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Interdependence in China-Africa Aid Relations

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Abstract

China's intervention in general and the aid involvement in Africa in particular have provoked contentious debates. This study with the help of interdependence theory attempted to examine the nature of China–Africa aid relations and demonstrate the overall impact of the Chinese aid relation on Africa as well as the traditional Western influence. Employing a single-holistic case study qualitative approach, it attempts to provide a theoretical understanding of the aid relations and make sense of Africa's position within this relationship and beyond. Accordingly, the empirical data that are used in this study show that the nature of the China–Africa aid relations is driven by their respective interest greatly facilitated by the quick and politically untied Chinese aid in exchange of Africa's abundant resources and access to market. Here, China's divergent approach to aid and its economic engagement in Africa presents an alternative to the Western donors and Western financial institutions, and this is seriously challenging the traditional Western hegemony while giving leverage to Africa. The situation has intensified competition between China and Western powers placing Africa at the center of emerging geopolitical tensions. Furthermore, this study confirms that the convergent of Chinese aid with its commercial interest has negatively impacted the infant industries and labor market in some African countries; however, the enormous economic opportunities created by Chinese aid far outweigh the threats. Despite the imbalance in the benefits and the challenges posed, interdependency between China and Africa is mutually reinforced. Thus, this study concludes that the fundamental imperatives for the interdependence of China and Africa are the growing domestic needs in both sides and their long term strategic interest.

Keywords: China, Africa, aid relations, Western donors, foreign aid, Interdependence.

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Part One

1 Introduction

This is a study on China-Africa aid relations. The contemporary Chinese intervention in general and aid involvement in Africa in particular have attracted international attentions and triggered much critics and many questions. The subject has provoked contentious debates and discussions among Western- and to a lesser extent African- scholars, civil society actors, medias and policy makers/politicians. The issue has become important and a substantial literature has been produced on the subject which provides both negative and positive views. While some see the China-African relation in general, and the aid relation in particular as worrisome, others believe this is a good opportunity for both China and Africa. Is Chinese aid beneficial for Africa or not?

Many observers, mostly from the global north, accuse China to be a new predatory who put its economic needs above everything else- democracy, human rights, humanitarian engagement, or environmental concern. The Chinese aid to Africa is characterized as ‘untied’ and ‘rogue aid’, for it is guided by its own interest, not by the recipients’ need (Lyman: 2005; Dreher & Fuchs: 2011; Power & Mohan: 2010; Brautigam: 2008). Furthermore, many believe that China is purported to have imperialist designs on the African continent and that the country strives to gobble up everything in its path (see in Rupp: 66: 2008; Brautigam: 2008). Some of the reasons given by observers who criticize China is that such form of aid has a potential to reverse all the progresses achieved in fighting corruption and improving governance in Africa. This criticism goes long way to the extent of characterizing China as a neo-colonialist who is participating in the scramble for Africa (e.g. Rupp: *ibid*; Dreher & Fuchs: 2011).

Rupp (2008: 65ff) attempts to debunk the frequent characterization of China as ‘colonial’ or ‘neocolonial’ arguing that “Chinese involvement in Africa is neither colonial nor neocolonial. Instead, China is strategically leveraging structural characteristics of African political and economic systems that advance the interest of the states”, i.e. both Africa and China. Other literatures, such as Lyman (2005) asserts that aid has been part of China’s Africa policy and

has played an important political role in winning African support to protect its interest. China used aid as its main tool for gaining political support of the developing world.

On the other end, some, including government officials of the recipient countries and some domestic private sector actors, dismiss such critics and characterization; instead, they see China–African relations as a golden opportunity for African development pointing to Chinese investments in previously neglected infrastructures and to the large volume of low-interest loans (Cheru & Obi: 2010; Anshan: 2008). For example, South African, Ethiopian, Sudanese, Angolan, Rwandan and Senegalese governments all praised China as best alternative to the Western donors (Raine: 2009; Moody & Nan: 27 Apr. 2012; Askouri: 2007: 74; Åberg: 2010: 29; The Guardian: 2 November 2009; Rupp: *ibid*: 75, respectively). In this case, unlike the Western aid, which is always tied with political and economic conditionalities, China’s “untied aid” to Africa enabled the country to position itself as an attractive alternative to the traditional Western aid.

Similarly, China refutes such accusations by stressing the reciprocal nature of its ‘new strategic partnership’ with the continent, claiming that its aid policy is motivated by a desire for ‘solidarity’ and a ‘win-win’ relation, that thus serves the interest of both Africa and China (Anshan: 2008; Brautigam: *ibid*). Moreover, optimists of this new partnership think that despite the many challenges, China’s intensified relation gives leverage to Africa in its relation with the West and helps to gradually end the longstanding Western domination. In fact, African states today seem to take advantage of the evolving relationship with China (Rupp: 2008; Raine: 2009). The debate on China-Africa aid relation is still ranging, but one thing is sure; China’s influence in Africa is growing and this has obvious political and economic reasons and implications.

