade opportunities and diplomatic support at the UN. However, the Chinese had always been in Zimbabwe's economic development matrix through the construction of various sports stadia, hospitals and other facilities. Signs of mistrust had characterised Sino-Zimbabwean relations from independence as a result of Zimbabwe's decision to relate closely with the United Kingdom and other Western states. Even the process of Disarmament, Demobilization and Reintegration (DDR) at independence was specifically carried out by the British Military Advisory Training Team (BMATT) and China was invited into the process.[4] It was only when Zimbabwe was isolated by its Western allies that the Look East Policy came into place with the objective of attracting Chinese investments.

Zimbabwe's Response to Western Sanctions

Zimbabwe's Look East Policy (LEP)
Following the deterioration in relations between Zimbabwe and the West, Zimbabwe revitalised relations with China, which had taken a dip after independence. In 2003, the Zimbabwean government publicly announced the Look East Policy, a step which would firmly restore and consolidate China-Zimbabwe relations (Frederick-Ebert Stiftung (FES), 2004). The LEP, though mainly focusing on China, would also seek better relations with countries like Malaysia, Singapore, the United Arab Emirates and others from that region. As the government of Zimbabwe went into overdrive praising its 'new' relationship with China, so did its desperation.

The LEP, coming at a time when Zimbabwe was desperate for a big international

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[4]   http://www.thezimreview.com/node/20209.

partner to fill the gap left by the West, and in an environment in which electoral defeat would mean political demise for ZANU-PF, did not appear as a real foreign policy instrument. Rather, it appeared more like a party slogan, since ZANU-PF had placed political survival at the forefront and all 'national interests' had to be interpreted from that standpoint. Zimbabwe's political history since independence has shown that foreign policy has been the realm of the President and the Politburo, which is ZANU-PF's highest decision-making body. With Zimbabwe's history of interpreting government as the ruling party, and the ruling party as the government, foreign policy is almost always seen as party policy (Chan in Chan & Patel, 2006; Mashingaidze, 2006). Even on the campaign trail, since 2000, ZANU-PF has always driven home the point that it is this relationship with China that would defeat the imperialist elements and the regime change agenda.[5] The fact that insignificant or no consultation was carried out with the major opposition political party in Parliament (MDC) and civil society in designing the LEP is a clear sign that it could have been crafted more as a party slogan and policy than a real foreign policy instrument. Lack of consultation in the LEP possibly explains why some sections of industry are raising concerns at the negative effects of the deluge of cheap Chinese products into the country. For instance, the Zimbabwean Minister of Finance, Tendai Biti (MDC), during pre-budget consultations in 2010 blamed Chinese products, commonly referred to by Zimbabweans as *zhing zhongs*,[6] for derailing the revival of the textile industry due to excessive competition.[7]

Some partners in the Government of National Unity (GNU) have also sought to diminish the importance of the LEP by declaring that Zimbabwe looks neither East nor West but looks to all sides to attract investment.[8] For example, Deputy Prime

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[5] The regime change agenda and related motives from our view started in 1997 with the refusal of the British government to fund land reform in Zimbabwe and the creation of the opposition MDC with British help in 1999.

[6] Zhing zhong(s) is a term adopted by Zimbabweans, mimicking Chinese language, to refer to cheap and low quality Chinese products found in the Zimbabwean market.

[7] http://www.thezimbabwean.co.uk/business/industry/35386/biti-determined-to-save-textile-industry.html

[8] The LEP quickly became a target of ridicule from the then opposition party, the MDC since its inception in 2003. Among the major concerns is the fact that Zimbabwean industries and their products could not survive the onslaught from firmly established Chinese firms and their cheaper products. The result could be closure of industries and a blow to employment. The MDC has continued holding this position against ZANU PF within the Inclusive government, with the former suggesting a normalisation of relations with the West, but only after the full implementation of the Global Political Agreement and the concomitant holding of free and fair elections in 2013.

Minister Mutambara is quoted as having said the days of the LEP are over and that Zimbabwe would look to all corners of the globe.[9] This presumably explains the willingness of the other GNU partners to remove the myopia in Zimbabwe's foreign policy with a view to making it more comprehensive. A fact that clearly illustrates this aspect is the setting-up of a re-engagement committee of the GNU which is mandated to persuade the EU to remove sanctions and normalise relations with Zimbabwe. However, this does not imply that Zimbabwe had cut all its ties with the West through the LEP; rather, it was just an act of pragmatism.

Forum on China Africa Cooperation

Analysing Zimbabwe's relations with China in the context of the LEP alone would not be comprehensive, unless mention is made of the Forum on China-Africa Cooperation (FOCAC). Established in 2000, FOCAC seeks to establish mutually beneficial relations between Africa and China (Enuka, 2010). FOCAC promotes trade, investment and diplomatic ties between China and Africa. These relations are supposedly based on equality, partnership and consultation underlined by the principle of non-interference in the internal affairs of other partners[10]. It is within this context that China-Zimbabwe relations intensified at the turn of the century. The coming of FOCAC in 2000 could be interpreted as a diplomatic advantage for Zimbabwe, as it coincided with the imposition of sanctions on the country by the West. In addition, due to the strained relations between the USA and Zimbabwe, there was no way the latter could have benefited from the Africa Growth and Opportunity Act (AGOA) which was also introduced by the USA in 2000 (Makwerere & Chipaike, 2012). This indicates that there are advantages that come with a bi-polar or multi-polar system, since smaller countries have various options in terms of the states from which they can obtain diplomatic and economic support, if they are punished by other powerful countries.

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9   http://www.insiderzim.com/stories/4196-mutambara-said-look-east-policy-was-over.html

10   The issue of equality, consultation and win-win scenarios is one that is still a bit controversial. Even in the context of China Africa or China Zimbabwe relations, states pursue their selfish interests under the garb of sentimental factors and principles they lay down. Though China is the biggest developing country and has put in place some measures meant to improve economic development in Africa, equality in China-Africa relations has not yet been achieved mainly because of China's position as a global economic power house and Africa's status as the continent in which most of the World's Least Developed Countries are found.

Impact of China-Zimbabwe Relations on Zimbabwe's Socio-economic Development in an Era of Sanctions

Trade, Investment and Infrastructure Development

At the turn of the century, as has been discussed, Zimbabwe was in search of a powerful country to help it stave off the effects of its isolation by the west. Though Zimbabwe had been trading with China since independence, the relationship between these two countries had not reached the levels they reached in Zimbabwe's sanctions era. Indeed, China was one of the first countries to establish an embassy in Harare in 1980 and this was facilitated by the friendship which had been fostered during the liberation struggle. The Frederick-Ebert Stiftung (2004) notes that Zimbabwe's trade with China jumped from Z\$670 million in 1997 to Z\$6.9 billion in 2000.[11] This sudden surge was premised on the Zimbabwe-UK tension that precipitated a negative response from members of the western block. Since Zimbabwe used to have watertight trade relations with Europe, it was only prudent on the part of both Zimbabwe as the punished state and China as historical ally and a country with invigorated interest in its Africa ties, to 'partially' fill this gap through enhanced trade ties. The period 1997 to 2000 witnessed sporadic land occupations in Zimbabwe and 1997 is also the year in which the Tony Blair government in the UK denied responsibility for funding the land reform process in Zimbabwe.[12] It was also in 1997 that the Zimbabwean government paid war veterans gratuities of an equivalent of US\$4,205 each in Zimbabwe dollars, a step also blamed for initiating the Zimbabwe crisis.

Spurred on by cheap Chinese products that flow into Zimbabwe daily and exports of extracted minerals and tobacco from Zimbabwe, trade between the two countries has continued to grow steadily in the sanctions era. The former Chinese ambassador to Zimbabwe, Xin Shunkang, in a public lecture in Harare highlighted that trade between the two countries had raised to US\$800 million and expressed hope that by the end of 2012 the figure could be surpassed (Herald (Zimbabwe), 2012, May 7). It should be noted that, though the Chinese seem to be bringing almost every product to Zimbabwe (from cars to baby diapers), most of which is arguably of a poor quality,

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[11.] In 1997, the exchange rate was more stable at Z\$11.8906 for US\$1, hence total Zimbabwe China trade stood at US\$56 345 030 and in 2000 the exchange rate at year ending was Z\$55 for US\$1, hence the total trade in that year stood at an estimated US\$125 454 545

[12] http://www.africasia.com/ uploads/Zimbabwe_special_may_2007_part2.pdf

Chinese products have greatly assisted Zimbabweans during the difficult years from 2000, since the majority of Zimbabweans could not afford high quality, and therefore highly priced, goods. Additionally, the Chinese have greatly aided in the technology sector through various computer brands, telecommunications equipment and improved media infrastructure. Zimbabwean mobile communications companies have greatly benefited from Zimbabwe's relations with China. Various deals have been struck between these companies and Chinese companies who have expertise in the telecommunications industry, and this has benefited the majority of Zimbabwean mobile phone users.[13]

However, as indicated above, Zimbabwe's trade relations with China show the same pattern that has evolved over the years in trade between developed and developing countries. The Chinese bring into Zimbabwe, and Africa as a whole, finished products whereas Zimbabwe and other African countries export extracted minerals and goods in their raw state. This paints a negative scenario, as explained by dependency theorists in their analysis of why it is difficult or impossible for Third World countries to develop to the levels reached by their First World counterparts (Dos Santos, 1970).

Although Zimbabwe has employed a vibrant media campaign to show its relations with China in a positive light, it is its trade with South Africa, other neighbouring countries and the EU that is significant.[14] However, in the tourism sector, when the Western media reported Zimbabwe as an unsafe tourist destination, the Chinese gave Zimbabwe an *approved destination* status. All this paints a picture of an emerging power willing to assist a weaker partner made a pariah by its former allies.

The Chinese have also increased their investments in Zimbabwe, a fact that is exemplified by the surging numbers of Chinese citizens in the country.[15] Chinese investments in Zimbabwe are mainly concentrated in the mining sector. For example, China's diamond mining firm Anjin is in a partnership with the Zimbabwe Mining Development Cooperation (ZMDC) which is operating in the Marange diamond

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[13] For example, Huawei was awarded a US $66 million contract to lay a fibre optic network for Econet Wireless (http://www.zimbabweinvestor.com/home.php?option=com_content&view=article&id=2 23:huawei-technologies-ups-pace-in-fibre-optic-roll-out&catid=39:news&itemid=120).

[14] http://trade.ec.europa.eu/doclib/docs/2011/january/tradoc_147429.pdf

[15] Official statistics of the total population of Chinese citizens resident in Zimbabwe are hard to come by. However unofficial sources have estimated a population of 20,000 to 25,000.

fields. In addition, the China International Mining Group (CIMG) is interested in investing US $21.2 million in the Bindura Nickel Cooperation, a company that had ceased operations due to operational challenges. (The Financial Gazette (Zimbabwe), 2012, July 18). The Sino-Zimbabwe Private limited company, with its subsidiaries Sino-Zimbabwe Cement Company and Sino-Zimbabwe Diamond Limited, which specialises in mining, cotton ginning and spinning as well as cement manufacturing, has invested significantly in Zimbabwe through various ventures. It is also reported that, in 2011 alone, Zimbabwe signed agreements to the tune of US $700 million with Chinese investors having an interest in mineral extraction and beneficiation.[16] Additionally, the China Development Bank is reported to be keen to invest US $10 billion in Zimbabwe's mining and agricultural sectors.[17] However, although other investments have been promised and/or commissioned, for example the Hwange power station expansion project, Chinese investments are still mainly in the mining sector. This can be linked to the Asian country's desire to find raw materials for its ever-growing industry; to achieve maximum gain from these transactions, they do not actively encourage value-adding processes. In this regard, Zimbabwe could have unwittingly given itself to a player in the new scramble for Africa's resources, one which is determined to get minerals at any available opportunity. There is, therefore, a requirement for Zimbabwe to balance the need for a diplomatic partner in the international system and the needs of its own population.

In terms of infrastructural development, the Zimbabwean government has not leveraged enough financial resources in the form of credit lines from China. The hope is that loans, even of a concessionary nature could be negotiated and channelled to the country's railway and road infrastructure, using the country's natural resources as collateral. Nothing significant has been done in irrigation development in the newly resettled areas, either. Most of what has been said about infrastructure is in the form of promises and memoranda of agreement. For example, China's new ambassador to Zimbabwe, Mr. Lin Lin, promised that China would invest billions of dollars in revamping Zimbabwe's deteriorating infrastructure, but such promises cannot

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[16] Source: http://www.miningreview.com/node/20209 Beneficiation refers to the processing and transformation of raw mineral ore so that it can be sold at higher price than in its raw state.

[17] http://www.thezimbabwean.com/business-4371-zim%20%20eyesUS$10bln%20Chinese%20 investment/business.aspx

be depended upon.[18] More needs to be done in other sectors and the Zimbabwean government should show policy discipline in this regard. For example, for land reform to be effective, the Chinese should not just invest in mining but also avail loans for dam construction and general irrigation development as well as training and other support. Zimbabwe should also direct Chinese attention towards the deteriorating water and electricity supply situation in the country, so that adequate resources are channelled to those areas. The much anticipated Kunzvi dam project, that would ease the water shortages of Harare, Ruwa, Chitungwiza and Norton, has not yet taken off; hence, it will be critical for the government of Zimbabwe to direct Chinese construction firms' attention to such vital projects. However, all these measures depend on the Zimbabwean government's priorities.

Diplomatic and Military Relations

Besides issues of investment, trade and infrastructural development, the other important area in which Zimbabwe has benefited from its relations with China is diplomatic support and military cooperation. For a country that has been isolated by its former allies, diplomatic support at the UN and other intergovernmental organisations from a new ally is critical. China and Russia shielded Zimbabwe from being *slapped* with general sanctions by the UN Security Council on 12 July 2008 after the violent crackdown on, mainly, Movement for Democratic Change led by Tsvangirai supporters by ZANU-PF supporters and state security agencies prior to the 27 June 2008 run-off election. In this way, Zimbabwe benefited both from its intensified relations with China as a result of the LEP and from the power struggles that have characterised the UN Security Council for some time. This power struggle has once again been seen in the ongoing crisis in Syria in which China and Russia have again vetoed a draft sanctions resolution, against the Assad regime.

China's non-interference policy, which is premised on respect for the sovereignty of independent countries and the equality of states in the international system, is directly mirrored by Zimbabwe's foreign policy principles, which aim to advance the same ideals. China itself is not a democratic country by western liberal democratic standards, and neither is Zimbabwe. This congruence in domestic and foreign policy automatically created the basis for mutual cooperation and support at all levels.

18   http://www.zimdiaspora.com/index.php?option=com_content&view=article&id=9266:china-to-spend-billions-revamping-zimbabwe-infrastructure&catid=38:travel-tips&Itemid=18

Zimbabwe has also benefited from China's position as a 'Third World' country which, in its efforts to strengthen South-South cooperation, defends the rights of other developing countries. However, mention should also be made of China's desire to maintain friendly relations with African countries that provide raw materials for its industries. Hence, China-Zimbabwe relations can be analysed at the level of ideals/values on the one hand and commercial interests on the other.

In the military sector, the western isolation of Zimbabwe meant the country could no longer access military hardware and aid from its traditional suppliers. As has been discussed before, China-Zimbabwe military relations started in the twilight days of the liberation struggle when ZANU-PF was assisted by the Chinese with training and weapons. Building upon these relations, China and Zimbabwe have increased their military cooperation in the sanctions era. As military relations are part of the LEP, Zimbabwe has purchased a sizeable number of fighter jets, military vehicles and other equipment from China (FES, 2004). In 2011, Zimbabwe is reported to have purchased 20,000 AK47 rifles, 21,000 pairs of handcuffs and 12-15 military trucks from China.[19] Giving evidence on China's role in assisting Zimbabwe to evade the effect of sanctions in the military sector, the Commander of the Zimbabwe Defence Forces (ZDF), General Chiwenga commented:

> Indeed, it is with no doubt that, without the help from the (Chinese) People's Liberation Army, the challenges for the ZDF could have been harder to overcome... We sincerely acknowledge the pivotal role being played by the People's Liberation Army instructors at the Zimbabwe Staff College and we hope this will be extended to other future programmes of mutual interest between the two defence forces. (Herald reporter, May 29, 2011)

The role that China has played in improving or maintaining the efficiency of the ZDF cannot be underestimated, especially at a time when Zimbabwe had been isolated. In 2008, at the height of the crisis in Zimbabwe, China dispatched a ship with containers loaded with weapons; however, the container was denied access to the port of Durban in South Africa.[20] It is believed that the ship was finally given access to unload in Angola. This development reflected the normal trend in China-Zimbabwe relations and was again premised on China's non-interference policy.

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[19]   http://www.thezimbabwean.co.uk/news/zimbabwe/54603/zimbabwe-takes-delivery-of-20000.html
[20]   http://www.nytimes.com /2008/04/19/world/africa/19zimbabwe.html

Another dimension of this relationship could be a Chinese desire to further profit from its military sales to African countries that are estranged from the West. This falls within the realm of the military-industrial complex that continues to gain momentum in most developed countries.

However, despite the cynicism that has surrounded Zimbabwe's military ties with the East, it is normal for any country to defend and protect itself in an anarchic international system, let alone in an age in which that country has been punished by other members of the international community.

The Future of China-Zimbabwe Relations in a Changing Environment

China's relations with Zimbabwe are a microcosmic picture of China-Africa relations. China's emphasis on a policy of non-interference in the domestic affairs of African states, its hunger for raw materials in the form of minerals, energy and agricultural products, and a desire for markets for its industrial products all characterise Zimbabwe-China relations and, by extension, China-Africa relations. One factor that has defined Chinese relations with Africa that is absent in the China-Zimbabwe matrix is oil. This explains why the relationship is mainly tilted towards other minerals and tobacco.

The future of Zimbabwe-China relations is heavily dependent on Zimbabwe's political situation. The current state of political affairs in the country, in which three political parties are in government, does not serve the China-Zimbabwe partnership well.[21] From a business point of view, the Chinese would prefer a ZANU-PF government running the affairs of the state. This allows the two parties to hammer out deals without the interference of the other two partners. In this context, China can effectively cash-in on the desperation of a ZANU-PF regime scrounging for friendship. In the current GNU era in Zimbabwe, however, the government controlled media has played a critical role publicising the historic and important role China has played in Zimbabwe's economic and political spheres. In this context, ZANU-PF, through various fora, has continued to sensationalise Zimbabwe's relationship with

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[21]   The presence of other political parties as part of Zimbabwe's government has also brought a diversity of interests in the coalition. Focusing on enhancing investment and trading ties with China may not be too appealing to the MDC-T which views China as an ally in ZANU-PF's drive to hold on to power. From the MDCs perspective enhanced ties with the USA and Europe should be vigorously pursued.

China.

If ZANU-PF wins the 2013 elections,[22] the stage will be set for even greater cooperation between the two countries. The West will not quickly trust a ZANU-PF regime they have accused of all sorts of barbarism, but will remain half-hearted in their cooperation with Zimbabwe. In an attempt to prove the suitability of China as an effective replacement for the West, ZANU-PF might lobby for even more cooperation with the Chinese. In this context, the Chinese could deploy powerful private and public sector corporations to fully exploit the available opportunities.

Problems could surface if an MDC-T government gets into power in the next elections. Since the MDC-T's political and economic ideology is neoliberal in outlook, this could lead to closer association with the West than with China. The Chinese Communist Party is viewed by the West as a dictatorial party that does not respect human rights. In order to strengthen relations with the West, an MDC-T government might reduce its level of cooperation with an undemocratic China. Furthermore, since the takeover of government by the MDC-T is likely to be treated as the dawn of democracy in the country, Zimbabwe might join the AGOA as soon as possible. This will certainly neutralise the level of cooperation between the two countries.

Additionally, the MDC-T and the other MDC have made it clear that the East is not the only direction in which to look; rather, all sources deserve equal attention in order to attract foreign direct investment and partnerships. This could mean gradual reduction of relations with the Chinese and renewed relations with the West. Additionally, it could spell disaster for the growing class of Chinese entrepreneurs in Zimbabwe. These are the people who bring virtually all small Chinese merchandise into Zimbabwe and there is a certain level of resentment against these entrepreneurs by the indigenous small business owners, whose ventures are under threat. The indigenous business people could become a powerful voice in a post-ZANU-PF era, and this could threaten the Chinese in Zimbabwe.