But do these contending views describe the real nature of this aid relations? There is no simple answer for these questions but it is clear that there is a huge gap between these contending views. The overall objectives of this study are: firstly, to determine the nature of the Chinese aid to Africa and make sense of the contemporary position of the African continent within this relationship and beyond. Secondly, to demonstrate the sociopolitical and socioeconomic impacts of the Sino-Africa ‘aid relationship for Africa and the traditional Western influence. By doing so, the study will attempt to provide a theoretical understanding of the phenomenon.

To address the above research objectives, this paper raises the following key research questions:

1. What is the nature and motive of Chinese aid relation to Africa?
2. How did Sino-Africa aid relations affected African countries and the long-standing Western influence?

The paper argues that the contemporary relationship between China and Africa is based on cost-benefit analysis of both parties. Unlike the century old Western-African colonial and post-colonial top-down relationship, the emerging China-Africa relation is different in its nature and pattern. However, just like the Western aid to Africa did, China's interest is also the main determinant factor behind the Chinese aid regime, for it is shaped by its foreign policy predominantly oriented by its economic interest. Although this aid relation has created both challenges and opportunities, African states seem to be excited of this new cooperation. And this has been demonstrated by a strong will to forge and strengthen the 'new strategic partnership'- a partnership which seriously challenged the traditional Western hegemony. Chinese-African relations keeps rising because both parties seem to be motivated by their respective gains in the intensified exchange. Whether or not the benefits of the relation are evenly balanced, the contemporary China-Africa relations can be characterized as mutual dependency, which are motivated by both set of actors' respective *economic* and political interest.

1.1 Organization of the Thesis

The first contextual section includes, introduction, historical review of the Chinese aid to Africa, a theoretical review of 'interdependency' and motives of foreign aid as a theoretical framework and the methodological chapter. And the analytical section will be divided into two chapters each with four sub-sections of different issues.

1.2 Delimitations

This paper acknowledges some important limitations. Although this study historicizes the last five decades, it will largely focus on the period after mid 1990s, where Chinese foreign aid policy to Africa switched from ideological affinity to a rhetoric of ‘strategic partnership and common development agenda’. This means the analysis will only emphasize on the contemporary aid relation. Furthermore, Chinese aid is strongly linked to commercial activities/or cooperation (Brautigam: 2008; see also China’s White Paper: April 2011, CWP hereafter) and the demarcation between the ‘aid relations’, ‘economic relations’ and ‘political relations’ of the two parties is not always clear-cut in this discussion, for three of them are strongly intertwined and at times inseparable nature. As the former is also backed by political decisions of governments (the fact that Chinese aid policy is also part of the broader Chinese foreign relations (Davies et al: 2008), the inherent link of foreign aid to economic issues and foreign politics is obvious. This might be problematic, especially in separating issues around foreign aid and foreign direct investment (FDI) or their combined effects. Thus, it must be understood in this context.

2 Historical Review of China's aid to Africa

According to Fenby J. (see Euka: 2011a) aid has been very obvious in Chinese external relations, and the concept may be traced back to ancient days. According to the Chinese philosophy, overseas territories had to be treated based on friendship principles. This aid was characterized with gift giving and was practiced by the old feudal authorities. The first Chinese contact with Africa dates back to the Tang dynasty (618-907AD) and Chinese overseas sailings engaged the people of Africa with a diplomatic gift giving which included silk and porcelain (Euka: *ibid*: 45).

However, the modern Chinese-Africa relationship has evolved over the last five decades. According to Euka (2011: 41) and Wang et al (2010: 1) this relationship can be traced to the Bandung Conference which was held in 1955. In this conference, Asian and African countries reinforced 'non-alignment' and sought to promote Afro-Asian economic and cultural cooperation talking the rhetoric of revolution, anti-colonialism and third world solidarity as a common ground. The agenda in the conference captured the vexing issues of colonialism, imperialism and the hegemonic position of the Western powers. The participating African and Asian nations shared a common history and perception of white/or Western dominance. Hence, the conference was very significant in spurring anti-imperialist and anti-colonial struggle of the colonially subjugated and plundered people of African and Asian (Euka: 2011a).

Prior to this conference Africa was of no significantly important to China. But, in the post-conference period, China supported African countries with economic, technical and military supports. This effort was an attempt to hold-back the dominant western powers as well as to create a new international political order. African states were also seeking foreign allies with a strong desire to gaining support to win their fight for independence from colonialism and get financial support to fund the struggles in the African continent (Raine: 2009: 16ff). Accordingly, Zhou Enlai, the then Chinese premier made a tour to ten African countries

between 1964 and 1965 and offered technical and political support including spreading the revolution and it was during this period that a non Chinese people appear in propaganda posters for the first time in China (Chinaposter.net: 2012). The three propaganda posters included in the appendix show the ideology transfer and cooperation between Africa and China in 1960s -1970s.