However, from another perspective, China's importance to Zimbabwe's future cannot be defined by a change of government in the latter. An MDC-T government

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[22]   The 'Ifs' have been used to indicated the possibility of either a ZANU PF or an MDC victory in the 2013 elections.

might strengthen business relations with Chinese firms, especially in the technology and infrastructural development sector. China, as the second biggest economy in the world, could provide a host of opportunities to an MDC-T regime seeking to make an immediate impact economically. Instead of *chickening out* of Zimbabwe, China could increase investment in infrastructural development and increase its level of cooperation with Zimbabwe under FOCAC. The strength of the China-Zimbabwe relationship will, however, depend on the ability of an MDC-T government to negotiate fair business terms and to provide security for Chinese investments in the country. It will also depend on Chinese willingness to diversify their operations from raw mineral extraction to value addition, so as to create employment. Employment creation has been put forward by the MDC-T as its main objective; hence, China would do well if it initiates projects that are pursuant to this goal.

However, China's engagement with Zimbabwe will continue to exhibit signs of a dependency relationship on one hand as China continues to search for raw materials and markets for its products. On the other hand, the Chinese might, basing on Zimbabwe's priorities, help with infrastructural development through making loans and technical expertise available in the areas where they are needed most.

Conclusion

As China continues to grow economically, the need for raw materials to feed its booming industries is growing. This has necessitated the deployment of powerful mechanisms to attract the attention of Third World countries. In the foregoing discussion, Africa-China relations have been reviewed with a particular focus on Zimbabwe. The overall picture that is emerging in Africa-China relations shows the Chinese as a partner willing to establish relations on an equal basis with fellow Third World countries. It also shows Africa's appreciation of the Chinese role in the development of the continent. Through FOCAC and related fora, China and Africa have continued to seek ways of cooperation in various fields. However, it is China's role in helping Zimbabwe to evade sanctions that has been the main focus of this paper.

It is not an overstatement to say that China has effectively helped Zimbabwe at a time when its traditional trade and diplomatic partners imposed various forms of restrictions on the country. Mention should be made of the importance of Zimbabwe's

LEP, which encouraged the Chinese to intensify relations with Zimbabwe during the sanctions era.

The paper has shown that China provided diplomatic support for Zimbabwe at the UN, as shown by its veto against a Western-backed sanctions resolution in 2008. China has also mobilised its state-owned and private sector companies to invest in Zimbabwe's mining, construction and manufacturing sectors. Additionally, various memoranda of understanding have been signed by the two governments with regards to infrastructural repair and development in different sectors in Zimbabwe, including energy, road and railway networks, and water services. Furthermore, at a time when the Western community had branded Zimbabwe an unsafe tourist destination, China gave Zimbabwe preferred destination status. In the military sector, Zimbabwe experienced, and could still be experiencing, difficulties in purchasing military hardware from the West as it used to do. China provided and has continued to provide an alternative source of weapons and uniforms in addition to military expertise from the Chinese People's Liberation Army.

It is, however, important to note that, although Zimbabwe has portrayed a sensational picture with regards to its relations with China, the latter could be exploiting the relationship for its own benefit. This pessimism arises from the fact that China has not been actively encouraging the addition of value to extracted minerals, but would rather send them home in their raw state. This state of affairs has been witnessed in the diamond and nickel sectors. Value addition with the help of the Chinese could create a significant number of jobs for Zimbabweans.

In the area of governance, China has implemented its non-interference policy and has, therefore, not done much to influence policy change in Zimbabwe. Though the human rights situation has slightly improved because of the GNU, as Zimbabwe's main diplomatic partner, China could have done much to change the negative human rights situation in the country. However, this could be challenging for the Asian country since its human rights record is more or less similar to Zimbabwe's.

It is also the position of this paper that a change of government in Zimbabwe could have both positive and negative repercussions for the China-Zimbabwe relationship. An MDC-T government might choose to reduce its relations with a Chinese government that propped up a ZANU-PF regime blamed for violence and murder.

In this case, Zimbabwe could be allowed to join USA's AGOA, though China might increase incentives through FOCAC in order to maintain relations with the new government.

In summary, China has proven to be an effective diplomatic and economic partner to countries under sanctions. The country's relationship with Zimbabwe bears testimony to this contention. It should also be noted that, whereas China has been using these strong ties to find sources of raw materials and markets that will help in its rapid industrialisation process, Zimbabwe has not come up with an effective policy framework that directs Chinese investments to strategic sectors

Recommendations

Despite some obvious downsides of the China-Zimbabwe relationship, it is worth mentioning that there exist huge opportunities for future relations between the two countries in all critical sectors. However, an improvement can only be realised through the implementation of various measures by both sides to ensure that the relationship benefits both parties. Developments in the China-Zimbabwe relationship could also help in the redefinition of China-Africa relations at large. The following recommendations could be useful in improving the China-Zimbabwe partnership to a level at which mutual gains can be realised:

- China should continue availing 'concessionary' loans for infrastructural development in Zimbabwe;
- Both China and Zimbabwe should take the issue of adding value to extracted minerals seriously since it aids in employment creation;
- There is a need for China to increase the rate of appropriate technology transfer to Zimbabwe in order to speed up socio-economic development;
- The Chinese government should temper their non-interference policy in situations that call for action. China should caution countries that continue to trample upon their citizens' human rights – this applies to Zimbabwe as well as to other African states;
- The Zimbabwean government should negotiate with China on the quantity of goods that should be allowed into the country without having serious repercussions on indigenous businesses. Effective negotiation is also needed

in impressing upon the Chinese the need to have investments and ventures that help the Zimbabwean people in the long run. The Zimbabwean government should not negotiate from a desperate position; neither should the Chinese exploit the desperation of the Zimbabwean government.

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SECTION III

China-Africa Political and Economic Relations: Cases from Eastern, Southern and West Africa

Analysing China's Contribution to Peace in the North and South Sudan Conflict: Pre and Post Comprehensive Peace Agreement (CPA)

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Introduction

Civil war plagued Sudan since independence from Britain on January 1, 1956. Post-independence, apart from a period of ten years, from 1973 until 1983, relations between the North and South continued to be conflicted until the Comprehensive Peace Agreement (CPA) was signed between the Government of Sudan and the Sudan People's Liberation Movement/Army (SPLM/A) in January 2005 (Chr. Michelsen Institute/CMI, 2011).

During the 22-year civil war, more than two million people died, four million were uprooted, and some 600,000 sought shelter beyond Sudan's borders as refugees. The root causes, which fuelled the civil war, included disputes over resources and power; religious imposition from the north; identity, ethnicity and unmet demand for self-determination. Sudan's problems had frequently overflowed into neighbouring countries and brought insecurity to the whole region. Attempts were made by external actors, such as neighbouring states, concerned donors and the international community, to bring the conflict to an end. However, the immense complexities of the war, and the lack of political will, prevented an easy solution. In 1993, the Heads of State of the Intergovernmental Authority on Drought and Development (IGADD)[1] became involved in a new initiative to bring the parties together. This was the start of the long process that led to the signing of the Comprehensive Peace Agreement in 2005. The United Nations closely followed, and supported, this regional peace initiative - under the auspices of the Inter-Governmental Authority on Development (IGAD) (Chr. Michelsen Institute/CMI, 2011).

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[1] The initial objective of IGADD was to tackle drought and desertification in the sub-region in a cooperative manner. But, insecurity continued to challenge economic, social and political developments, IGADD member states decided to confront these problems collectively, which led them to extend the mandate of the organization to include political and humanitarian division. Following this, the organization changed its name to Inter- governmental Authority on Development (IGAD) on 21 March 1996 at the second Extra Ordinary Summit in Nairobi through an agreement reached by the Heads of state and government (Terlinden, 2004).

In March 2005, UN Security Council Resolution 1590 authorised the United Nations Mission in Sudan (UNMIS) to support the implementation of the 2005 CPA, which ended the civil war (UN Mission in Sudan/UNMIS, 2011). Even though it was hoped that the secession of conflict in Southern Sudan would bring relative peace to both countries, there are continued concerns that need to be addressed, regarding security, currency, borders, and resources.

This study examines China's engagement with, and its contribution to, peaceful resolution of the North - South Sudan conflict prior to, during, and after implementation of the Comprehensive Peace Agreement (CPA). This study also analyses the prospect of China assisting in the consolidation of peace between the two Sudans. To this end, the study will interrogate China's strategic cooperation with Sudan – with regards to politics, the economy, and the military – and the contested interpretation of its principle of non-interference. Primary and secondary data sources were utilised.

China's Engagement in Sudan prior to the CPA Period

China became Sudan's most significant international ally in the 1990s, following Khartoum's isolation from the international community over its alleged support of Islamic fundamentalism and international terrorism - as well as human rights violations in the southern part of the country. Khartoum turned to China as a direct consequence of the United States' unilateral embargo on Sudan in 1997, which prohibited US and other Western oil companies from operating there (Sanders, 2012; International Crisis Group, 4 April 2012). Even before this sanction, due to the hostile working environment, the US oil giant Chevron and the French oil company Total - as well as oil companies from Canada, Austria and Sweden – had sold their rights and pulled out of Sudan. Meanwhile, China, Malaysia and India continued to strengthen their relationships with the country to accelerate oil exploration for mutual benefit (Attree, 2012; Sanders, 2012).

Sudan's move towards China was also associated with the international community's condemnation of Sudan's hard line Islamist government and its alleged backing of Saddam Hussein during the 1991 Gulf War. Sudan had difficult relationships with the IMF and the World Bank, and the attempted assassination of the Egyptian President in June 1995 in Addis Ababa by Sudanese security elements, further contributed to Sudan's regional isolation in the Middle East thereby reinforced the National Islamic

Front's (NIF's)[2] need to turn to China (Large, 2008).

Thus, one can easily see that these deteriorating relationships with the West, not to mention its untapped economic potential, rendered Sudan a strong investment opportunity for China.

Subsequent to Sudan's disassociation with the West, China established close political, economic and military relations with the Government of Sudan, both during the second phase of the civil war (1983-2005) and during the CPA period. In this regard Daniel Large stated:

> Beijing's strong relations with Khartoum came to be manifested in government-to-government relations (with close ties between senior leaders and different branches of government), party-to-party co-operation between the Communist Party of China (CPC) and the NCP (involving "rituals of rhetorical solidarity, and occasional gestures of more active support"), military co-operation (including capacity development and the sale of arms), and state-directed industrial–commercial engagement (between Chinese state-owned enterprises, the NCP and a number of Sudanese ministries). (Large cited in Attree, 2012, p.16).

China's strategic cooperation with the Sudanese government, with regards to politics, the economy, and the military - as well as its principle of non-interference prior to the CPA period - is discussed below.

Political Dimension

Sudan was one of few countries in Africa to recognize the People's Republic of China (PRC) in 1959 (Small Arms Survey, 2007). Following this, China and Sudan have maintained a relatively long and positive relationship, especially in political aspects.

From the early 1990s, the China–Sudan relationship flourished within an established framework of high-level ties between key political leaders in the governments and parties of both China and Sudan. In this way the Chinese government cultivated

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[2]   From 1989 until mid of 1990s, the National Islamic Front (NIF), which supported president Omar al-Bashir to assume power in a coup in 1989, was the ruling party in Sudan. After years of power struggle between president Omar al-Bashir and the religious head Hassan al-Turabi, the latter was removed from his positions of power and sent to prison. Hereafter, the NIF has been replaced by the National Congress Party (NCP) which is now in control of the government (Collins, 2008).

effective, close political relationships with Sudan's ruling leadership. From the time of Jiang Zemin (1993) to the deepening of ties under Hu Jintao, China's political relations had been directed by senior leaders and were supported by the different branches of government. In other words, governmental relations were structured into official cooperation channels of the Joint Sudanese-Chinese Ministerial Committee, under the leadership of senior political elites from the two countries (Large, 2009).

Another aspect of political cooperation occurred on a party to party basis, between the Chinese Communist Party (CCP) and the National Congress Party (NCP). This involves rituals of rhetorical solidarity and more active expressions of support by the CCP for the NCP. The NCP reciprocated through support for Beijing's One China Policy (Large, 2009). In order to cement this close friendship, Sudan's ruling party signed a political cooperation agreement with the CCP in 2003 (Small Arms Survey, 2007). There were also exchange visits by state officials of the two countries, including the first visit by President Bashir to Beijing—in November 1990—considered an important foundation for party to party and government to government relations between China and Sudan (Large, 2009).

As Attree (2012) explained, China's strong alliance with Sudan was reflected in the argument that China defended the conflict in Sudan as internal to the country, which did not cause threat to regional or international peace. As internal matters was outside of the mandate of the UNSC, China had repeatedly used, as well as threatened to use, its veto power in Security Council, which significantly resulted watering down of draft resolutions for sanctions and arms embargoes.

Economic Dimension

Since the 1990s, oil has been at the heart of trade relations between Sudan and China. Sudan has been one of China's largest oil suppliers, and largest recipients of Chinese foreign direct investment in Africa. China's significant investment has made an important contribution to the construction and expansion of the Sudanese oil industry. As the result of the strong economic relationship between the two countries, China cancelled 63% of Sudan's US$67.3 million debt in 2001 and it cancelled more US$70 million in 2007. It also provided a US$13 million interest-free loan so Sudan could construct a new presidential palace (Attree, 2012). China had also developed much of Sudan's infrastructure and Chinese companies are more involved in Sudan's

agriculture, mining, pharmaceuticals and education sectors (Save Darfur, 2007).

As Large (2009) says, Sudan was targeted by China as a friendly and resource-rich state, which could provide a long-term overseas oil supply base and an arena to facilitate the global development of Chinese corporations. In this way Sudan was a model site of engagement for China in Africa, even before the expansion of its relations with the continent after 2000. However, economic relations between the two countries had been asymmetrical, in summary; China's importance to Sudan far exceeded Sudan's importance to China.

Nonetheless, despite China's diplomatic and economic efforts, it's support of Khartoum during the war led to the perception in South Sudan that:

> Beijing had underwritten an autocratic regime, helped facilitate the devastation and economic exploitation of the South, and aided in preserving the country's fundamental centre-periphery problem (Sanders, 2012, p. 4).

Military Cooperation

Military cooperation and arms supplies constituted a significant area of state links between China and Sudan (Large, 2009). Attree (2012) noted that China has been a prominent supplier of arms to Sudan since 1971, especially during the civil war. This has included anti-personnel and anti-tank mines, ammunition, tanks, helicopters and fighter aircraft. He further stated that China supplied 72% of the Small Arms and Light Weapons (SALW) to the government of Sudan between 2001 and 2008. Another facet of Chinese military cooperation in Sudan has been the assistance of Chinese companies for the building of at least three weapons factories outside of Khartoum.

During the 1990s, control of oil-producing areas and exploitation of oil became critically important to Khartoum, enabling it to generate funds and acquire arms to consolidate its power and wage war against rebel groups, such as SPLM/A (Attree, 2012). Condon (2012) points out that most of the income generated from oil sales was spent on acquiring and manufacturing arms. In spite of a United Nations Security Council arms embargo, Sudan bought $100 million worth of aircraft and small arms from China between 1996 and 2003.

China's cooperation with the government of Khartoum was unwaveringly associated among Southerners with forced displacement, social devastation, and gross human

rights violations (International Crisis Group, 4 April 2012). This is the reason why China's support of the Sudanese government was repeatedly criticised by local and international civil society organisations. A civil society activist in Central Equatoria State said: "During the war the Government in Khartoum decided to make use of oil in the South, using that method of clearing inhabitants by force. China came in full swing in support of that" (Attree, 2012, p. 31). Another civil society activist in Unity State said: "When the Government tried to clear the oil passage the Government ethnically cleansed people so that the Chinese companies could come later. That was done because of the Chinese interests" (Ibid, p. 32).

It is clear that China's strategic interest in Sudanese oil fostered its political, economic and military cooperation with Khartoum – which, in turn, consolidated and expanded the Sudanese government's resource base, strengthening its political and military foundations, and the power of the ruling party. This helped to perpetuate the North-South civil war (1983-2005).

China's Principle of Non-Interference and Sudan
The five principles of Peaceful Coexistence policy, which includes mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence have been serving as a cornerstone to guide China's foreign policy since the First Afro-Asian Conference in Bandung, Indonesia, in 1955 (Wenping, 2010). This study focuses only on the principle of non-interference.

China's non-interference[3] approach reflects one of the most important principles of international relations. Its purpose was to increase understanding and friendship, while seeking the trust and cooperation of friendly political parties and organisations in African countries (Osakwe, 2012). Chinese officials and academics believe that through non-interference China is able to maintain stable relations with foreign governments, and ensure that economic cooperation is unaffected by political change. Non-interference meant that China did not openly engage in political issues during the conflict. However, Campbell (2012) says that although formal non-interference in the internal affairs of other countries may help ensure the stability of bilateral

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[3] The essence of the principle of non-interference is the right of every sovereign state to conduct its affairs without outside interference. The principle forbids all states or group of states to intervene directly or indirectly in the internal or external matters of other states (Wood, 2007).

relations, it is no guarantee of internal stability in countries at risk from conflict.

During the second phase of Sudan's civil war, which was between 1983 and 2005, the principle of non-interference was a *cardinal motto* for China, dictating the nature of its strategic partnership with Khartoum (Large, 2009). However, this approach did have implications for peace. Proponents of the policy argued that through adherence to this principle, China did not exacerbate the conflict, as "non-interference is inherently peaceful" (Saferworld, 2011). The Chinese government claimed that official ties between China and Sudan developed through a framework of state-to state-relations—based on principles of non-interference, and mutual respect and benefit. The government of Sudan appreciated these principles and regarded them as evidence that China was its true friend (Large, 2008).

In contrast, critics of the policy, including the SPLM, interpreted non-interference as interference through support for the Sudan regime (Large, 2009). According to Philip Aguer,[4] this policy revealed the Chinese government's indifference to the issues being advocated by the SPLM/A. Large (2012) stated that China's military assistance to Khartoum after 1989, and the militarisation of oil development during the 1990s, meant that many in Southern Sudan regarded China's wartime role as a form of active partisan interference. Although China claimed it maintained a strict policy of non-interference in Sudan's internal affairs, the relationship between the two governments was increasingly conveyed in rhetoric which masked the pursuit of hard, realist interests. And this, in turn, obstructed China's ability to contribute to peace in Sudan.

As discussed above, oil development during the 1990s was inextricably linked to the armed conflict in Sudan. Crucial to the Sudanese government, the oil sector was repeatedly targeted by the SPLA and other groups. In January 2000, for example, the government reportedly lost around US$1 million in revenue every two hours, from the bomb-damaged the Greater Nile Petroleum Operating Company (GNPOC) pipeline. Oil development became militarised, and it influenced conflict patterns on the ground and exacerbated civilian suffering. As such, oil companies became partners with the state in pursuing their security advantages around the oil fields (ibid).

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4   Par- time lecturer at the University of Juba (Interview, 24-08-2012).

Xiao Yuhua[5] argued that the principle of non-interference prohibited China from dealing with non-state actors, including the SPLM/A since Sudan was considered a single political entity. This led to Beijing's failure to acknowledge the full nature of the conflict politics in Sudan. The policy also provoked the SPLM/A to struggle against Chinese interest in Sudan.[6]

Thus, one can argue that China's exclusive strategic engagement with the Government of Sudan, underwritten by the principle of non-interference, helped to prevent lasting peace between the Government of Sudan and the SPLM/A. China's strong relationship with Sudan—economically, militarily and politically—also provided the Sudanese Government with the support much needed to prolong the civil war with the SPLM/A. This, in effect, made peace elusive for several years.

China's Engagement in Sudan during the CPA Period

The nature of Chinese engagement in Sudan during the CPA period was complex. It flowed primarily from its existing relationship with Khartoum but also came to feature important new relations with the Government of South Sudan, which signed the peace agreement (Large, 2012). China's evolving relations entailed a realignment of its strategic engagement in Sudan, in light of existing historical entanglements with the Khartoum regime and in order to accommodate the dynamic political contingencies developing in the south. This realignment progressed through various distinct stages.

China played a minimal role in the negotiations that led to the CPA but later became a de facto CPA guarantor, after observing its signing on 9 January 2005 (Large, 2012). In the early days of the CPA period, still overshadowed by its existing relations with Khartoum, China continued to enjoy a strong relationship with Sudan. While pursuing its strategic political and economic engagement with Khartoum, China lent its support to the *One Sudan* policy (Interview with Philip Aguer, 24-08-2012).

Nevertheless, cognisant of the dynamic political change in the offing, China later appeared to fundamentally recalibrate its engagement—especially with the South. This was especially evident in its recognition of the SPLM/A as a potent and crucial

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5   A Chinese researcher based in Ethiopia (interview, 28-08-2012)

6   The SPLM launched several attacks against the oil industry, in which the Chinese maintained major concessions. Interview with Col. Philip Aguer, 21-08-2012.

Sudanese political agency worth engaging with. The initial engagement between China and the SPLM was, however, framed by the two-parties-in-one-country policy, created by the CPA (Large, 2011).

Later, as the days of the CPA progressed, rapprochement between China and the SPLM/A began to quickly develop (Attree, 2012). More importantly, as the likelihood of Southern secession loomed large, China deepened its new ties with the Government of South Sudan (GoSS) and acted to reinforce its interests—guided by the realisation that the majority of Sudan's oil lay in South Sudan, in areas under GoSS control.

The rapprochement was evident by high-level exchange visits, beginning in 2005; the signing of a friendship agreement; and the opening of a Chinese Consulate in Juba, also in 2005 (Attree, 2012). More importantly, the state visit to China by Salva Kiir Mayardit, the President of South Sudan, was an important marker of the growing rapprochement between Beijing and the SPLM/A (Large, 2011). At this time China's strategic involvement in Sudan showcased a pragmatic balancing act between Khartoum and Juba, which pursued a dual track of nurturing Beijing's existing friendship with Khartoum while cultivating a new one with the South.

China's contribution to peace in Sudan during the CPA period is largely contested—as, notwithstanding, there were several instances of conflict that pitted the armies of GoS and GoSS. On a more conceptual basis, China downplays the oft repeated claim that its contribution was inadequate, by pointing to its unique perspective of how peace could be attained. Kuo (2012) explains that so-called 'Chinese peace' emphasises economic development, led by infrastructure construction, poverty alleviation, and stable governance. This is quite unlike *Western* liberal peace–with its focus on good governance, free markets and protection of individual rights. China defends its policy in Sudan during this period by highlighting its preference for multilateral pursuit of dispute resolution, and its emphasis on the Sudanese finding solutions to their own conflicts (Large, 2012).

Critics of China's policy, on the other hand, argue that it played a minimal role in resolving the disputes that threatened the peaceful transition envisaged by the CPA. Large is one such critic. He said that China's role was more or less limited to pledging "rhetoric support to peace" (Large, 2012) between the GoS and the SPLM/A. This

was not adequately translated into Chinese influence for the consolidation of peace between the NCP-led GoS and the SPLM/A. On the contrary, beyond the usual expression of concern, Beijing played a minimal role in averting crisis situations in Sudan—apparently reluctant to go against its non-interference principle by applying different forms of practical politics involving direct, public-diplomatic role (Ibid).

All things considered, albeit practical attempts of rapprochement, one can conclude that China's historic support of Sudan and its advocacy of a one Sudan policy, might have undermined a more robust role for Beijing in the peace agenda for the area during the CPA period.

Post-2011 China's Engagement in Sudan and South Sudan

Strategic interest-based considerations continue to steer China's engagement in Sudan and South Sudan, in the wake of the historic 2011 referendum. Following the referendum, China became one of the first countries to recognise the independence of South Sudan and took further steps to cement its ties with the new nation. In early 2012, Beijing expressed its interest in loaning South Sudan US$8 billion for infrastructure development (Sudan Tribune, 2012). China's growing engagement is also demonstrated through the increasing number of Chinese businesses in South Sudan. In light of its concession in the oil industry, and the prospect of untapped investment opportunities in infrastructure development, it appears that economic motives are largely guiding Beijing's emerging relations with South Sudan.

Beijing has also maintained its relationship with the GoS, albeit through a slightly reduced level of new Chinese investment.[7] Given its existing investment in Sudan's oil industry, China continued political and diplomatic support in the face of mounting pressure from the West and is still considered Khartoum's main ally.

In the post-independence era, the contribution of Chinese strategic involvement in resolving the on-going dispute between Juba and Khartoum remains contested. There are those who believe that China, as a country which "trades with both sides and a big loser from a renewed conflict" (The Economist, 2012), could have played a greater role in resolving the dispute between Khartoum and Juba. Aguer[8] argues

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[7]   An example of the reduced level of Chinese investment in Sudan is Beijing's refusal to fund agricultural projects in Sudan for lack of oil collateral. See Sudan Tribune (2012).

[8]   Interview, 24-08-2012

that China's role in mediating the two Sudans was minimal, largely because of its pragmatic and self-interest-based considerations which guided its foreign policy. Instead of playing a more active and visible mediating role, China's assumed a wait and see approach, while issuing statements urging Khartoum and Juba to settle their differences through negotiation (Sudan Tribune, 2012).

Others argue that China is doing its *level best* to diffuse the dispute between Juba and Khartoum. According to a Sudanese diplomat,[9] based in Addis Ababa, Ethiopia, the Chinese managed to persuade the two sides to give up the military option and come to the negotiation table. In his opinion the Chinese are unable to do much more, as the political will to reach a deal does not lie in their hands but rather with the governments of Sudan and South Sudan. This view is echoed by Xiao Yuhua, who said that China cannot be a good mediator because of its history between the two Sudans, and its lack of experience in resolving African conflicts. In his opinion, neither its diplomatic offices nor its companies are best placed to mediate between the two sides.[10] According to Xiao Yuhua, African-led mediation is the best option.

China's Strategic Engagement in the Two Sudans: Prospects for Peace and Security

As explained in the previous sections, China is hampered from playing a more direct role in the resolution of conflict between the two neighbouring states—because of the legacy of its policy of non-interference; its previous support for the one Sudan policy; and its lack of experience in mediating African conflicts.

Nonetheless, due to its vested economic interests in both Sudans; its permanent membership of the UNSC; and its growing global political influence, China's contribution to peace and stability between the two conflicting neighbours remains indispensable. However, it relies on the following elements.

China is currently well placed to positively influence events and processes aimed at achieving good relations between the new neighbours. Breaking tradition with its previous history, China should now embrace a balanced approach (Bradhsaw, 2012) in dealing with and cultivating state-to-state relationship between Sudan and South

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[9]   Interview, 28-08-2012
[10]   Interview, 28-08-2012

Sudan.

Negotiation remains the best way for the two parties to settle their differences. In order to make the process fruitful, international actors who have the leverage to move the parties towards an agreement and the resources to help implement it, must throw their weight in a concerted manner behind the African Union High-Level Implementation Panel (AUHIP). Moreover, the coordinated influence of the United States and China, coupled with the UNSC and the African Union Peace and Security Council, is crucial to this end (Hsiao, 2012). In addition to strengthening its existing support to the African Union (AU), China should also work with other sub-regional bodies, such as the Intergovernmental Authority on Development (IGAD), in their efforts to deal with the conflict between the two Sudans.

To avoid serious problems, associated with the conflict dynamics in and between Sudan and South Sudan, China should help to bring the two sides closer together – and encourage them to adopt new approaches aimed at enhancing security and more active political engagement in support of peace (Attree, 2012). To do this, China could make effective use of the good offices of its Special Representative for African Affairs.

China can also make a meaningful contribution by focusing on infrastructure development, which would be beneficial to both communities on either side of the border. This would include the construction of pipelines, railways and interstate roads. China should also work to strengthen community development projects, in order to stimulate the local economy and provide employment opportunities in both Sudans.

Chinese oil exploration should be connected to economic recovery and social responsibility in communities residing in both Sudans as failure to make this connection would exacerbate existing crises at the grassroots level, as in the case of the Niger Delta. In other words, China should maximise the conflict sensitivity[11] of its engagement in Sudan and South Sudan, by providing well-tailored, broad-based social and economic benefits, and engaging responsibly with political leaders and communities. This will help to mitigate the political and security risks their

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[11]   Conflict-sensitive community development initiatives can build strong platforms of consultation with communities, which are able to identify ways to respond to the needs of the most vulnerable (Attree, 2012).

companies face on the ground (Attree, 2012). Apart from improving its image in the two Sudans such an approach would help China to enhance the security of its oil interests, and enable it to make a more visible and effective contribution to poverty reduction.

And in order to boost the on-going peace negotiations between Juba and Khartoum, China should live up to its commitment to cover Khartoum's revenue gap,[12] of up to US$3 billion, as part of the AU proposal to end the dispute. China should learn from the pre-2011 situation in Sudan and strike a more nuanced balance between the need to protect its interests overseas against its commitment to the principle of state sovereignty and non-interference. This would better enable China to cope up with the rapidly evolving economic, social and security environment in conflict-prone states in Africa (Campbell, 2012).

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[12] Chinese and other oil companies have agreed to transfer $3.028 billion to Khartoum to plug part of the financing gap resulting from the secession of the South Sudan. See Financial Times cited at Bullfax, (2012).

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Chinese Investment and African Peace and Security: The Case of Ethiopia

Yejoo Kim

Introduction

The emphasis of this paper lies in the potential for Chinese investment to contribute towards African peace and security through addressing the challenges of youth employment, focusing on the case of Ethiopia. The peace and stability of post-conflict Africa has been endangered by an indirect type of threat, that is, high rates of unemployment and, in particular, youth unemployment. As the unemployed become marginalised and alienated from society, they turn to crime in order to survive – often joining gangs or militant groups which, in turn, sabotage foreign investment. These criminal activities scare off foreign investment, and this worsens the unemployment situation. Researchers and policymakers (AU, 2012; Beasley, 2006) regard job creation as one of the most effective means of ensuring long-term peace and stability.

So far as Ethiopia is concerned, it is hoped that increasing Chinese investment will help create more job opportunities for young people. Over the last decade, the strong presence, and investment, of the Chinese has been noticeable in numerous commercial sectors. With this in mind, this research explores the implications of Chinese investment and its potential for resolving the unemployment issue in Ethiopia. There is much debate regarding the impact of Chinese investment, not only in Ethiopia but also across the African continent. China has highlighted the mutual benefits to be reaped from its relationships with African countries, and its approach to bilateral relations and economic cooperation has manifested as a form of expanding its soft power. It is, therefore, appropriate to assess the nature of China's commitment to Africa and the outcome of its engagement with the continent. Thus, the aim of this research is to explore the rhetoric and the reality of Chinese investment in Africa, and its impact on youth unemployment.

This research consists of the following: 1) a brief description of youth unemployment in Ethiopia; 2) the characteristics of Chinese investment; 3) an overview of the main sectors of Chinese investment in Ethiopia and its implications for job creation; and 4) the role of stakeholders in job creation in Ethiopia.

Youth Unemployment in Ethiopia

Youth unemployment is a worldwide problem. In Africa the challenge is far more serious than in the developed world as employment opportunities on the continent have not been able to absorb the increasing number of young people entering the workforce (African Economic Outlook, 2012). Likewise, youth unemployment has become one of the most important social problems facing the Ethiopian government. The government has highlighted the important linkage between economic growth and job creation (Ministry of Labour and Social Affairs [MoLSA], 2009).

There are several reasons for the increasing number of unemployed young people in Ethiopia. Firstly, the demographic change resulting from the high population growth is a significant factor (Human Development Report, 2011). Each agency provides slightly different data but according to UN Department of Economic and Social Affairs Population Division, the annual population growth stands at 2.73% – which is above the average for African countries (Evans, 2012). Ethiopia's population is predominantly young, with about 45% of its population below the age of 15 years (Denu, Tekeste, & van der Deijl, 2005; The World Bank, 2011). Secondly, in accordance with the Millennium Development Goals (MDGs) there have been serious attempts made to improve basic education. However, youth literacy rates remain below 60% in Ethiopia (UNESCO, 2012). So, even though Ethiopia has a large workforce, the quality of applicants is questionable. Lastly, the formal economy has been unable to absorb the large number of unemployed young people youth. As a result there have been a number of riots and militia groups have formed.[1] At times, this discontent manifests itself as antagonism against foreign investors – some, including the Chinese, regard this as a problem for foreign investors. (Mo, Orr & Lu, 2008).

In order to resolve the unemployment issue, the Ethiopian government has taken the initiative and introduced a number of employment creation programmes. The government has also tried to improve productivity by investing in human capital (Broussar & Tekleselassie, 2012). One of the key government efforts in recent years

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[1] Political protests often turned into riots among unemployed young men and there were several anti-government riots (Serneels, 2007). For example, the 2005 anti-government riots resulted in nearly 200 people dead and thousands injured and Mo, Orr & Lu (2008) treat riots as a threat to foreign investments.

has been to expand education coverage with the aim of improving labour productivity, consequently attracting foreign investment (Garcia & Fares, 2008). In addition, the government has tried to improve the labour market institution which will accelerate private sector development and thus increase employment opportunities (MoLSA, 2009). However, more effective instruments are required, and the government has opted to implement market-driven policies at present and shifted its focus to attracting foreign investment – in order to increase job creation. It is beyond the capacity of many African governments to achieve economic growth alone; and it is for this reason that Chinese engagement in Ethiopia is deemed to have the potential to contribute to employment (Gamora, 2009).

Characteristics of Chinese Investment in Ethiopia

Relations between China and Ethiopia can be traced back to 1970, when diplomatic ties were established (Bräutigam & Tang, 2012b). Since then various bilateral arrangements have been set up, such as the Agreement for Economic and Technological Cooperation (1971, 1988 and 2002); the Trade Agreement (1971 and 1976); the Trade Protocol (1984, 1986 and 1988); the Agreement for Trade, Economic and Technological Cooperation (1996); and the Agreement for Mutual Promotion and Protection of Investment (1988). In the beginning these bilateral relationships were restricted to the provision of aid and training.

However, since the early 1990s – when the Ethiopian government introduced its market-oriented economic policy – the scope of the relationships have grown rapidly and Chinese investment has become more visible, especially in the infrastructure and manufacturing sectors. Chinese engagement was especially significant under the Meles Zenawi government. The late Prime Minister paid his first visit to Beijing in 1994 and, since then, several high-level exchanges have taken place (Shinn & Eisenman, 2012: 271). Under his leadership political crackdowns on the opposition during the elections resulted in the West withdrawing support – which made Chinese investment in Ethiopia crucial (Adem, 2012). In 2010, Ethiopia was one of the *top ten* recipients of Chinese investment in Africa – accounting for 2.8% of China's total investment in Africa for that year (Baynton-Glen, 2012).

Its relationship with Ethiopia is also important to China. Firstly, Ethiopia is regarded as a regional hub, and important institutions – such as the African Union – are

located there. This reflects the symbolic position of Ethiopia (Shinn & Eisenman, 2012, p.275). Secondly, the importance of Ethiopia's market cannot be overlooked – because it has a population of 85 million. Furthermore, China can use Ethiopia as a bridge for investment across Africa – by gaining access to regional markets, such as the Common Market for Eastern and Southern Africa (COMESA).

China's approach to Ethiopia is based on a combination of political and economic motives, and China's remarkable economic growth has enhanced its soft power in Africa.[2] Since the 2000s, the Chinese development model has been hailed by many countries that have a thirst for change (Taylor, 2011). China's soft power on the continent has been manifested in the writing off debt; training; sending doctors to work in Africa; and making major investments in the infrastructure, agriculture, and energy sectors. China has highlighted mutual benefits with African partners. In other words, the various types of cooperation have illustrated the potential benefits which Africa can reap. Kurlantzick (2007) states that "…in a short period of time, China appears to have created a systematic, coherent soft power strategy, and a set of power tools to implement that strategy". This approach has been strengthened by the visits of high level officials to host countries in Africa. Also FOCAC has become a banner to strengthen the China-Africa relations (Bräutigam & Tang, 2012a).

However, it should be noted that the nature of Chinese investment has been criticised, particularly in terms of poor working conditions, low wages, inadequate safety measures, and a failure to transfer skills and technology (Herbertson, 2011). It is important to create jobs, however the quality of the jobs created is also important. Even though China has engaged in various types of economic cooperation with Africa, China should note that if the country wants to expand its soft power in the continent, China must realise that the *target* of soft power is not a country or a government but a specific section of a country's population (Fijalkowski, 2012).

It is clear that there is strong Chinese investment in Ethiopia. As Ethiopia's third largest

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[2]   Soft power is a term which was coined by Joseph Nye in the 1990s when the United States encountered "changing the face of power" after the Cold War. According to Nye, power can be obtained through elements such as coercion, payment and attraction. Coercion and payment can be seen as hard power, while attraction is "the core component" of soft power (Fijalkowski, 2012: 96). From the perspective of many African countries in need of development, China's remarkable economic growth is attractive. So is the strong presence of China and its potential to contribute to many Africa countries' economic growth.

investor, there is on-going interaction between Chinese and Ethiopian stakeholders/ actors and the impact of the relations on the economy will be significant for both countries. It is especially important for the Chinese government to understand that soft power can be attained not only through investment but also via the benefits that can accrue to the host country's population. Thus, it is worthwhile assessing the actual impact of the implementation of the Chinese investment commitment in Ethiopia.

Overview of Chinese Investment in Ethiopia

The focus of this section is the three sectors where Chinese investment has been prominent, namely agriculture, construction, and manufacturing. This section also examines the potential for Chinese investment to create jobs. Job creation in these labour-intensive sectors has been encouraged by Ethiopia's national strategy and the promotion of the role of the Chinese investors by the Ethiopian government (MoLSA, 2009).

Agriculture

The agricultural sector is the backbone of the Ethiopian economy and according to Evans (2012) employed 80% of the total labour force in Ethiopia in 2010. About 84% of the population resides in rural areas, agriculture being the major source of livelihood (Dorosh & Schmidt, 2010). The Chinese engagement in the agriculture sector in Ethiopia can be traced back to 1970 (Bräutigam & Tang, 2012b). Since 1998 the China-Ethiopian relationship has become more dynamic, fostered by the South-South Cooperation Programme (1998-2006) and the Forum on China-Africa Cooperation (FOCAC) established in 2000 (Bräutigam & Tang, 2012b). Bräutigam and Tang (2012b) scrutinise China's agricultural and rural development programmes in Ethiopia and details of the various cooperation arrangements are explored. It is clear that a number of young Ethiopians have benefited from these programmes. Agricultural professionals have also been trained by Chinese experts dispatched to Ethiopia. On some occasions Ethiopians have been sent to China for training. Nevertheless, mainly the Chinese side contributed through financing projects, the number of unemployed young people in Ethiopia the impact of this programme was minimal. Despite the numerous programmes supported by China, Adem (2012) notes that, in 2010 only 4.3% of agriculture-related projects were financed by Chinese

investors. This illustrates that Chinese investment in agriculture is still nascent and that its impact on job creation has been insignificant.

Construction

Since 1986 there has been a strong Chinese presence in the construction sector in Ethiopia (Gede, 2008). China's engagement in the construction sector has become strong when Chinese state-owned companies, such as the China Road and Bridge Corporation (CRBC), undertook projects like the Addis Ababa Ring Road. In 2004 China's share of construction investment in Ethiopia was equal to nearly 40% of total Chinese FDI to Ethiopia (Gede, 2008).

Chinese investors dominate the Ethiopian construction sector, ranging from new construction to restoration and maintenance of highways, power stations and water-supply projects. According to Adem (2012), "…all new construction and 66.6% of rehabilitation, upgrading and maintenance of roads in Ethiopia…" have been conducted by Chinese companies. In 2010 there were 580 registered Chinese companies involved in 1,065 projects. These statistics demonstrate the potential for job creation.

Chinese contractors were attracted by Ethiopia's relatively stable political environment, economic growth, and the increasing construction boom. Also it was hoped that through knowledge and experience accumulated in Ethiopia, Chinese investors would be able to access other neighbouring countries –such as Sudan and Uganda (Mo, Orr & Lu, 2008, p.2). The Ethiopian government views Chinese companies as *inexpensive alternatives* to western companies (Mo, Orr and Lu, 2008: 3). Although they have a notorious reputation for offering poor working conditions, Chinese investors are attractive because they charge 20-25% less than their competitors (Gamora, 2009). Since poor infrastructure is one of the major impediments to economic growth in Ethiopia, the local community has a positive attitude towards Chinese investment in the construction sector and its tangible outcome (Shinn & Eisenman, 2012).

In terms of job creation, the construction sector is generally considered to be labour intensive. However, in reality it can be capital intensive and requires specialised labour. Since Ethiopia lacks skilled labourers, there has been a tendency to bring in most of workers at managerial level from China. The Ethiopian government is

all too familiar with the sentiment that "…foreign construction companies mainly rely on experts brought from their own countries (for example, Chinese companies) instead of using local experts and building their capacity" (MoLSA, 2009). The Chinese Embassy in Ethiopia acknowledged that there were more than 10,000 Chinese workers in Ethiopia (Shinn & Eisenman, 2012). With regard to this growing number of Chinese on the continent, attention has been paid to Chinese workers in African countries as it was alleged that Chinese investors brought in their own nationals instead of hiring local Africans. Many of them were unskilled workers, who could have been recruited from host countries. However, Bräutigam & Tang's study (2012b) show that this trend has been reversed and more local employees are now hired. This was noticeable even at the managerial level. Some African countries are now insisting on operating a quota for Chinese workers, and impose strict immigration regulations. This development deserves attention.

The malpractices of Chinese investors have also been criticised. For example, the CRBC signed a contract with Addis Ababa City Roads Authority (AACRA) – to be implemented between 1998 and 2004 (Mo, Orr & Lu, 2008: 2-3). In order to complete the project on time CRBC violated working hour regulations, and health and safety conditions were not met (Mo, Orr & Lu, 2008, p. 7). Despite this, the same source points out, six years after completion of the Addis road project only 10-20% of workers remained employed on other CRBC projects. Although the construction sector is considered to be the largest employer, these jobs last for only a fixed period of time, while construction takes place. Therefore, job creation is not constant in this sector – unless there is a sustained construction boom.

Given the number of jobs created by Chinese investors, it might be assumed that they contributed to reducing Ethiopian unemployment. However, there is a lack of information from both the Chinese investors and the Ethiopian government regarding the number of Ethiopian and Chinese labourers who have been hired.

Manufacturing
Gede (2008) points out that the economic bilateral pattern adopted by China and Ethiopia differs from that in other resource-rich African countries, such as Zambia and Angola. For Ethiopia, Chinese investment can be understood as a demonstration of China's market-seeking approach. Ethiopia's large population and its various

trade agreements with other countries can make Ethiopia attractive.

From the Ethiopian point of view, the Chinese investors' engagement in the manufacturing sector has the potential to contribute to industrialisation. The current pattern shows that many Chinese investors move manufacturing firms offshore to Africa. As the competition in China has become severe, the Chinese government has increasingly encouraged Chinese enterprises search for new markets. The Chinese going out policy has supported this initiative (Baynton-Glen, 2012). There can be many reasons for this, one being that China wants to be close to its market, another being the increasing labour costs in China (Shinn & Eisenman, 2012).

One of remarkable cases of Chinese engagement in the manufacturing sector is the recent establishment of the Eastern Industrial Park in Dukem, one of the Chinese-led Special Economic Zones (SEZ) in Africa.[3] One of China's biggest shoe manufacturers operating in this industrial park, Huajian, has hired more than 1,000 local people.[4] The engagement of this manufacturer seems to have acted as a stimulus for further development. However, the SEZ is still only partially operational and more investors are being sought.

Cowaloosur (2012) criticises the lack of host country involvement in SEZ programmes, noting the low level of ownership by the African host governments. Compared to other host countries, such as Nigeria which owns an 18-40% share of projects, the Ethiopian government has no financial stake in the Eastern Industrial Park. Cowaloosur says this as one of the reasons for the slow development of the Park – and the resulting slow progress being made in the lowering of the unemployment rate in Ethiopia.[5]

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[3] Based on this successful experience the Chinese government pledged, at the Forum on China-Africa Cooperation (FOCAC) summit in 2006 – to establish SEZs in Africa. This was welcomed by many African countries. Mauritius, Nigeria, Zambia and Ethiopia were chosen to host Chinese-led SEZs (Davies, 2010).

[4] Interview with Manager of the Huajian factory in the Eastern Industrial Park, 13 October 2012.

[5] The World Bank report (2011) points out that there was insufficient government capacity to support implementation; an absence of a legal and regulatory framework for SEZ development; and poor communications and local economy links – which needed to be addressed in order to secure long-term success. The Ethiopian government has recently shown its willingness to be actively engaged in the SEZ programme, and to that end has introduced a bill (Cowaloosur, 2012).

Role of the Ethiopian Government in Job Creation and Future Prospects

While the potential for job creation, as a result of increasing Chinese investment, is substantial evidence on the ground is less optimistic than might be expected. According to Geda and Meskel (2009), Chinese business operations in Ethiopia have contributed to resolving unemployment at the micro-level, while at the macro-level the unemployment rate has remained volatile. This is despite the fact that Chinese investment and GDP has constantly increased over the course of the last decade. The question then is: why is the effect of job creation not more evident?

There may be a number of reasons. Firstly, it should be noted that the host country's inability to create a favourable business-friendly environment drives away foreign investors. Chinese investment has rapidly increased since 2004; however, in order to operate a business in Ethiopia, investors have to endure a long procedure, which takes them through the three stages of pre-implementation, implementation and operation (Geda & Meskel, 2009). While waiting for completion of this process many companies have dropped out, and there seems to be no monitoring or follow up of these investors (Bräutigam & Tang, 2012b).[6] It is clear that the Ethiopian government has lost opportunities that could have generated investment and created jobs.

There also seems to be confusion regarding the number of registered companies in Ethiopia. It is known that there were 191 Chinese companies operating in Ethiopia for the period 1992 to 2009, and the government had expected to create 9,911 permanent jobs and 15,566 temporary jobs by 2009 from Chinese investment. If the pre-implementation and implementation stages were included, in other words, if all projects in pre-implementation and implementation stages had been operational, the number would have been expected to reach 44,163 permanent jobs and 56,673 temporary jobs (Geda & Meskel, 2009, p. 13-14). As noted before, many businesses dropped out before reaching the operational stage – after they received little support from the Ethiopian government.

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[6]   Before receiving approval from the Ethiopian Investment Agency, there are several steps to be follow: pre-implementation, implementation and operation. Bräutigam & Tang (2010, p.14) investigated 71 Chinese investors at the pre-implementation stage – from the Ethiopian Investment Agency list – and found that only five firms were operating. The rest of them had dropped out. This shows that Ethiopia does not support its potential investors.

Creating conducive business environment is the host government's responsibility. The Ethiopian government should create a favourable economic environment for foreign investment – whether Chinese or not. For example, according to the Global Competitiveness Report (World Economic Forum, 2012), Ethiopia was ranked only 121st out of 144 countries in 2012. The report is published based on the businesses operating especially in developing countries and the countries rank low reflect that there are a number of obstructions to investment. Corruption and an inefficient government bureaucracy are cited as the most problematic factors in Ethiopia.

This research examines the three main sectors in which China has engaged in Ethiopia. It is difficult to discern any significant contribution made by Chinese investment to job creation in Ethiopia, especially in the agricultural and manufacturing sectors. Considering that the construction sector generates employment during the fixed term, it is also difficult to discern whether it is realistic to expect long-term employment in the Ethiopian construction sector. Nonetheless, the potential does exist for Chinese investment to contribute to job creation in Ethiopia – through the formation of joint Chinese/Ethiopian ventures (Adem, 2012). There are various joint venture advantages and one of them is that local companies are able to mobilise their workforce from host countries where investors are unfamiliar with.

Conclusion

In Africa, unemployment is particularly persistent; the demographic pressure is high and structural problems stemming from prolonged civil wars and political turmoil have stifled economic growth. All these factors have negatively impacted on employment in Africa, particularly of young people. African countries are overwhelmed by youth unemployment, and it can be said that the disaffection that resulted from this situation was one of the driving forces of the Arab Spring in North Africa.

More or less 4 million young people in Ethiopia lived below the poverty line (UN, 2005) and this has caused social instability, therefore youth unemployment has become an urgent challenge for the government. The increasing Chinese investment in Ethiopia has been welcomed by the host government – which sees it as a driver of development. Chinese investment can play a significant role in job creation – however, this does not happen without the creation of a business-friendly climate.

Ultimately, the expectations regarding job creation as a result of Chinese investment in Ethiopia have not been met. The violation of minimum wage legislation and the poor working conditions on Chinese investment projects generates resentment among local people. This in turn might threaten China's efforts to promote its credibility as a good partner. Chinese investors must not only take profits into consideration, but also consider the objectives of the host country's development programme. If this is done, it will lay the foundation of a process that will benefit both countries, through job creation and the establishment of a stable society. Chinese investment will benefit from the stable society and vice versa. Furthermore, China's soft power influence may, in the long run, contribute to the continent's peace and security.

Finally, the increase in Chinese investment in other sectors, as a consequence of general engagement in Ethiopia, could provide the opportunity to upgrade skills through technology transfer. There is demand for skilled labour, especially in the service sector, which could drive job creation in developing countries. However, as an economy develops, certain service industries become more critical to the process of development than others such as information sector services, administrative and support services and among others and some are more capable of absorbing a young workforce. Chinese investment in the service sector – as much as investments from elsewhere – can help absorb higher education graduates.

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China: A Critical Factor in Zimbabwe's Political Crisis and its Solutions

Charity Manyeruke, Shakespear Hamauswa and Aaram Gwiza

Introduction

Over the past decade Zimbabwe has had severe political and social-economic challenges that have compromised the lives of the population. The adoption of the land reform policy in early 2000 resulted in the souring of relations with the international community, and Zimbabwe being made subject to *unfair* sanctions by the US and European countries – after being accused of human rights violations and undermining the rule of law. Since the US promulgation, in December 2001, of the Zimbabwe Democracy and Economic Recovery Act (ZIDERA),[1] Zimbabwe has *reeled* under tightened economic sanctions – including the prohibition of budgetary assistance by the International Monetary Finance (IMF) and the World Bank. The crisis period of 2000-2008 was characterised by political instability, dilapidated infrastructure, escalation of poverty levels, high unemployment, economic meltdown, and hyperinflation. Since then trade and investment with the west has been difficult, and this has impacted negatively on Zimbabwe's economic growth and development prospects. Confronted with these challenges, the Government of Zimbabwe (GoZ) adopted in 2000 its *Look East Policy*. This policy meant that Zimbabwe prioritised its relationships with, for example, China, Iran, Indonesia, India and Malaysia – broadening the scope of its foreign policy. This chapter therefore focuses on China's relations with Zimbabwe from a political perspective.

China, alongside Russia, has influenced decisions taken in the Security Council (UNSC) in favour of the GoZ. Zimbabwe's political and economic crisis reached its peak in 2008, when the Zimbabwean dollar became worthless and inflation reached an unprecedented level of around 231 million % (Central Statistical Office, 2008). This desperate macro-economic situation led to the adoption of the multi-currency system[2] as the medium of exchange in 2009. The political front was also getting

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[1]   ZIDERA, among other things, empowers the US to influence multinational lending agencies – such as the IMF, World Bank and the African Development Bank – and veto any application by Zimbabwe for financial and credit facilities, loans, and debt cancellation.

[2]   The multi-currency system entailed the adoption of foreign currency as the official means of exchange in Zimbabwe, while at the same time, use of the Zimbabwean dollar was suspended. Currencies adopted included the US Dollar and the South African Rand.

out of hand, as reflected by the inconclusive March 2008 harmonised (council, parliamentary and presidential) elections – which resulted in no single party forming the majority in parliament. The Presidential candidates also failed to secure the more than 50% of votes required for one to become Head of State. Consequently, the *top* two candidates – Robert Mugabe of Zimbabwe African National Union-Patriotic Front (ZANU PF) and Morgan Tsvangirai of Movement for Democratic Change- Tsvangirai (MDC T) had to participate in a run-off election. However, the MDC T candidate withdrew from the race, saying his supporters had been subjected to violence and intimidation. Although the election went ahead as scheduled, the international community refused to legitimise the result as they felt that there was no election. This situation forced SADC to intervene in order to facilitate negotiations among the three political parties – ZANU PF and the two Movement for Democratic Change formations, including Movement for Democratic Change-Mutambara (MDC M) (with Arthur Mutambara leading this small MDC splinter party). These negotiations were facilitated by SADC and began on 25 July 2008, with a view to establish a negotiated settlement of disputes arising out of the presidential and parliamentary elections. The two MDC formations participated in these negotiations since they both had garnered positions for members of parliament. ZANU PF lost its majority standing of the parliamentary seats for the first time since independence. All the three political parties alleged that there were voter rigging, fraud and intimidation by election officers. Both ZANU PF and MDC T requested recounting of votes in some constitutencies and MDC T filed about 60 applications to the Electoral Court regarding seats in the House of Assembly, requesting that the declarations of the results be set aside because of the alleged fraud, intimidation, and interference . The recounting was done by the Electoral Commission and it confirmed the previously announced results.

With respect to the emerging and long standing democratic and governance issues as introduced above, the Zimbabwean Government became blacklisted by the international community. China helped Zimbabwe's Government by supporting anti sanctions campaign. With this background in mind, this chapter seeks to analyse how China *rescued* Zimbabwe from this crisis and helped it address issues related to democracy, elections, the rule of law and human rights.

Theoretical Framework

The terms democracy and good governance are increasingly being used interchangeably to explain the conditions necessary for an *ideal* society in contemporary politics. Abraham Lincoln defines democracy as the rule of people by the people for the people (McGregor, 2004). By implication democracy entails majority rule, in which the government is created to represent the values and interests of most citizens. Governance also describes the processes of decision-making and policy implementation. The World Bank (2011) views governance as the way power is exercised through a country's economic, political and social institutions. Governance can, for example, be corporate, international, national governance, or local **(**Olowu, Adebayo & Soremekun, 1999).

An interesting and more comprehensive definition of democracy is that given by John Dewey (1937), who argued that:

> Democracy is much broader than a special political form, a method of conducting government, of making laws and carrying on governmental administration by means of popular suffrage and elected officers. It is that, of course. But it is something broader and deeper than that. The political and governmental phase of democracy is a means, the best means so far found, for realizing ends that lie in the wide domain of human relationships and the development of human personality. It is, as we often say, though perhaps without appreciating all that is involved in the saying, a way of life, social and individual. The key-note of democracy as a way of life may be expressed, it seems to me, as the necessity for the participation of every mature human being in formation of the values that regulate the living of men together: which is necessary from the standpoint of both the general social welfare and the full development of human beings as individuals. Universal suffrage, recurring elections, the responsibility of those who are in political power to the voters, and the other factors of democratic government are means that have been found expedient for realizing democracy as the truly human way of living. They are not a final end and a final value. They are to be judged on the basis of their contribution to the end.

Governance and democracy are, therefore, interwoven. They both speak to the need to promote the rule of law, human rights, public participation, transparency, accountability of governments to their populations and improve the standard of living of the general populace. Democracy and good governance also advocate fair

elections, a multiparty system, and the separation of government function between the legislative, executive and the judiciary.

Whilst the achievement of good governance in its totality is often difficult, action must be taken to work towards this ideal – with the aim of making it a reality. The issue of democracy in Zimbabwe has for decades been a highly contested matter, with the government being accused of undermining the rule of law, violating human rights, failing to provide transparency and accountability, and threatening media freedom – principles which are cornerstones of good governance (Schattan, Coelho & von Liers, 2010). The ZANU-PF party has, however, maintained that for a long time the *real* difficulty has been foreign interference in domestic affairs. Thus, there is disagreement about why there is political instability in Zimbabwe.

Zimbabwe's foreign policy is anchored by its underlying belief in the self-determination of its citizens – free from external interference.[3] This acknowledges the aims of the liberation movement before independence, which advocated national sovereignty; respect for the territorial integrity of all countries; promotion of equality between nations; and non-discrimination (Chimanikire, 2003; Mashingaidze, 2006). China has influenced how Zimbabwe implements its foreign policy through encouraging regional, political, economic and cultural cooperation with, for example, its neighbours, SADC and the Common Market for Eastern and Southern Africa (COMESA) (Zimbabwe Ministry of Foreign Affairs, 2012). Manga and Kebonang (2006) say that, when Zimbabwe's relationship with China and other Asian countries is considered, there should be appreciation of the work done by diplomatic missions to communicate with potential investors – that is countries, organisations, and individuals that seek to establish and cement trade links. For Zimbabwe, like any other country, its economic performance has a direct bearing on its democracy and governance system. Without economic growth it becomes difficult to satisfy the basic needs and aspirations of the people.

Access to government services is one tenet of a democratic system. These services include water, electricity and housing. The right to choose political leadership or representatives is also an important tenet of democracy. When this right is denied, a state becomes an autocracy – ruling by dictatorship. The rule of law is an important

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[3]   Self-determination is touted by Zimbabwean leaders, mainly from ZANU PF, as the right of Zimbabweans to determine their own political, social, cultural and economic development.

element of governance, which states seek to uphold. Constitutions, acts of parliament, statutes and other rules and regulations are normally established to promote democracy and good governance. Good governance also entails the existence of institutions which promote these ideals such as, in the case of Zimbabwe, the Zimbabwe Electoral Commission, the Zimbabwe Human Rights Commission, and the Media Information Commission. Using this theoretical framework, democracy and governance in Zimbabwe, during the period under study, can be examined, and the importance to this process of China can be explored.

The Political Context of Zimbabwe in the Post-Independence Era

The year 1980 marked the end of a long and bloody liberation struggle against colonialism. The 1979 Lancaster House Agreement ushered in a new framework which supported black majority rule in Zimbabwe. On 18 April 1980 Zimbabwe officially declared its independence from British colonial rule. This brought new hope for a democratic dispensation, in which black majority rule could prevail in the country.[4] This political development led to profound reform of institutions, and legal and constitutional laws – which had previously *tilted* in favour of the colonial masters. The colonial period had witnessed racial laws such as the Land Apportionment Act (LLA) of 1930 and the Law and Order Maintenance Act of 1960. According to Bowman (1973, p. 12), the LAA had formalised the division of Rhodesia (now Zimbabwe) land into African and European areas and remained the cornerstone of segregation. The Law and Order Maintenance Act was meant to stifle political activities of the blacks against colonial government. The government also adopted a semi-socialist orthodox that sought to redress the skewed imbalances in wealth ownership that continued to haunt the lives of the blacks during the period of colonial bondage. On the political front, the government introduced the multiparty system, which enabled the majority to vote for the first time, as under colonial rule blacks had been denied this democratic right. A national election in 1980 appointed Robert Mugabe the first Prime Minister of an independent Zimbabwe. Parliamentary elections were conducted based on a proportional representation system, with twenty seats reserved for whites. This was done for reasons of political expediency by the colonial whites (Masipula & Makumbe, 1997).

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[4]   This was because the blacks went to war against the whites to achieve democracy and majority rule, among other things.

Prime Minister Mugabe introduced a policy of reconciliation, designed to ease the transformation of the new state into a new government by encouraging blacks to forgive whites for injustices suffered during colonialism. Otherwise some blacks would have wanted to revenge against atrocities brought about by whites' colonialism. Between 1980-1996 ZANU dominated elections – restraining the political ambitions of competing parties, such as the Zimbabwe African People's Union (ZAPU), the Zimbabwe African National Union (ZANU) Ndonga,[5] and the United African National Council (UANC). In 1987, ZANU's hegemony was further strengthened following its signing of the Unity Accord with the ZAPU party – which formed ZANU-PF. This move was, however, viewed by some as a government tactic to silence multiparty politics by spearheading a de facto one-party state (Masipula & Makumbe, 1997). To a large extent, however, the Unity Accord helped to bring these two political parties together. The war of Gukurahundi,[6] caused instability in the Matebeleland and part of the Midlands provinces. This civil war had an ethnic component, as the Ndebeles had mostly been excluded from Government structures until 1987, when the Unity Accord declared more Ndebeles would be given senior government and political positions. There is no doubt, therefore, that the Unity Accord was an important step towards the strengthening of Zimbabwe's nationhood.

Zimbabwe's second decade after colonialism also witnessed the rise of another opposition party, the Zimbabwe Unity Movement (ZUM). Led by Edgar Tekere, it openly criticised the idea of one-party politics. Notwithstanding, ZANU-PF won the 1990 election, overwhelming its five opponents. ZANU-PF won 117 seats (or 93% of the vote), followed by ZUM with two seats, and ZANU-Ndonga with one seat in the eastern constituency of Chipinge, in Manicaland Province. In the 1996 Presidential election Robert Mugabe of ZANU-PF was re-elected President, with 92.7 % of the vote. Abel Muzorewa of the United Parties (UP) secured 4.8%; and Ndabaningi Sithole of ZANU-Ndonga 2.4%. Voter apathy has become problematic in Zimbabwe. Khabele Matlosa correctly argues that this was one reason why MDC failed to win enough parliamentary seats in the 2000 Parliamentary elections to form

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[5]   The ZANU Ndonga party, under the leadership of Ndabaningi Sithole, registered as ZANU at independence – but later became known as ZANU Ndonga. Ndabaningi Sithole was one of the founding members of ZANU in 1963.

[6]   The Gukurahundi war – between dissidents and the Government of Zimbabwe – was fought between 1980 and 1987, ending with the signing of the Unity Accord between ZAPU and ZANU PF on 22 December 1987.

a government (Matlosa, 2002, p. 12).

However, the second decade of post-independence has not been so positive for the ruling party, ZANU PF – as its support base appears to have been waning. Much of their problem can be attributed to growing economic hardship, associated with high unemployment, drought, and Economic Structural Adjustment Programs (ESAP) implemented during the early 1990s. ESAP widened the gap between the rich and poor, as the country experienced company closures, low salaries and retrenchments. In the late 1990s, the ruling party's hegemony declined further following heavy criticism from civic organisations about issues of good governance. This complicated state-non-state actor relations, and the latter were viewed by the state as *stooges* of the imperialists. The political terrain then took on a new shape with the rise of a strong opposition party, the MDC, which openly challenged the government. A coalition of civic organisations, under the auspices of the National Constitutional Assembly (NCA) and MDC, shocked the government after its victory in the No-Vote campaign[7] ahead of the 2000 national referendum on the proposed new constitution. In 2000 the political landscape was further complicated after the government introduced the Fast Track Land Reform Programme (FTLRP)[8] which was criticised by the international community, particularly for the manner in which it was implemented. The international community wanted the *willing seller/willing buyer*[9] land distribution process to continue, but peasants and government had become impatient. Zimbabwe was then criticised for failing to apply the rule of law, as farmers lost their land through government-sponsored land occupation. By 2000, some countries, such as Britain, US, and Australia had begun instigating sanctions against Zimbabwe – and Europe, the US, Canada and Australia were *targeting* government ministers, officials and other individuals. On the verge of being

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[7]   The No-Vote campaign, instigated largely by the National Constitutional Assembly encouraged Zimbabweans to vote No*s* in the 2000 referendum which was arranged in order for the nation to make a decision about adopting the proposed draft constitution.

[8]   The Fast Track Land Reform Programme is a land resettlement programme which was officially implemented by the Government of Zimbabwe from year 2000. This programme was established in order to speed up the land reform process that had been stalled by the willing seller willing buyer policy.

[9]   The willing seller-willing buyer clause was part of the Lancaster constitutional agreement between the blacks the warring parties to be a guided principle on land distribution. According to the clause the new government was not supposed to compulsorily acquire land for resettlement purpose but had to buy the land from willing sellers.

expelled, Zimbabwe withdrew from the Commonwealth, accused of flouting its principles and declarations, such as the Harare Commonwealth Declaration of 1991 (Commonwealth Lawyers Association 2010). Between 2000 and 2008 Zimbabwe was isolated from the international community, and its government was criticised for flouting the tenets of democracy, the rule of law, governance, and human rights. There ensued a period of extreme violence in Zimbabwe, during which people fought against each other in support of their political beliefs. Many were arrested and the justice system was criticised by opposition parties who felt justice was being delayed or denied altogether. There were accusations and counter-accusations about who was perpetrating the violence. The opposition parties accused ZANU-PF, whilst ZANU-PF blamed the opposition parties, which they said were sponsored by Britain and the USA. Eventually, in 2008, the Global Political Agreement (GPA) was signed by the three political parties – ushering in a new political dispensation in Zimbabwe.

Zimbabwe-China Relations: A Brief Historical Perspective

Zimbabwe-China relations date back to the colonial period, when the People's Republic of China supported the fight against colonialism. The guerrilla fighters received support in the form of arms and ammunition, and China also provided ideological encouragement. These guerrilla fighters were also indoctrinated with Maoist ideology throughout the first decade of independence – and this approach was applied to growth and equity policies, which led to the redistribution of income, and more fairness in the political, economic and social systems of Zimbabwe. This resulted in an increase in coverage of government services, and education and health were offered to the whole population through the *Health for All* and *Education for All* programmes. Schools, colleges, hospitals and clinics were established in every District in Zimbabwe.

Immediately after independence, the relationship between China and Zimbabwe was not so good. The shortcomings of communism were accepted, and capitalism seemed the way to go in countries which wanted sustainable development. Zimbabwe, therefore, related more to the West than China during this period. It was only when Zimbabwe was later rebuffed by the West over its land reform, democracy deficit, inconsistent rule of law, and human rights record that it adopted the *Look East* policy. This policy – which rose to prominence in 2000 and remains useful today

– encourages the strengthening of bilateral relations with Asian countries, such as China, Indonesia, Malaysia and India. For Zimbabwe, these relationships provided a cushion for its deteriorating relationship with the West. However, initially there was general scepticism about the Chinese relationship, even from Zimbabweans themselves who knew little about Chinese economic reform – which had resulted in China being the second largest economy after the USA.

China played a critical role in the Zimbabwe's political crisis for three reasons: its veto power in the UN Security Council; its own developing country status; and the non-interference policy it follows.

Following implementation of the Land Reform Policy, and the violence which ensued, Zimbabwe was subjected to sanctions by the US in 2001 and the EU in 2003, and accused of poor governance, deterioration of rule of law, lack of democracy, and bad human rights' record. However, the then Government of Zimbabwe deemed these sanctions illegal as they lacked the approval of the United Nations Security Council (UNSC). As a permanent member of the UNSC, China was able to use its power of veto during the crisis period (2000-2008) to prevent Zimbabwe from being dominated by the USA and other European countries. This action cemented the relationship between Zimbabwe and China, but most importantly it gave Zimbabwe a chance to redefine itself in terms of governance and democracy without being subject to the collective action of the Security Council.[10]

Australia, Canada and New Zealand accused Zimbabwe of poor governance in a letter, dated 26 July 2005, to the President of the UNSC. They said they were concerned about the escalating humanitarian and human rights crisis in Zimbabwe (UNSC, 2005). Tibaijuka (2005) said the Zimbabwean government had failed to adequately protect the victims of its programme *Operation Restore Order[11]* (Operation *Murambatsvina*). Tibaijuka further described the programme as a *disastrous venture*, which resulted in the dislocation of 700,000 people and the

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[10] Zimbabwe is in the process of redefining itself through the establishment of the Global Political Agreement in September 2008, which was facilitated by SADC.
[11] Operation Restore Order is a large-scale Zimbabwean government campaign to forcibly clear slum areas across the country. The campaign started in 2005 and it ended in the same year.

destruction of livelihoods. In all 2.4 million people[12] were affected. The government was seen to be *collectively responsible* for this situation (Tibaijuka, 2005).

At the 5,921[st] meeting of the UNSC, held on 23 June 2008, the UNSC President condemned the alleged state-sponsored violence that was believed to have crippled the opposition parties. The criticism came days before the Presidential election in Zimbabwe, scheduled for 27 June 2008. The Security Council advocated restoration of a conducive political climate, within which there could be a free and fair election with the aid of international and regional observers (UNSC, 2008). Initially, there was consensus and the UNSC adopted its Presidential statement on Zimbabwe, but the following month some members failed to support a resolution on sanctions. This resistance mainly came from China and Russia, who are permanent members of the UNSC, and from the entire membership of the Non-Aligned Movement (NAM). They argued that the nature of political and humanitarian development in the country were essentially internal and, thus, not suitable for discussion in the Council. In June 2008, three key factors contributed to the reappearance of Zimbabwe on the UNSC agenda:

- The heightened level of political violence and dire humanitarian situation in Zimbabwe
- The xenophobic attacks on refugees, including many Zimbabweans, in South Africa
- The call, on 16 April 2008, by eight UNSC members (Belgium, Costa Rica, Croatia, France, Italy, Panama, the United Kingdom (UK) and the US), for free and fair elections in Zimbabwe – as part of a high-level debate in the Council on peace and security in Africa.

On 11 July the Security Council voted on whether to adopt a draft resolution against individuals[13] thought to be responsible for the political violence in Zimbabwe. Belgium, Burkina Faso, Costa Rica, Croatia, France, Italy, Panama, the UK and the US voted in favour of the resolution, while China, Vietnam, Libya and South

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[12] The additional 2.4 million were affected through the destruction of livelihoods, and the 700,000 were also looking after other people who constitute the 2.4 million. Most of them were getting a living from operating markets at illegal points not designated by the government.

[13] Zimbabweans who were placed on sanctions are mostly those in the ZANU PF leadership including President Robert Mugabe, some cabinet ministers, generals in the security sector and other individuals.

Africa voted against it. Indonesia abstained. Burkina Faso's affirmative vote was particularly noteworthy, as it represented a change in position from the African Council members' traditional low-key stance of deferring to SADC mediation efforts. In December, the UNSC again discussed the deteriorating humanitarian situation in Zimbabwe and the need to end the stalemate in the political process there. China and Russia, in a departure from their past positions, reportedly insisted that the situation was a purely internal matter (United Nations, 2009), and China sent a clear message to the other *big powers* in the Security Council – namely Britain, the US, and France – that the Zimbabwean issue did not call for an external solution. Hence, the Security Council should desist from interfering in Zimbabwe's domestic politics.

The Global Political Agreement (GPA), the South Africa Factor and China's Position

In September 2008, a Global Political Agreement (GPA) was signed between ZANU-PF and the two MDC formations, the Movement for Democratic Change under Tsvangirai (MDC-T), and Movement for Democratic Change, under Mutambara (MDC-M). The GPA was a SADC-led initiative, aimed at ending the decade-long crisis by getting the different parties to the negotiation table. The central requirement of the pact was that all the parties discuss pressing issues, such as state security sector reforms, reformation of electoral law, fiscal and monetary reforms, constitutional reforms, media reforms, the removal of illegal sanctions, and, crucially, the need to foster a democratic environment conducive for holding free and fair elections. Over the past four years, the road towards the construction of a democratic framework – as specified by the GPA agreement – has been bumpy. All the parties have engaged in political bickering, particularly because there was a political vacuum, in which the parties competed to exert their influence and control the country. This raises fundamental questions about the prospects for stability in Zimbabwean politics. However, the GPA seems to have provided a *haven* for the egoistic elites to further their interests, rather than a transitional mechanism which serves the interests of all Zimbabweans.

With regard to economic performance, the country has witnessed a progression towards resuscitation. Zimbabwe's economy has started to recover from the crisis that saw output sharply decline. The Real Gross Domestic Product (GDP) accelerated

to 9.3% in 2011 from its previous 8.1% in 2010.[14] Most of the economy's growth during the period 2009-2011 can be attributed to mining and agriculture, which recorded cumulative growth rates of 57.2% and 49.8% respectively (Government of Zimbabwe, 2012). China has contributed immensely to the economic growth of Zimbabwe, most significantly as the buyer of tobacco and a number of Chinese firms are involved in the mining and construction sectors. China's demand for raw materials has resulted in its being an alternative destination for Zimbabwe's minerals. China supported the Zimbabwean economy at a time when the rest of the international community had reservations about being active there. .

Other than China, South Africa has played an important role in Zimbabwe's political situation. It was the former South African President, Thabo Mbeki, who was the SADC facilitator who brought MDC-T, MDC-N and ZANU-PF to the negotiating table; in preparation for the signing of the GPA in September 2008. President Jacob Zuma, who took over from Mbeki in 2009, has focussed on helping the Zimbabwean government toco-govern the country and encouraging implementation of the agreement. In 2011, President Jacob Zuma and his team of advisors – MacMaharaj, Lindiwe Zulu, and Charles Nqakula – worked hard to develop a *road map* for the elections. The road map for elections clearly indicated that there should be a constitution making process and a referendum to decide on the referendum, both of which were achieved. What is now left is the legislative processes of adopting the draft constitution into the new law of the land and thereafter conduct national (presidential, parliamentary and council) elections (Zondi & Bhengu, 2012). Meanwhile, SADC has instigated important resolutions on Zimbabwe, aimed at helping resolve its political problems. The SADC summit, held in Maputo, Mozambique from 17-18 August 2012 reaffirmed the previous decisions of the Troika, and commended the political parties in Zimbabwe for the effort they had made to develop the Constitution. The summit urged signatories to the GPA to develop a Roadmap with timelines that are guided by the requirements of the process necessary for adoption of the constitution and the creation of conditions for free and fair elections to be held. The Summit resolved that if there are any difficulties with regard to the Constitution and implementation of agreements, the Facilitator should be called upon to engage with the parties and assist them resolve such issues, bearing in mind the timeframes and the necessity to

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14   http://www.mefmipcic.org/secretariat/images/2011anualreport

hold free and fair elections. The Summit urged the parties to the GPA to continue the implementation of the GPA. The Summit noted the partial lifting of sanctions against Zimbabwe and urged the European Union and the rest of the international community to lift all the sanctions unconditionally. It is therefore clear that the role that SADC has played in ensuring that Zimbabweans remain focused on their road to peaceful elections cannot be over-estimated.

Since 2009, Zimbabwe has made a concerted effort, with the encouragement of SADC and with the financial support of the United Nations Development Programme (UNDP), to draft a constitution. Initially, this process was surrounded by violence, as the political parties were still hostile to each other. The second stakeholder constitutional conference held on 22 October 2012 in Harare was, however, more calm, with tension only resulting from the different views on the content of the draft. ZANU-PF pushed for more than 200 amendments to the draft, whilst the MDC political parties largely accepted it without changes. After review by a special cabinet committee, and the approval of President Mugabe, Prime Minister Tsvangirai and Professor Ncube agreed with the draft constitution - which was formally adopted by the 25 member Parliamentary Select Committee on 17 January 2013. The country is now awaiting a referendum to vote on the constitution. The indication is, at least from the main political parties, that the draft constitution will be adopted – despite fierce opposition from the National Constitutional Assembly (NCA), critical that it was conceived by a few political elites.

SADC should be commended for sustaining pressure on Zimbabwe to resolve its political impasse. China has not interfered in the constitution-making process, since it is her policy not to meddle in the domestic matters of other states. Instead, China has been cooperating with all political parties in Zimbabwe – as demonstrated by the Prime Minister's delegation which visited China in 2012 in which they discussed Government's business including on loans and investments. This shows that China is willing to embrace *any* political party in Zimbabwe – and reflects a cautious, *playing it safe* strategy, designed to safeguard its investments in the country. China's non- interference in Zimbabwe's domestic affairs sends a clear message to the international community that its political problems are best mediated by SADC, through President Jacob Zuma.

Conclusion

It can be concluded that China has played a significant role in Zimbabwean politics between year 2000 and 2013. The anti-sanctions' campaign, China conducted alongside Russia in the UN Security Council, gave Zimbabwe a historic opportunity to redefine itself – in terms of its democracy and governance – through the establishment of the GPA and the draft constitution. Meanwhile, China and Russia demonstrated to the international community that it was important to listen carefully to the Zimbabwean *story*, without rushing into collective Security Council action. China has also demonstrated its neutrality on the domestic affairs of Zimbabwe, leaving SADC to mediate in the restoration of Zimbabwe's democracy and governance, as stipulated by the GPA.

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Chinese Investment in Africa: Opportunities and Challenges for Peace and Security in Zimbabwe

Lawrence Mhandara and Ronald Chipaike

Introduction

The end of the Cold War and the emergence of a new epoch marked by rapid globalisation have witnessed China's economic stature expanding remarkably in a system characterised by the juggernaut of Western capital. China's contemporary visible presence in the international political economy has attracted significant scholarly attention in Africa and, more importantly, in Zimbabwe's political landscape. Discussion of the China-Zimbabwe relationship at policy levels, therefore, becomes naturally compelling against this reality. Although the common concern in the relationship gravitates around the issue of whether China's policy on Zimbabwe makes any positive contribution to the country's economy, this paper seeks to explore the impact of the engagement on peace and security. The paper therefore attempts to examine the most pertinent research questions in relation to China's investments in Zimbabwe: What is the impact of Chinese investments on the peace and security situation in Zimbabwe? What are the opportunities and challenges for peace and security that arise from those investments? How can China and Zimbabwe capitalise on the relationship to extract political dividends for democracy in Zimbabwe?

Conceptual Considerations

The concepts of peace and security are highly contested, value-laden and sometimes highly emotive, hence they are often defined and characterised in varied ways. In common parlance, however, the word 'peace' is used to describe the absence of war, although it means more than just the absence of war (Boff, 1991). It may also be used to depict maintenance of an orderly and just society. In this case, 'orderly and just' means that people are protected against structural and originating violence. According to Galtung (1969), 'structural violence' relates to situations that have violent and unjust consequences for peace, while Boff (1991) employs the term 'originating violence' to describe an oppressive social condition which preserves the interests of the political elites over the weak. The implication is that any society is assumed to be peaceful, if it is devoid of war, human rights violations, poverty and political repression, among other indicators. This understanding of the concept

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guided this analysis of the situation in Zimbabwe *vis-a-vis* Chinese investments and non-interference policy in the country.

In relation to the concept of security, a contingent of scholars such as Buzan (1991), Baldwin (1995) and Krause & Williams (1996) observe that debate over the nature and meaning of security has become a staple of the post-Cold War agenda. This naturally calls for a clear understanding of the concept within the context of the study. This section therefore briefly discusses the meaning of the concept with a view to adopting a working definition for the purpose of the paper. Generally, the debate about the meaning of security tends to revolve around two main issues: First, a scholarly rebellion against the traditional thrust whose focus was inspired by the Clausewitzian School which perceives security as concerned with state security guaranteed by the military instrument. In this way, security was viewed as indistinguishable from national defence (Baldwin, 1995; Baylis, Smith & Owens, 1998; Buzan, 1991)**.** Second, a scholarly and policy challenge that calls for the need to expand the meaning of the concept in order to render it more useful in a changing environment, where the range of threats and challenges to security has increased phenomenally. Despite spirited discussions, there is still no agreement as to what a more broadly constructed concept of security should be. However, for this paper, security analysis is guided by understanding the concept in its broadened and deepened sense; that is, security is considered to mean more than the realist concept and to include a wider range of potential threats, ranging from economic and environmental issues to personal and community security. The understanding of the concept in this way is inspired by the parameters defined by the UNDP Human Development Report of 1994 which popularised the idea of human security and its formidable challenge to the state-centric notion. The concept is taken to include both traditional and human security issues, in order to address the specific impact of Chinese economic activity on security. The implication of this understanding of the concept is that both state security and individual or human security are considered.

The Foundation of China-Zimbabwe Relations

Snow (2011**)** asserts that China has a long history of political contact with Africa and that the Han Dynasty is credited with having made the first contact with the African continent around A.D.759, with further contacts developing under the Ming

Dynasty. Although China was ruled by an emperor, the country never conquered parts of Africa as its Western counterparts did later. Also the fact that some Chinese cities and territories such as Hong Kong were European colonies makes the current ties even stronger. However, the economic relationship with African countries is also not new as it can be traced back to the Bandung Asia-Africa Conference of 1955, which is widely regarded as the foundation of modern-day China-Africa relations (Botchway, 2007).

According to Manyeruke & Mhandara (2011, p. 87), Zimbabwe-China relations date back to "over 600 years ago during the Ming and Qing dynasty when the Chinese established relations with the Munhumutapa Empire based on trade and cultural exchange." It is, however, important to note that relations between the two countries during the greater part of the Cold War were largely political, where China sought support and influence in Africa – hence the remarkable and largely unconditional military support for Zimbabwe's main liberation party, the Zimbabwe African National Union-Patriotic Front (ZANU-PF), that was fighting for political independence from the Western colonial states in collaboration with the Soviet Union-backed Zimbabwe African People's Union (ZAPU). The military support had tactical and strategic impacts in relation to the manner in which the liberation fighters fought the war. The impact is still evident in that the Zimbabwean leaders, who were leaders of the liberation struggle, continue to be guided by the war-time ideology and Chinese principles which are embedded in Zimbabwe's political culture**.** Official diplomatic ties were established immediately after Zimbabwe's independence on 18 April 1980. This was followed by high level state visits and diplomatic support for each other at international fora which further strengthened mutual understanding between the two countries. For example, after the Tiananmen Square *disaster* of 1989, the Western countries condemned China for its human rights record but the Zimbabwean President extended support to China on the basis of non-interference in the domestic affairs of a sovereign state. The essence of Mugabe's support was the conventional dogma, rooted in self-justification that sovereignty accorded China an incontestable right to deal with matters in its own jurisdiction in any manner consistent with the maintenance of law and order (Taylor, 2006). The relationship is essentially glued together by rigid adherence to mutual respect, which effectively translates into the policy of non-interference. The point to emphasise is that Chinese

relations with Zimbabwe, and indeed with the rest of the African continent, are not a new episode associated with the post-Cold War environment; what is new is the enormity and intensity of the interaction. This enormity can be attributed to the shift in the strategic environment caused by the end of the Cold War. The environment changed from one characterised by East-West ideological confrontation to one dominated by Western capitalist ideology. The result was the advent of an epoch of accelerated globalisation in which China has assumed a much stronger role.

The consequences of rapid globalisation, which Herring (2008) characterises as a 'wired world', as a new phenomenon of the post-Cold War international political economy have been largely negative to Zimbabwe as a developing country, due to the inherent contradictions associated with the process. These contradictions in turn create winners and losers where developing countries are mostly the losers and the developed countries are the winners. In this way, globalisation is perceived as contributing to the marginalisation of developing countries' economies. In the case of Zimbabwe, this marginalisation can be explained in terms of the decline in the amount of Western direct investment and in the levels of economic aid and technical assistance to the country; this pattern has been sustained since the diplomatic split between the country and its traditional development partners. To support the point that the West have literally *dumped* Zimbabwe on development matters, it is recorded that, due to the sanctions imposed on the country, foreign direct investment from Western nations fell from US$444.3 million in 1998 to less than US$50 million in 2006 (Gono, 2009). It can be concluded that the growing China-Zimbabwe relationship needs to be regarded "as a logical outcome of the marginalisation of Africa in the age of globalisation" (Edoho, 2007, p. 102). China-Zimbabwe relations were elevated with the advent of the Forum on China-Africa Cooperation (FOCAC), which increased China's economic cooperation with Zimbabwe. In this context, Zimbabwe has conscientiously turned to China to occupy the huge economic void left by the West in the post-Cold War period and, more importantly, after the economic empowerment endeavours embodied in the agrarian reform initiated in the late 1990s. This is evidenced by the adoption of a robust 'Look East Policy' that accords primacy to attracting Chinese investment into the country to avoid the effects of Western capital flight (Friedrick-Ebert Stiftung, 2004; Scheversensky, 2007). It can be argued, therefore, that the philosophy driving the 'Look East' policy was clearly

strategic as Zimbabwe sought to find an alternative source of investment and general support outside the Western sphere in view of the unforthcoming support from those countries and their financial institutions, especially the International Monetary Fund (IMF) and World Bank.

A strong case can also be made that the sturdy China-Zimbabwe economic relations are a result of the former's post-Cold War economic policy. The end of the Cold War impacted on China's foreign policy orientation; since the mid-1990s, China has adopted an 'Open Door Policy' (Wei, 1995), which has created significant momentum for China's interest in Africa, and especially in Zimbabwe, with a primarily economic focus. The 'Open Door Policy' is one important pillar of the wider reform agenda adopted to rescue the Chinese economy from the rigidities of a centrally planned economy and move towards an economy that is integrated into the global environment (Wei, 1995). The rapid growth of the Chinese economy is thus attributable to this economic reform. It is estimated that China's economy has recently grown at an astronomical pace: it recorded growth levels of 10% in both 2009 and 2010, while in 2011 an average 9.1% was recorded. Although this is lower than the previous two years, it is still healthy compared to Western rates; the US, for instance, recorded growth rates of -0.5%, 2.9% and 1.6% for 2009, 2010 and 2011 respectively.[1] Similarly, Edoho (2007) records that its foreign currency reserves stood at more than US$1.5 trillion in 2008, but by 2011 they had surged to US$3.2 trillion. This positive growth gives China the strength to engage with Zimbabwe and to invest a large pool of financial resources. The FOCAC initiative, founded in 2000, took the economic interaction a step further by presenting further momentum for the well-performing Chinese policy on the country. The philosophical drive of the FOCAC is, basically, to reinforce the political relationship between China and Africa using a different vehicle that is driven by economic necessity. The FOCAC initiative was very critical for Zimbabwe at a time when its economy and political rating was negative due to, arguably, the deleterious effect of the Western embargo on the country. As of May 2012, bilateral trade volumes were recorded at US$ 800 million (Shunkang, 2012). The critical question in relation to this strong relationship is: What is the nature of Chinese investments in Zimbabwe?

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[1]   www.tradingeconomics.com/country-list/gdp-growth-rate

A Synopsis of China's Key Investments in Zimbabwe

At independence, China quickly established an embassy in Harare, a reflection of the long-standing good relations traceable to the Munhumutapa dynasty in Zimbabwe. However, China-Zimbabwe economic relations have, for a long time, been dominated by development cooperation through the provision of aid and concessionary loans by China to Zimbabwe. The convergence of Zimbabwe's 'Look East Policy' and China's 'Open Door Policy' has had a knock-on effect on the amount of direct investment the Chinese are directing towards Zimbabwe, as evidenced by investments in key sectors of the economy. The Chinese economic activities have not gone unnoticed. For instance, it is stated that "...Chinese state-owned enterprises have assembled a portfolio of shares in some of Zimbabwe's prized assets" (Melville and Owen, 2005). The Chinese have been involved in mining activities across the country, especially along the Great Dyke which is endowed with substantial mineral deposits. Sachikonye (2008, p. 128) writes that "Zimbabwe has the second largest reserves of platinum in the world and has substantial reserves of coal." The rich mineral resources in Zimbabwe naturally attract foreign direct investment and China has capitalised effectively on Zimbabwe's disturbed relationship with the West to either takeover struggling mining firms or form completely new ventures. Thus, key Chinese companies such as China North Industries Corporation (NORINCO), Wanbao Rexco State Corporation and Anhui Foreign Economic Construction Company (AFECC) among others are involved in mining ventures extracting chrome, platinum and diamonds. Sinosteel, the second largest iron and steel dealer, resuscitated Zimbabwe's largest chrome smelting company, Zimbabwe Mining and Smelting Company (ZIMASCO) in 2007. The investment, value not disclosed, boosted the company, which was grappling with serious operational challenges. Other significant mining investments have been recently recorded in gold and coal in various parts of the country. Schwersensky (2007) claims that significant exploration rights were also granted to a group of Chinese experts to study mineral resources in Zimbabwe.

Beyond the mining sector, substantial investments have been witnessed in the energy, infrastructure and agricultural sectors. In the energy sector, China Aviation Technology Import Export Corporation (CATIC) invested several millions of dollars in recapitalising the country's power utility, Zimbabwe Electricity Supply Authority

(ZESA). China Machine Building International Corporation is in the process of building a US$1.3 billion thermal power plant in Hwange while China Sunlight Company is in the final stages of implementing its 600 Megawatt thermal project in the Gokwe area of Midlands Province. In addition, the Zimbabwean Ministry of Finance is currently in the process of concluding an agreement with China Development Bank and China Export and Import Bank for a loan facility totalling US$10 billion that will enable significant investment in the infrastructure, energy and agricultural sectors . However, while the Chinese investments are necessary, the areas of huge capital injection seem to be in the extractive industries, which have seen more export of raw materials than value-added products. This seems to perpetuate the dependency syndrome typical of the Western capitalism ideology.

The Impact of Chinese Investment on Zimbabwe's Peace and Security

Sovereignty remains the most basic organising principle of international relations, despite the fact that it has recently lost its original currency. Since the international system is an arena of presumed equal states, this implies that the system is anarchic and uncertain and, logically, states have to help themselves in order to guarantee their survival (Mearsheimer, 1995; Morgenthau, 1985; Nye, 1988). From a pragmatic and traditional standpoint, the effective guarantor of state survival is the military instrument. The Zimbabwe government, because of the effect of Western sanctions, was handicapped in maintaining an efficient military without external support. This external support could only be accessed from 'friends,' hence China was useful in supporting state security by helping the incumbent government in terms of military equipment such as K-8 aircraft, military vehicles and by seconding military instructors to Zimbabwe. Diplomatic support, including the exercise of China's veto on 12 July 2008 against a UN resolution that sought to authorise Chapter VII action[2] against Harare, also proved very crucial.

State security is the enabler of human security; without it, the latter is hardly attainable and China has provided Zimbabwe with the opportunity in this regard. As a result, the scepticism that surrounds the China-Zimbabwe military ties is not defensible in

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[2]   The draft resolution tabled for a vote was sponsored by the US, with the backing of the UK and France. It sought to punish the government of Zimbabwe for political repression and alleged human rights abuses. If passed, the resolution would have spelt dire consequences for the ruling elites including tightening economic sanctions and, possibly, military intervention by the Security Council.

a realist world. Zimbabwe's security forces were equipped with Western equipment which needed to be replaced over time. The withdrawal of Western support and cooperation left the security institutions with serious operational challenges. Chinese investments are used to underwrite supply of equipment to the security forces. For instance, in 2004 China supplied military hardware worth US$1 million in exchange for mineral concessions and ivory (Manthorpe, 2004), while, in 2006, the Zimbabwe Defence Forces appeared before the Parliamentary Portfolio Committee on Defence and Home Affairs and divulged that a set of military aircraft was to be procured from China (Gono, 2009). The use of investments to guarantee supply of military hardware to the security forces in Zimbabwe was critical in maintaining buoyant state security, a function which no sovereign state can afford to compromise.

Further indications are that, although China's 'non-interference policy' has helped the isolated Zimbabwean government to survive the Western *onslaught*, it has brought immense challenges for the institutionalisation of democracy in the country. The Chinese investment has certainly helped the ruling government to survive. Assuming the Chinese had not invested in Zimbabwe, the government could possibly have instituted the political and economic reforms demanded by the West, but with China's support the political system has not fundamentally changed. China has financed and allowed the culture of authoritarianism to grow in Zimbabwe, as it does not concern itself with 'good governance' or 'human rights' issues. This does not guarantee personal security, as people are at the mercy of the authorities. For China, human rights and political security are always subordinate to sovereignty (regime security), and this is amply demonstrated in Zimbabwe. Since the security forces are central to political life in Zimbabwe, China's support has been criticised because of its impact on Zimbabwe's domestic policy. In fact, scholars such as Masunungure (2011) have advanced the argument that China's military support has escalated the political conflict in an already volatile situation. Using its investments to supply the security forces with equipment means that, in a way, China is interfering in Zimbabwe's domestic affairs by cushioning the institutions that form the centre of gravity for the dominant party in government, the ZANU-PF (Naidu & Mbazima, 2008). The loyalty and allegiance of the security forces to ZANU-PF is beyond any reasonable doubt and the commanders of the institutions have a long record of publicly declaring their support for ZANU-PF. The acquisitions for and support to

the security forces is thus seen as a deliberate strategy to capacitate and prepare the institutions for the forthcoming harmonised election, pencilled in for March 2013. This move is perceived as an antithesis to the quest for democratic transition in Zimbabwe (Bratt & Masunungure, 2011; Makumbe, 2009; Masunungure, 2009; 2011; Media Institute of Southern Africa, 2010).

There are strong suspicions that the diplomatic support China perennially extends to Zimbabwe at the global level is, to a large extent, related to China's desire to protect its business interests in Zimbabwe. This could be valid, given the fact that key Chinese companies operating in Zimbabwe are state-run entities. The support given to the ZANU-PF party, which is the dominant group in the coalition arrangement, is underpinned by China's desire to avoid regime change because of the uncertainties that would surround its investments in a post-ZANU-PF era. It was not strange, therefore, to see China take the lead in blocking UN Security Council chapter VII action against the ZANU-PF government on 12 July 2008 after a much discredited presidential run-off election on 27 June 2008. This support was critical, and perhaps decisive, for the survival of the party and government, which became even more determined to stand by its hard-line ideology in running state affairs. It was observed that, after the veto, the Zimbabwe government became even more authoritarian and often boasted of China and Russia's diplomatic support (Squidoo, 2009). In this regard, China's investments present a challenge for the full enjoyment of the first generation rights,[3] as recognised by international law, in that diplomatic support is used to protect economic interest and that perpetuates detrimental governance policies (Kurlantizick & Link, 2009). In the ultimate analysis, the intertwining impact of Chinese investment and its non-interference policy on Zimbabwe presents a challenge to democracy and democratic transition. China has effectively demonstrated to Zimbabweans that its engagement is based on mutual respect, as dictated by the values of sovereignty and independence, and these values are also cherished by Zimbabwe, which becomes a real challenge for those who pressure China to use its economic muscle to persuade ZANU-PF to accept Western liberal democracy. The corollary of China's investments is the continued erosion of democracy, as defined by the West; hence, China is accused of exporting its model to

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[3]   These are civil and political rights. They are individually orientated and include the right to life, liberty and freedom from torture and slavery and freedom of expression, conscience, assembly and association.

Zimbabwe – economic development plus political repression (Callick, 2007). This scenario perpetuates originating violence.

Economically, since the removal of democratic inconveniences for Asian investors, there has been significant flow of Chinese capital into Zimbabwe (Naidu & Mbazima, 2008). The huge contribution made by China in investing in the economy has become an important source of economic life in the country, especially in the absence of foreign direct investment from the West. China's investments are not restricted to the extractive industries but also occur in the retail sector. Within the retail sector, China has found a big market for its manufactured products. Just like most, if not all, other countries in Africa, Zimbabwe has been flooded with significant quantities of Chinese goods such as food, clothing, textiles and electrical goods. The major challenge for Zimbabwe's industrial capacity lies in the fact that the goods are cheaper than the locally produced items. This has become a major source of criticism from the local population. The customers complain about the quality of the products while the businessmen complain about being pushed out of business. There is a common belief that the Chinese products are substandard in relation to Western and local products. While this observation cannot be contested, it is also critical to grasp the prevailing situation in Zimbabwe that necessitated the colossal flow of substandard products from China. The country was grappling with a multi-layered crisis that negatively affected the economy: The effects of an unregulated land reform exercise, the unbudgeted pay outs to the veterans of the liberation struggle, the impact of the diplomatic impasse with the United Kingdom and the unilateral sanctions imposed by the European Union (EU) and the United States (US), all made such a situation inevitable. Despite the stabilisation of the economy after the adoption of a multi-currency regime, the manufacturing sector is still struggling. Logic therefore forced the policy makers to invite imports from other countries to augment the few local products. In this regard, Chinese traders have a comparative advantage in most products due to their pricing models; hence, their goods have found a huge market in Zimbabwe and this has been largely positive for low income earners, who are the majority of workers in Zimbabwe. The cheap Chinese products have become a source of relief to the majority who can afford only Chinese-labelled products. The fulcrum of this argument is that Chinese products are affordable compared to local ones and to imported products from neighbouring

countries. The challenges in Zimbabwe were becoming a threat to peace and security since most violent activities were caused by food shortages and loss of buying power. The availability of goods on the market and a source of income from Chinese-owned retail shops suppressed structural violence. However, that scenario alone is also a potential threat to peace on the basis that the Chinese business people are displacing the locals from their stores and market places, as they offer higher rentals to property owners. This effectively sets the stage for structural violence and may yield painful skirmishes, if not properly addressed by the responsible authorities.

Furthermore, despite the negative implications on good governance, human rights and the rule of law, China's investments have improved the economic security of Zimbabweans. Statistics from the Zimbabwe Investment Centre (ZIC) show that China is the leading investor in Zimbabwe with some 35 key projects having been undertaken in 2012 (Herald, October 18, 2012). Chinese companies such as Anhui Foreign Economic Construction Company (AFECC) and China Gezhouba Group are involved in infrastructure projects including road reconstruction, hotel construction and rehabilitation of the rail infrastructure. AFECC also partnered with locals to form Anjin Investments and is involved in mining diamonds in the Marange fields. North Industries Corporation (NORINCO) is involved in platinum mining.

Zimbabwe was notorious for its record unemployment levels, which were almost 90% at the peak of the multi-layered crisis owing to lack of investment, but the Chinese have thrown a lifeline into the economy and employment levels are gradually picking up. For example, Anjin Investments alone employs more than 4,000 locals at its mining plant. Chinese contributions to the national purse are also evident in the improving economic performance with figures indicating a 5.9% growth by the end of 2012 (Herald, October 18, 2012). China's investments are, therefore, contributing to human security in Zimbabwe on two levels: Firstly, injecting life into the fragile economy and, secondly, providing a source of earnings and livelihood through employing locals. It could, therefore, be argued that the mere fact of employment creation is very important in neutralising structural violence, given the predicament facing the country in which unemployment levels were becoming unsustainable and a source of potential threat to both regime security and individual security. It was further established that Zimbabwe was once the breadbasket of the Southern Africa region but the land reform process had, arguably, obliterated that status. However,

the Chinese are changing the face of agriculture and are contributing to food security, which is central to the essence of humanity and human security. Wanjin Agriculture Company and Anhui State Farms, in partnership with locals, were the leading producers of the maize grain and wheat in the 2011/2012 farming season.

Conclusion

China is an emerging power that has been moved to the centre of the international system by the forces of globalisation. Its close relations with Zimbabwe can be located within the history of friendship between the two countries; friendship which was further enhanced by China's 'Open Door' policy in the aftermath of the Cold War, its FOCAC initiative and Zimbabwe's 'Look East' policy, all of which coincided with Zimbabwe's widest and deepest challenges. Because of the impact of these policies, China has since moved on from aid cooperation to become Zimbabwe's key source of direct foreign investment. Chinese companies have invested in key sectors of the economy, but mainly within the extractive sector. Hitherto, the impact of the Chinese investments was mostly explored in relation to the economic benefits extracted by Zimbabwe at the expense of the impact on peace and security. Thus, in an endeavour to unpack the impact of China's investments on this subject, this paper establishes that China's investments are contributing positively to human security, especially the economic security dimension, thereby presenting an opportunity for eliminating structural violence in Zimbabwean society. Yet the biggest challenge remains political as China uses its non-interference policy to protect its investments by extending diplomatic support to the government which, in turn, relies on that support to sustain originating violence. China has failed to use its economic leverage to pressure the government in Zimbabwe to guarantee minimum civil and political liberties. The challenge in this regard can be also attributed to the convergence of values and principles between the two governments, who share more similarities than differences in both their domestic and foreign policies. China is, therefore, part of the governance question in Zimbabwe. This calls for further research on the impact of the emergence of China as a global power on the sustainability of Western democracy and also the extent to which its non-interference policy is bound to change time.

Recommendations

The foregoing amply demonstrates that China's contribution to regime security is beyond doubt, given the situation in Zimbabwe, albeit this also contributes to originating violence. The contributions to human security are also evident in the suppression of structural violence, mainly through provision of affordable products and also by creating employment. However, more opportunities still exist for improving cooperation for peace and security. Thus, the following is recommended: First, China and Zimbabwe should add value to the raw products to enhance economic security and eliminate structural violence. Second, China should exercise flexibility in applying its non-interference policy in Zimbabwe in order to use its economic power to extract some concessions from the government on minimum levels of civil and political liberties; this will be crucial in averting originating violence. Third, a bilateral agreement on the maximum quantities of imports permissible from China will support the reviving manufacturing industry and also protect the country from dumping of products. This will be critical for suppressing conditions that may lead to racial hatred and racially motivated violence.

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Governance and Security Challenges Associated with China-Nigeria Trade and Investment Relations[1]

Adeolu O. Adewuyi and T. Ademola Oyejide

Introduction and Research Issues

China-Nigeria trade and investment relations have taken on a new dimension since late 1990s. These economic relations have brought a number of benefits and costs, or opportunities and challenges, including the issues of governance and security.

Nigeria's merchandise export to China increased about twentyfold from US$73.3 million in 2002 to US$1.44 billion in 2010. During this period, Nigeria's export to China rose faster than its exports to the rest of the world. Consequently, China's share in Nigeria's exports rose from 0.5 % in 2003 to 1.7% in 2010. China is now Nigeria's third largest export market destination, after the US and the EU. In the same vein, Nigeria's import from China increased over tenfold from US$740.6 million in 2002 to about US$7.30 billion in 2010. Foreign direct investment (FDI) from China to Nigeria rose from US$75.6 million in 2004 to US$94.1 million in 2005, US$630 million in 2006, and over US$1.21 billion in 2010. Between 2005 and 2009 the grant elements of China's loans to Nigeria have hovered around 25-30% of the loan (Brautigam, 2011a; 2011b; Ogunkola et al., 2008).

However, the deeper China-Nigeria economic relations have not been without some governance and security challenges. Given that fuel and mining products accounted for about 85% of China's merchandise import from Nigeria, and that a significant proportion of Chinese FDI went to the oil and mineral sectors, Chinese trade and FDI is both resources and market seeking. There are associated governance and security issues in these economic relations, which include unfair competition; sharp practices, such as importation and production of sub standard products; violation of national labour and human rights' laws, environmental laws and health/safety standards; corruption; kidnapping; and lack of transparency.

It is against this background that this paper examines China-Nigeria trade and investment relations, with a view to analysing the associated governance and security

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[1]   This paper draws from recent studies which were supported by Nigeria's Economic Management Team (NEMT) and the African Economic Research Consortium (AERC) based in Nairobi, as well as other relevant literature.

challenges. This paper becomes imperative because there is dearth of studies on the associated governance and security challenges of the China-Nigeria economic relations. Also, most studies which were evident placed more emphasis on economic issues than associated socio-political issues—which are equally important and can even hinder the reaping of economic opportunity in the relationship.

Governance, Security and Trade: Review of the Literature

A number of studies have examined the theoretical and empirical linkage between governance, security and trade, as well as investment. These studies are summarised in this section.

Acemoglu and Johnson (2003) argued that an institution-dependent economy tends to experience increased production, which may lead to increased export to countries with weak institution. The inflow of goods, to the country with weak institution, in turn reduces product prices and increases purchasing power. This implies that good governance tends to increase gains from trade between countries with good governance and those with weak governance. This may partly explain the influx of goods from China to Nigeria, including of sub-standard products.

Also, Anderson and Marcouiller (2000) opined that insecurity acts as a hidden tax or tariff, which must be incorporated into the empirical analysis of trade. According to them, if such an important governance indicator is missing, empirical estimates could be biased. Furthermore, they argued that cross-country variation in the effectiveness of institutions, and a consequence variation in the price of traded goods, accounts for disproportionate trade between the North and the South.

Some researchers (including Levchenko (2004) and Anderson and Young (1999; 2006)) have used the contract incompleteness model to examine the consequence of institution differential on trade between countries. Contract incompleteness occurs when the delivery of commodities, and payment for them, does not take place at the same time. The probability of transactions taking place increases if (commercial) credits can be used—which either means payment is made today for something delivered in the future, or goods delivered today are paid for in the future. The problem associated with this is that the provider of the credit (either in the form of money or goods or services) needs to have some assurance that he or she will, in the future, get what was agreed when the deal was made.

Kaufman and Wei (1998; 1999) develop an "efficiency grease hypothesis," which states that in a partial equilibrium analysis,[2] weak governance—like a high level of corruption—can be trade inducing. They argue that the size of bribes offered by different economic agents could reflect their different opportunity costs and, therefore, some firms are able, or willing, to buy lower effective red tape.[3] Hence, like an auction, a license or contract awarded on the basis of the size of a bribe could achieve Pareto-optimal allocation.[4] If bureaucratic burden and delay are exogenous, bribe payments may help firms reduce the burden and delay they face, and increase trade.

A number of empirical studies have been carried out on this issue and the findings have been reported. For instance, Wei (2000) stated that if bad governance crowds out international trade and investment then open economy would devote resources to building good institutions and display lower corruption in equilibrium. Using a bureaucratic corruption indicator and relative wage, he developed a model in which bad governance was demonstrated to reduce trade. Also, the model shows that countries tend to invest in building good governance in order to attract foreign trade. He found evidence supporting the fact that, after controlling for the level of development and other possible determinants of corruption, an open economy tends to display a lower level of corruption.

Similarly, De Groot et al. (2004) examined the effect of institutions on trade flows. They included proxies for institutional quality and institutional homogeneity between trade partners in their analysis. They find that having a similar law, or regulatory framework (that is a country with a similar governance system–be it rule-based or relation-based), promotes bilateral trade by 12 to 18 %. They also found that rule-based governance economies report higher trade between themselves. An increase in regulatory quality of one standard deviation from the mean leads to an estimated increase of 20 to 24% in bilateral trade. Also, lower corruption accounts for 17 to 27% extra trade.

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[2]   Analysis at the levels of individual economic agents such as household and firm.
[3]   Buying lower effective red tape means offer bribe to reduce bureaucratic delays that characterized public sector activities.
[4]   Pareto-optimal allocation is an allocation that increases the welfare of an economic agent without reducing the welfare of the others.

Table 1: Nigerian Imports from China

	Product label	2002		2003		2006		2008		2010	
		Value US $	% of Total	Value US $	% of Total	Value US $	% of Total	Value US $	% of Total	Value US $	% of Total
	All products	740.6	100	1068	100	3161.1	100	4292.3	100	7324.4	100
1	Electrical, electronic equipment	105.2	14.2	137.9	12.9	489.8	15.5	743.1	17.3	1821.5	24.9
2	Vehicles other than railway, tramway	86.5	11.7	171.9	16.1	765	24.2	734.9	17.1	1451.4	19.8
3	Machinery, nuclear reactors, boilers, etc	99.3	13.4	255.8	24	431	13.6	814.8	19	1074	14.7
4	Articles of iron or steel	26.3	3.6	31.6	3	80.2	2.5	163.2	3.8	469.3	6.4
5	Rubber and articles thereof	16.4	2.2	21.1	2	64.9	2.1	126.9	3	249.1	3.4
6	Plastics and articles thereof	24.7	3.3	34	3.2	146.2	4.6	174.1	4.1	226.6	3.1
7	Aluminium and articles thereof	6.5	0.9	7.7	0.7	39.5	1.2	143	3.3	162.3	2.2
8	Ceramic products	7.4	1	10.7	1	87.4	2.8	212.1	4.9	159.6	2.2
9	Glass and glassware	4.8	0.6	9.5	0.9	28.1	0.9	64.1	1.5	119.9	1.6
10	Iron and steel	17.9	2.4	18.1	1.7	55.8	1.8	195.1	4.5	116.4	1.6
11	Optical, photo, medical, etc apparatus	20.3	2.7	19.9	1.9	86.4	2.7	67.6	1.6	106.5	1.5
12	Fish, crustaceans, invertebrates nes	6	0.8	18.1	1.7	69.3	2.2	16.5	0.4	103.1	1.4
13	Organic chemicals	19.8	2.7	28.3	2.6	68.7	2.2	75.8	1.8	97.7	1.3
14	Miscellaneous articles of base metal	6.9	0.9	7.4	0.7	10.6	0.3	34.8	0.8	94.5	1.3
15	Miscellaneous chemical products	29.2	3.9	18.3	1.7	64.1	2	50.6	1.2	85.8	1.2
16	Inorganic chemicals, metal compound	11.7	1.6	18.8	1.8	64.4	2	66.7	1.6	60.8	0.8
17	Tools, implements, etc of base metal	2.7	0.4	3.2	0.3	6.2	0.2	23.7	0.6	58.3	0.8
18	Paper & paperboard, paper and board	18.9	2.6	22	2.1	61.4	1.9	55.6	1.3	53.5	0.7
19	Furniture, prefabricated buildings	7.1	1	9.9	0.9	21.3	0.7	26	0.6	52.7	0.7
20	Stone, plaster, mica, etc articles	2.1	0.3	1.9	0.2	7.8	0.2	14.6	0.3	44.4	0.6
21	Salt, sulphur, earth, and cement	6.9	0.9	25.3	2.4	32.8	1	76.4	1.8	43.4	0.6

Source: International Trade Centre (ITC) Data Base (http://www.trademap.org Bilateral_TS.aspx)

Cases from Eastern, Southern and West Africa

Table 2: Nigerian Exports to China

	Product label	2002		2003		2006		2008		2010	
		Value US $	% of Total	Value US $	% of Total	Value US $	% of Total	Value US $	% of Total	Value US $	% of Total
	All products	73.20		123.54		4.134		668.09		1440.8	
1	Mineral fuels, oils, distillation products, etc	71.83	98.1	109.8	88.9	0	0.00	147.27	22.0	696.62	48.3
2	Raw hides and skins (other than furskins) and leather	0.00	0.0	0.025	0.0	0.012	0.29	265.53	39.7	592.42	31.1
3	Plastics and articles thereof	0.00	0.0	0	0.0	0	0.00	266.79	39.9	251.97	7.5
4	Oil seed, oleagic fruits, grain, seed, fruit, etc	0.00	0.0	0.006	0.0	0	0.00	7.67	1.1	24.66	1.7
5	Ships, boats and other floating structures	0.32	0.4	6.78	5.5	0	0.00	6.73	1.0	21.73	1.5
6	Rubber and articles thereof	0.05	0.1	0.54	0.4	0	0.00	12.19	1.8	13.8	1.0
7	Footwear, gaiters and the like, parts thereof	0.00	0.0	0	0.0	0	0.00	0.36	0.1	12.51	0.9
8	Inorganic chemicals, precious metal compound, isotopes	0.00	0.0	0.16	0.1	0	0.00	0.084	0.0	8.96	0.6
9	Cocoa and cocoa preparations	0.00	0.0	0	0.0	0	0.00	1.14	0.2	6.77	0.5
10	Machinery, nuclear reactors, boilers, etc	0.74	1.0	1.81	1.5	2.68	64.83	0.78	0.1	5.57	0.4
11	Copper and articles thereof	0.00	0.0	0	0.0	0.27	6.53	13.32	2.0	4.64	0.3
12	Electrical, electronic equipment	0.00	0.0	0.11	0.1	0	0.00	0.2	0.0	4.59	0.3
13	Ores, slag and ash	0.00	0.0	0	0.0	0	0.00	7.17	1.1	4.37	0.3
14	Miscellaneous chemical products	0.00	0.0	0.25	0.2	0	0.00	0.15	0.0	2.97	0.2
15	Cotton	0.00	0.0	0	0.0	1	24.19	0.39	0.1	2.41	0.2
16	Wood and articles of wood, wood charcoal	0.00	0.0	0	0.0	0	0.00	6.02	0.9	1.98	0.1
17	Tobacco and manufactured tobacco substitutes	0.00	0.0	0	0.0	0	0.00	0.13	0.0	1.43	0.1
18	Articles of iron or steel	0.25	0.3	2.6	2.1	0	0.00	0.27	0.0	1.29	0.1
19	Aluminium and articles thereof	0.00	0.0	0	0.0	0.9	21.77	3.62	0.5	1.25	0.1
20	Live trees, plants, bulbs, roots, cut flowers etc	0.00	0.0	0	0.0	0	0.00	0	0.0	1.04	0.1

Source: International Trade Centre (ITC) Database (http://www.trademap.org/Bilateral_TS.aspx)

In the same vein, Kaufmann and Wei (1999) showed that in an environment with exogenous bureaucratic burden and delay, weak institutions tend to promote trade, while if institution is endogenous, then weak institution reduces trade. Using worldwide firm-level surveys they find that the "efficient grease hypothesis"[5] does not work. In fact, the reverse is the case, that weak governance is costly and hence reduces international trade.

Further, Dutt (2010) and Dutt and Traca (2010) reported that good governance promotes private sector development; spurs investment; improves resource allocation; and facilitates long-term sustainable growth. In particular, they state that high levels of corruption increase bureaucratic red tape, decrease the quality of regulations, reduce FDI, and even impede trade.

Recent Trends in China-Nigeria Trade and Investment Flows

Recent Trends in China-Nigeria Trade Flows

Table 1 presents Nigerian imports of goods from China, classified by 21 major products. Nigeria's imports from China increased consistently from $740.6 in 2002 to $7.32 billion in 2010. Although, the country imports all the broad categories of products from China, some products are more significant than others. For example, import of electrical and electronic goods, vehicles, machinery, and transport equipment were ranked highest in 2010, followed by manufactured goods, miscellaneous manufactured goods, chemicals, food and live animals.

Furthermore, when the broad categories are considered, Nigeria imported more (relatively) miscellaneous manufactured products, such as footwear and related articles, from China than the rest of the world. China's share of Nigeria's imports also increased persistently, with regard to electrical and electronic goods, food and live animals. The import of beverages and tobacco rose minimally, and the import of crude materials (excluding food and fuel), manufactured goods, machinery and transport equipment, and miscellaneous manufactured goods all rose substantially. China's share of Nigeria's total imports increased consistently from 8.5% in 2002 to 16.6% in 2010 (Adewuyi & Bankole, 2012).

Nigeria's export to China followed the increased trend, although in a relatively moderate way, rising from $73.2 million in 2002 to about $1,440 million in 2010

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[5]   Means corruption could facilitate economic activities including commerce and contracts.

(Table 2). The composition of Nigeria's exports to China is not as diversified as its imports from China. These products include mineral fuel and oils, agricultural products, crude materials, chemical products, and manufactured products. Analysing data in Table 2 reveals that four broad commodities, worth a total of US$73.2 million, were exported in 2002. This export is dominated by mineral fuel and lubricants (representing US$71.8 million), followed at a distant by ships, boats and other floating structures, which totalled US$0.23 million.

In 2010, mineral fuel and lubricants ranked highest on Nigeria's export list to China, followed by raw hides and skins (other than fur skins) and leather. Export of plastics and articles ranked third, while oil seed, oleagic fruits, grain, seed, and fruit ranked fourth. In terms of the significance of Nigeria's export to China—relative to the rest of the world—Nigeria's share of export to China remains negligible at 1.7% in 2010 (Adewuyi & Bankole, 2012). Mineral fuel and lubricants constituted the main exports of Nigeria to China, and its proportion, in 2007 and 2010, was a paltry 1.6% and 1.7% respectively of Nigeria's total world exports. However, Nigeria exported more crude materials, excluding food and fuel, to China than any other country.

There is growing concern that the observed trade pattern between the two countries may be inconsistent with, and dangerous to, Nigeria's industrialisation aspiration.

Recent Trends in China-Nigeria Investment and Aid Relations
Nigeria has been a top destination for Chinese FDI in the African continent, second only to South Africa. Its attractions to Chinese FDI are clear: vast energy reserves and a large domestic market of 167 million inhabitants, with growing disposable incomes. Chinese FDI inflows to Nigeria have been on the increase since late 1990s. A ten-fold increase in the flow of Chinese FDI into Nigeria was recorded between 1999 and 2010.

Chinese investments in Nigeria are concentrated in the oil and gas, manufacturing, building and construction, and telecommunication sectors. China has established more than 30 solely-owned or joint-venture companies in the construction, oil and gas, technology, services and education sectors of the Nigerian economy (Ogunkola et al., 2008; Oyeranti et al., 2010). Some of these companies are listed in Table 3. It can be seen from the table that large Chinese firms, in terms of assets, are in the oil and gas, construction and real estate, and telecommunication sectors.

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Table 3: Major Chinese Companies in Nigeria

Companies	Sector of activities	Assets (billion $)
China Petroleum and Chemical Corporation (Sinopec)	Oil and gas	152.80
China National Petroleum Corporation (CNPC)	Oil and gas	470.80
Solar Electric Power Company (SEPCO)	Electric power construction	38.60
China Civil Engineering Construction Corporation (CCECC)	Construction	2.17
Certified Supply Chain Energy Corporation (CSCEC)	Construction, real estate	58.90
China National Offshore oil Corporation (CNOON)	Offshore oil and gas	13.8
China Materials Agency (Sinoma)	Cement Engineering Construction	2.9
Construction Group Corporation (CGC)	Construction	0.30
Huawei	Telecom	25.00
Zhongxing Telecommunication Equipment (ZTE)	Telecom	13.00

Source: Eghula & Zheng, (2011)

Analysis of FDI flows, presented in Table 4, indicates that Chinese FDI inflows to Nigeria increased from an average of $45.52 million in 2004 to $55.3 million in 2005. Compared with other sources of FDI inflows to Nigeria, Chinese FDI inflows were about 0.13% of the total of FDI in 2006 (Oyeranti et al., 2010). Table 4 further shows that Nigeria's FDI inflow from China increased from $67.79 million in 2006 to a peak of $390.4 million in 2007, but then fell to $184.89 million in 2010. Also to be noted is the fact that Nigeria received over half of all Chinese FDI flows to West Africa between 2004 and 2009. The stock of Chinese FDI in Nigeria rose from $75.61 million in 2004 to $1.21 billion in 2010. Again, between 2004 and 2009, over half of Chinese FDI stock in West Africa is in Nigeria.

Table 4: Nigeria's Inward FDI Flows and Stock from China 2004-2010 (Million $)

Nigeria's inward FDI Flow from China: 2004-2010 (million $)

Country/ Region	2004	2005	2006	2007	2008	2009	2010
Nigeria	45.52	55.31	67.79	390.35	162.56	171.86	184.89
West Africa	87.78	98.16	82.94	521.91	209.74	326.16	512.6
Africa	317.43	391.68	519.86	1574.31	5490.55	1438.87	2111.99
World	5,498	12,261.17	17,633.97	26,506.00	55,907.17	56,528.99	68,811.31

China's outward FDI Stock in Nigeria: 2004-2010 (million $)

Country/ Region	2004	2005	2006	2007	2008	2009	2010
Nigeria	75.61	94.11	630.32	635.6	795.91	1025.96	1210.85
West Africa	192.77	273.21	1054.92	2392.56	1338.02	1889.87	2353.76
Africa	899.55	1595.25	2556.82	4461.83	7803.83	9332.27	13042.12
World	44,800	57,200.22	90,630.26	117,912.01	183,971.09	245,750.20	317,217.90

Source: China Commerce Ministry (www.english.mofcom.gov.cn)

Gains and Losses that accrue for Nigeria from Trade and Investment Relations with China: Macro and Micro Perspectives

Various stakeholders (government, importers, exporters and the Nigerian public) have the opportunity to benefit from China-Nigeria trade and investment relations. Available data from the International Trade Centre (ITC) database show that the total trade surplus of China against Nigeria was $3.3billion in 2007 and $42.3 billion in 2010. Given this analysis, the scale of the losses for different economic agents in Nigeria can be imagined. However, producers and exporters of those broad categories of products, whose exports increased between 2000 and 2010 are better off, as they earned additional income from exporting to China, assuming the export price of their products, and the real exchange rate, remained constant. Given that the main product Nigeria exports to China are minerals (and related products), most of the gains of exports to China during this period went to the government and joint venture oil companies. The benefit derived by ordinary Nigerians is, therefore, indirect, and emanates from the benefits that are generated by government spending on social and economic services in the country.

Beside the macroeconomic gains and losses of the trade relations between China and Nigeria, there is also the microeconomic perspective to consider. A recent study, by

Adewuyi, Aminu and Kareem (2010) offered insight into these gains and losses. They discovered that Nigerian consumers prefer Chinese products to locally made goods. The major reasons they gave for consuming Chinese products were that they were relatively cheap, there was good availability, they were of good quality, technology and packaging compared to locally produced goods. However, consumers also reported cases of sub-standard products, some of which were hazardous to health.

So far as Nigerian producers were concerned, the study found that the competition from Chinese products has led to declining profit margins, low capacity utilization, and redundancies. The reasons given by the Nigerian producers for the non-competitiveness of their products included unfavorable government policies, poor infrastructure, poor governance, low import duties, and little information about foreign countries, China in particular.

With respect to gains from Chinese investment in Nigeria, according to Ogunkola et al (2008) and Oyeranti et al (2010), there have been improvements in the state of infrastructure; financial and technical aid; knowledge and skill spillovers; and employment, output and exports. The losses include anti-competitive and restrictive business practices which harm local firms; tax avoidance, and environmental pollutions generated by Chinese firms in various economic activities.

Governance and Security Challenges in China- Nigeria Trade Relations

Trend of Indicators of Governance for China and Nigeria

The governance indicators chosen for this analysis are those found in the literature such as Wei (2001) and Kaufmann, Kraay and Zoido-Lobaton (2002), including corruption (representing control of corruption); law and order (as a measure of compliance and extent of violence); democratic accountability (as a measure of voice and accountability); bureaucracy quality (measuring government effectiveness); internal conflict; and involvement of the military in politics (as a measure of political stability). Governance indicators are computed such that the larger the number the better. Tables 5 and 6 show that between 2001 and 2009, the corruption index for China ranged between 1.0 and 1.97, while that of Nigeria was 1.0 throughout. This index implies prevention of the use of public power for private gain—ranging from the incidence of improper practices (such as poor quality of service) to the effect of corruption on the cost and benefit of the contracts.

Table 5: Trend of Governance Indicators in Nigeria

Years	Corruption	Law and Order	Democratic Accountability	Bureaucracy Quality	Internal Conflict	Military in Politics
2001	1	2.6	3	1	7.3	2
2003	1	1.5	3.2	1	6.1	2.88
2005	1	1.5	3.1	1	6.8	2.94
2007	1	1.5	3.1	1	6.9	2.95
2009	1	1.5	3.1	1	7	2.96

Source: International Country Risk Guide (ICRG) (http://www.prsgroup.com/icrg.aspx)

In relative terms, corruption is more pronounced in Nigeria than in China. The number of individuals and corporate organisations that the anti-corruption agencies have convicted, or are presently trying, bears testimony to the extent of corruption in Nigeria. This is a strong factor affecting Nigeria's trade and investment relations with her trade partners, especially China.

Table 6: Trend of Governance Indicators in China

Years	Corruption	Law and Order	Democratic Accountability	Bureaucracy Quality	Internal Conflict	Military in Politics
2001	1	4.75	1	2	10.08	2
2003	1.92	4.5	1	2	11.38	2.88
2005	1.96	4.5	1	2	11.35	2.94
2007	1.97	4.5	1	2	11.36	2.95
2009	1.97	4.5	1	2	11.36	2.96

Source: International Country Risk Guide (ICRG) (http://www.prsgroup.com/icrg.aspx)

The law and order indicator reflects the extent to which agents have confidence in, and abide by, the rules of society, and, in particular, the quality of contract enforcement, property rights, law enforcement agents, and the courts, as well as the likelihood of crime and violence. The perception and rating of regulatory authorities in Nigeria have been poor. This accounts for the extent of the violation of Nigeria's import and export regulations by her trade partners. The Daily Champion of April 30, 2006 reported a case involving 30 trailer loads of contraband goods, imported into the nation in mysterious circumstances. Part of the concern about this kind of activity concerns issues of national security, quite apart from the potential economic damage.

The democratic accountability indicator represents different aspects of political rights and civil liberties, such as free and fair elections, the influence of the military in politics, and the independence of the media. This indicator scores higher in Nigeria than China. The Nigerian government seems to have done much to legislate for the rights of citizens; evidenced by the passage of the Freedom of Information Bill in 2011. In addition, civil society has been pursuing effective implementation of other recently enacted laws, including the Public Procurement and Fiscal Responsibility Law. Another demonstration of improved democratic accountability in Nigeria is the 2011 general election, declared by international observers to be free and fair. The democratic accountability indicator reflects a very strong factor that can enhance trade relations between Nigeria and China.

The bureaucracy quality indicator measures the "inputs" that are required for the government to be able to produce and implement good policies. These include the quality of the political office holders in the various arms of government; the competence of civil servants; and their independence from political pressure. This indicator shows that China is in a better position than Nigeria. A number of cases demonstrate the extent of the poor bureaucratic quality in Nigeria. For instance, despite various Port administration service reforms, it still takes a long time for goods to be cleared. This can encourage corruption and discourage potential trade partners and investors from doing business in Nigeria. Another strong indication of Nigeria's poor performance, so far as bureaucratic quality is concerned, is its inadequate implementation of government policies, including the budget disbursement.

The internal conflict and the extent of military influence in politics indicators combine to describe the likelihood of the government being destabilised, or even overthrown, by unconstitutional and/or violent means, due to factors such as ethnic tension. Based on available data in Table 6, China is equally better than Nigeria on the ratings of internal conflicts and military in politics. Nigeria is multi-ethnic, multi-cultural and multi-religious, and has witnessed political instability since 1999, the spate of violence and ethnic tension in the country is capable of having negative impact on its trade relation with the rest of the world.

Identification and Analysis of Governance and Security Issues in China-Nigeria Trade and Investment Relations

Trade and investment can only thrive under good governance and within peaceful conditions. These two factors also determine the distribution, or extent of, the gains from trade and investment. The issues of governance and security associated with China-Nigeria relations, discussed in this paper, include unfair competition; compliance with law and order; corruption; political stability and internal conflict; kidnapping and killing; and lack of transparency.[6]

China-Nigeria trade and investment relations have generated unfair competition between producers in the two countries, as well as between contractors and investors. Survey findings[7] show that local producers felt that Chinese products in the Nigerian market had damaged their production activities. This was borne out by consumers, who said there had been an increase in the availability of Chinese products in the Nigerian market—which had led to less interest in Nigerian-made goods and products imported from other countries. The influx of cheap Chinese imports into the Nigerian market has raised concerns, since they rendered locally made products uncompetitive and squeezed profit margins of local producers. This eventually led to the closure of local businesses, for instance, dealers in textiles, leather, and wooden furniture. And Chinese construction firms are in intense direct competition with Nigerian construction firms. All these have led to low level of business activities and job losses in Nigeria, which, in turn, has led to social and political vices in Nigeria (Adewuyi et al., 2010; Ogunkola et al., 2008; Oyeranti et al., 2010).

On the issues of compliance with international law, as well as local rules and regulations, it was found that Chinese companies failed in a number of respects. For instance, it was reported by the President of the National Association of Nigerian Trades (NANTs) at a dissemination workshop organised in 2010[8] that China's increased share of Nigeria's imports is due to the influx of sub-standard products from China, encouraged by Nigerian businessmen who order low quality goods.

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[6]   The discussion of these governance and security matters is based on recent studies supported by Nigeria's Economic Management Team (NEMT) and the African Economic Research Consortium (AERC), based in Nairobi Kenya. This is complemented with other relevant literature.

[7]   Ibid.

[8]   Organised by Trade Policy Research and Training Programme (TPRTP), in collaboration with the African Economic Research Consortium (AERC), which took place in Abuja, Nigeria in 2010.

And that a trade delegation of Chinese companies that visited Nigeria in 2006, said that Chinese firms do not generally produce sub-standard goods but do so only at the instigation of the Nigerian importers.[9]

Also, Adewuyi et al., (2010) revealed that some goods which had originated from China caused dissatisfaction, because, for example, they broke down, they were of low quality, and they were expensive and difficult to repair.

Poor labour relations and violations of human rights' law are generally common in Chinese enterprises in Nigeria. Although working conditions in Chinese enterprises in Nigeria vary across the sectors there are difficulties common to most (Ogunkola et al., 2008). These include poor working conditions; a hostile attitude by Chinese employers towards trade unions; violations of workers' rights; and unfair labour practices. Also workers are often employed as "casual workers," meaning they are not entitled to retirement benefits. Basic rights, such as leave bonus or payment during annual leave, are often ignored and workers are forced to work overtime, sometimes without extra money. A particularly bad example of how rights are violated concerns the "locking-in" of workers during working hours, which has led to deaths in Nigeria when fire breaks out (Ogunkola et al., 2008). Chinese enterprises pay little attention to health and safety issues, and they neglect precautionary measures and relevant training. In some cases, Chinese employers terminate the employment of female workers once they fall pregnant. Chinese firms discriminate in the areas of recruitment, and payment for Nigerian and Chinese workers. There is also a general absence of proper employment contracts (Ogunkola et al., 2008).

Furthermore, some Chinese firms in Nigeria have been accused by Non-Governmental Organisations (NGOs) of violating health and safety standards and environmental legislations in their host communities. For instance, the Chinese logging company Western Metal Production Company (WEMPCO) has been accused of discharging untreated effluent into the Cross River in South-Eastern Nigeria - damaging the health and livelihoods of local fishermen and their families. The same company was also accused of inducing community leaders and law enforcement agents to suppress

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[9]   It was reported that only 12% of products met three of the import requirements established by the Standards Organisation of Nigeria. A high proportion of the products met only one of the import requirements (48%), while 36% of products complied with two import requirements (Ogunkola et al., 2008).

protests against them by the local community (Obiorah, 2007). And in Lagos NGOs have accused the Chinese manufacturing firm, WAHUM[10] of discharging noxious substances into the air, which amounts to systematic violation of occupational safety and health standards (Obiorah, 2007).

With respect to corrupt practices, it was revealed during dissemination workshops, organised[11] in 2010, that both Nigerians and the Chinese business men were involved in corrupt practices, which included reneging on contract execution; over-invoicing; tax evasion/avoidance; duping and lack of transparency. It was reported that some Chinese companies collaborated with Customs Officials in the importation and open sale of contraband goods at the Chinese-town market in Lagos. This led to the temporary closure of the market. Members of the National Association of Nigerian Traders (NANTs), who participated in the dissemination workshops, were highly critical of the levels of corruption and lack of transparency (Adewuyi et al., 2010; Ogunkola et al., 2008; Oyeranti et al., 2010). This problem of lack of transparency was also observed during most of the studies conducted in Nigeria. Chinese firms claimed they lacked an understanding of the English language and were unwilling to respond to the information requests of researchers. This meant important information, required for analysis, was often not obtainable, as was reported in other studies including Oyejide et al. (2009) and Ogunkola et al. (2008).

With regards to the security of lives and property, fourteen Chinese workers were reported kidnapped and killed by militants in different incidents (Brautigam & Gaye, 2007; Ogunkola et al., 2008). For instance, in 2009, some Chinese were killed at Ebonyi in Ebonyi state (The Daily Champion, 2009), while in 2012, two of them were killed at Beniskch in Borno state (The Compass, 2012) and in 2013, three Chinese were killed at Potiskum in Yobe state (Premium Time, 2013). These Chinese were killed together with the Nigerians who ran into the Boko Haram militants that were killing people indiscriminately in the Northern part of the country for reasons not explicitly stated. These incidents came as shocks to the government of Nigeria who immediately sent the joint task force to the locations of the incidents, and fortunately, some of the killers were killed while others were held. Government also

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10   West Africa Household Utilities Manufacturing Company Ltd.
11   The same workshop Organised by Trade Policy Research and Training Programme (TPRTP), in collaboration with the African Economic Research Consortium (AERC).

sent delegations to the locations to visit both the Chinese and Nigerian communities that were affected. Final solutions need to be found to forestall the future occurrence of such incidents so as not to mar China-Nigeria trade relations

Since the late 1990s, Nigeria has faced security challenges, including militancy in the Niger Delta, religious crises in the North, conflict between Fulani Cattle traders and rice farmers in the Middle Belt, a post election crises in the North and the recent Boko Haram insurgence, also in the Northern part of the country. There are also the ongoing, and widespread, problems of armed robbery and theft.

Concluding Remarks

The associated governance and security challenges in China-Nigeria trade and investment relations require policy interventions. In order to address the problems arising from low quality products, which are hazardous to health, the Government should intensify its efforts to apply standard sanitary and phyto-sanitary control measures to imported goods. It could also impose duties, to offset the price advantage of exporting countries, such as China. This should ensure that the Nigeria is not turned into a *dumping ground* for low quality, substandard and harmful products. The Standard Organisation of Nigeria (SON) and the National Agency for Food and Drug Commission (NAFDAC), as well as the Nigerian Customs Service, should put more effort into eliminating substandard products from the country. The activities of the Consumer Protection Commission (CPC) should also be intensified and members of the public should be encouraged to report harmful products. The CPC should educate consumers on their rights and how to seek counsel or redress if their health is affected by consumption of a substandard product.

The government should prevent smuggling, in order to help domestic producers who are currently facing unfair competition as illegal goods flood the marketplace. Local content policy[12] can be used to keep some activities for domestic producers and contractors. The government should also encourage partnerships between Nigerian and Chinese investors and contractors, and the formation of consortia to

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[12]   According to the Nigerian National Petroleum Corporation (NNPC): Local content means "The quantum composite value added or created in the Nigerian economy through the utilization of Nigerian human and material resources for the provision of goods and services to the petroleum industry' (NNPC Website).

bid for project contracts. The safeguard measures[13] of the World Trade Organization (WTO) can be used by the Government, if there is evidence of losses incurred by local firms as a result of import surges (excessive import from China). There are a number of issues that need to be sorted out with respect to the use of WTO provisions on countervailing and safeguard measures. The government should also address the critical problem of lack of capacity in the public sector in Nigeria in terms of ability to deal with legal and data requirements, as well as provision of equipment and personnel to conduct the necessary analysis for the operationalisation of countervailing and safeguarding measures. Furthermore, it should negotiate voluntary export restraints (VERs)[14] with the Chinese Government, so as to reduce the massive influx of Chinese products into Nigeria.

Measures that the government could take to enable local producers to better cope with the influx of commodities from China, and other markets, include: the provision of loans at subsidised interest rates; and proactive support for the consumption of locally made goods.[15] It is also important to provide a reliable power supply, and give assistance to producers to improve their technology.

The government should use oil revenue to improve infrastructure and social amenities, and invest in activities with high employment potential - such as agriculture, manufacturing, and the services. This will enable the country to overcome the challenges of supply side constraints; to diversify the economic base; to reduce unemployment; and to alleviate poverty - which together have engendered political, religious and ethnic conflict and fostered crime.

The fight against corruption and lack of transparency should be intensified. The activities of the Economic and Financial Crime Commission (EFCC) and the Independent Corrupt Practices Commission (ICPC) should be depoliticised and made more effective. Government corruption, for example by civil servants, law enforcement agents, the Customs Service and the judiciary, should be stopped.

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13   These are measures designed to minimise possible undesirable socio-economic consequences of massive influx of imports into a country due to liberalisation of trade. Examples are products that will guarantee food security, livelihood security etc

14   To encourage Chinese government to reduce the level of export of some goods to Nigeria

15   Direct all government ministries, parastatals and agencies to patronize locally made goods; enforce local content law; persuasion of the public to patronize locally made goods through regular media charts;

The Corporate Affairs Commission (CAC), and the Nigeria Investment Promotion Council (NIPC) should develop an effective database of foreign investment opportunities—which would enable the government to match investors with investment opportunities.

Chinese traders and companies should be encouraged to comply with Nigerian laws, particularly on labour, human rights, the environment, and health and safety. And NGOs, labour unions, the media, and the general public should support this process. Chinese enterprises should be encouraged to direct their social responsibility activities to funding the provision of public services, in areas where they will have impact of improving governance and security situations.

The negotiation approach employed to find a solution to the militancy struggle in the Niger-Delta, should also be applied to the case of Boko Haram and other political and ethnic crises in Nigeria. This is necessary in order to stop the repeated kidnapping and killing of people, including foreigners –which deters foreign investment in Nigeria. In conclusion, the above recommendations if considered for implementation could help minimise the governance and security costs associated with China-Africa trade and investment relations.

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CONCLUSION

Conclusion

Mulugeta Gebrehiwot Berhe and Liu Hongwu

Discussion on China-Africa relationships is mostly dominated by the global media perspectives, or agenda set by these organizations. This meta-narrative—which depicts China as an irresponsible self-interested market or resource seeking player dealing with rulers with questionable human rights records in Africa—held sway for most of the previous decades. When and if the characterization of the policy is found correct, it can only be similar to the relationship Africa used to experience in its relationships with the west. At any rate, discussion along this narrative will not add much value to our policy making and we Chinese and Africans together should set a pragmatic approach to the agenda. This approach should focus on investigating whether current China-Africa relationship is led by genuine South-South partnership or not.

As does any other responsible state, China prioritizes its national interests in its relationships with Africa. Thus, discussion can only be important and useful when looked at from a pragmatic angle with little or no dismissively negative overtures. In this regard, critical examination of China's preparedness to pay the price for its long term interests in this relationship would contribute to the strength and quality of current and future cooperation between China and Africa. The academe of Africa and China should look into all the challenges and opportunities that affect this relationship and put forth recommendations on as to how best to sustain the partnership for the decades to come.

The value creating capacities of African economies is limited as their economies are basic and essentially focused on rent collection. China would fail to be a long term partner of Africa when and if it directs its relationship along a sole motive of resource exploitation and trade at the expense of local economies. When and if China fails on this aspect it fails to serve its own long term interests as weak Africa contributes to the weakness of its partner. By the same token Africa is challenged in developing its economies so that it can address the welfare of its citizens while becoming competitive in the globalized environment. Such a consideration explains why a partnership focused on improving the value creating capacities of African economies' should come at the center of a China-Africa relationship guided by the

spirit of genuine South- South collaboration.

The 2nd meeting of the China Africa Think Tanks Forum was held in Bishoftu, Ethiopia, on 12-13 October, 2013 with the objective of examining the China Africa relations, from a genuine South-South cooperation perspective with special focus on governance, peace and security issues. This concluding chapter, based on the discussions and findings of the Forum, attempts to broadly summarize the findings from the Forum.

Key Issues to Consider in Evaluating China Africa Relations

One important consideration in China-Africa relations is the fact that a resurgent China in global affairs is only an emerging one in Africa. China's relationship with Africa in the modern days was limited to material and ideological support to African Liberation Movements in the beginning of the second half of the twentieth century. It is only after opening up its economy and the end of the cold war that China's presence without any ideological mission started to surface in Africa.

This 'newness' in the modern-day beginnings of China-Africa cooperation means that China knows little of African realities and experiences on the ground and vice versa. China's experience in Africa and China's knowledge of and about Africa is only in the making. China's formula which pulled hundreds of millions out of poverty in the past two decades should be known to Africans—not to be adopted in its entirety, but be adapted to specific realities of Africa. China should also know about the numerous nuances that underlie the social, economic and political realities in Africa so that it can inform its policy and engagement, and move from doing business the 'Chinese way' to 'doing business in Africa.'

Another factor to consider is China's status as a developing country albeit its position as the second largest economy in the world. The per capita gross domestic product of China (about 6,075 USD in 2012) is very small compared to that of OECD countries. Behind the façade of national wealth there is abject poverty too in China. Chinese leaders are still faced with the task of pulling not less than 200 million people out of poverty despite the magnificent achievement of doing the same for 500 million people in the past three decades.[1] The fact that China's desire to forging

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1   http://articles.economictimes.indiatimes.com/2012-12-31/news/36079605_1_wealth-gap-li-keqiang-poverty-line

partnerships with Africa in the face of a real development need at home would make its engagement in Africa at best ambivalent.

Therefore, expectations from African scholars, governments and civil society should duly consider the reality that China is a novice to the intricate economics and politics of the African continent on top of an ongoing task of poverty elimination back home. It is no wonder that China's capacity to provide development assistance to Africa is limited compared to the amount of resources African development requires. The limited support China provides in development assistance, peacekeeping and reconstruction should be weighed with this perspective in mind. Thus, expectations should be managed and be realistic.

Key Priority Areas for further work

The Forum highlighted two key priority areas to furthering China-Africa partnership: 1) enhancing joint knowledge generation and exchange, and 2) gearing the relationship towards 'value creation' and interdependence.

Enhance joint knowledge generation and exchange: African studies institutes in Chinese universities are recent and of limited capacity. There is a need to expand African studies in China in partnership with African research institutions for knowledge production, exchange and joint research so that China's engagement in Africa is based on solid knowledge of African realities. This joint exercise should come up with an original understanding of African realities, rather than complete reliance on previous studies which were based on western values and norms.

This exercise will have to bring African scholars onboard as equal knowledge producers with their Chinese counterparts least past traps should be repeated—the traps which constrained previous researchers for two reasons. Firstly, time is of the essence: China should not take as much time as the west took to "learn" Africa. Both China and Africa are faced with rapidly changing global economic and political circumstances, to which academic works as well as researches should respond with matching pace and zeal. This task would be easier if existing knowledge in African academia and institutions is tapped into. This requires not only financing Chinese scholars for study visits and fellowships in Africa but also financing African scholars to do research in collaboration with Chinese scholars.

Secondly, knowledge about Africa in the past was not generated by understanding

African cultures, institutions and socio-political intricacies as they are, but in comparison with the West. The west was used as a model to which Africa was expected to inevitably conform to, thus African values were not understood or explained as such, but in comparison with western values and norms. This has detracted applicability of generated knowledge to solve the quagmire Africa is in, and should not be repeated by China. A crucial input in this regard could be garnered from African scholars, for the obvious reason that no one but Africans themselves can have better grasp and deeper understanding of African cultures, norms and values.

Beyond research, China should also encourage its scholars and scientists to engage in knowledge transfer in Africa. There are tens of thousands of Chinese engineers and technicians working in projects scattered all over Africa but there is almost none in higher education teaching and research in Africa. This should change without denying the language barriers for such an engagement.

Promote value creation and interdependence: The economies of most African countries are based on subsistent small-holder agriculture with their GDPs and exports predominantly sourced from this sector. This was also true for China before it industrialized. It is difficult to fathom a situation in which African countries could successfully deal with demands of their population without restructuring their economies by diversifying their priority sectors to include such areas as manufacturing and the service sector. China could assist African countries in this regard in two forms: (1) Regulating its export trade to Africa and (2) Encouraging technology transfer. Introducing export standards would save African infant industries from being crushed by unregulated import of cheap products from China. Regulating trade however is only the first step in building a value-creating African economy; it should be followed by technological and skill transfers to African firms. As China moves to higher end technology products, it could "export" labor intensive manufacturing industries to Africa.

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