Following the Premier's visit, Chinese overseas development assistance became a feature of the Chinese-African relations and this assistance was mainly focused on infrastructure development as well as technical and student exchange visits (Brautigam: 2008: 200). In this case, although China's earliest aid recipients were countries where the leaders declared themselves socialists, such as Sekou Toure in Guinea and Julius Nyerere in Tanzania, ideological affinity was less important than a country's decision to recognize mainland China as China instead of Taiwan (Raine: 2009: 17ff; Enuka: 2011a; Brautigam: 2008).

From 1966 until the late 1980s, Chinese attention towards Africa was significantly downgraded due to domestic upheavals and transformation and the African aid granted during this period significantly declined. Reports show that there was a sharp drop in the number of Chinese doctors and medical teams which were set to different countries in Africa. This situation was explained as a domestic economic struggle during the Cultural Revolution and a shortage of money to be spent on foreign aid (Anshan: 2008: 25; Enuka: 2011a; Raine: 2009: 21). But, "aid to Africa did not end with the difficult years of China's hardship. It continued during the turbulent years of Cultural Revolution and was stepped up in the 1970s" (Enuka: 2011a: 42). In 1975 and 1976 for instance, China reportedly had more assistance programs in Africa than did the USA and the USSR. The Tazara aid project, a railway link between Tanzania and Zambia was the biggest on the African continent at the time (Enuka: 2011a). Mao's China supported Africa in various liberation struggles primarily to regain support for recognition of Beijing as China as well as in ideological considerations. But in 1980s, the new leadership evaluated the old aid policy and was considered costly and feeding an asymmetric engagement, and was thus replaced by a 'common development' agenda, focusing on economic and technical cooperation that puts greater emphasis on mutual benefit (Enuka: *ibid*: 46; Dreher & Fuchs: 2011).

In his tour to Africa in May 1996, former President Jiang Zemin's presented a 'Five Points Proposal' trying to establish and strengthen the renewed relationship with Africa with a new

term of the diplomatic effort that revolves around a ‘reliable friendship, sovereign equality, non-intervention, mutually beneficial development and international cooperation’(Anshan: 2008: 24). Accordingly, aid, which was previously viewed as a means of encouraging ideological engagement, was now considered as a pragmatic means of *stimulating trade* (Raine: 2009: 36). Chinese President Hu Jintao followed suit and reaffirmed the relationship putting greater emphasis on calling upon the international community to pay more attention to Africa and promoting a fairer environment to aid its development. And in the context of global financial crises, China updated the ‘Sino-African’ relations by prioritizing the provision of mutual assistance (Raine: *ibid*: 23ff).

In 2006, China and Africa celebrated the 50th anniversary of the establishment of their diplomatic ties and in June the same year, President Hu Jintao and Premier Wen Jiabao visited ten African countries to promote China–Africa relations. In early November 2006, 48 of the 53 African heads of state and dignitaries flocked to Beijing to attend the largest international summit ever held in China. This summit adopted a ‘new type of strategic partnership’ founded on political equality and mutual trust, economic win-win cooperation and cultural exchanges. At this summit, China promised to channel a massive package of aid and numerous other initiatives (Manji: *Vii*; Marks: 1; Chidaushe: 2007: 108; Raine: 2009).

The Chinese government further promised to build the expansion of the African Union Headquarter in Addis Ababa, the capital city of Ethiopia in 2006, which is now completed and inaugurated. African leaders in the inaugural summit declared their “deep appreciation” to the government of China for funding the construction of a conference centre and office complex. The official declaration noted that this “is a concrete manifestation of China’s commitment to the long-standing historical and enduring relations between Africa and China, in the true spirit of South-South Cooperation Driven by continuous economic growth” (African Union: Jan. 2012). The modern China-Africa aid relation is now over 50 years old and has transformed itself from purely political and ideological considerations to predominantly economic relations. The Sino-African aid relations has greatly evolved in the last five decades and one should be aware of the main transformations it has undergone in order to understand current trends in Sino-Africa relations in general.

3 Theoretical Perspectives

This chapter begins with a discussion of the concept of interdependence theory from the perspectives of Political Science and International Relations and then moves to discuss the theoretical assumptions of foreign aid from the point of view of liberal interdependence theorists as well as from political realist perspectives. While the former, interdependence theory, explains the nature of the relations, the latter, foreign aid, clarifies the drivers of foreign aid. The fact that this study assumes that China and Africa are increasingly depending on each other, interdependence theory is appropriate to explain the phenomena. Moreover, as foreign aid plays an important role in increasing the interdependency of Sino-Africa relations, theory of motives of foreign aid is an appropriate to explain the relations.

Interdependence theory is a broad concept. There are many variants of interdependence theory as well as 'many assumptions that underlie the variants' (Clarke: 2006: 4ff). Some scholars for instance link the concept of interdependence with creating peace/or risking conflict in the process of increasing trade/or economic interdependence (see for example, Grieco & Gelpi: 2001; Hagre et al: 2009; Masterson: 2009; Benson & Niou: 2007). Others, such as Rusbult & Lange (2003: 353) used interdependence theory to analyze the structure of interpersonal relations claiming that "interdependence theory advances a taxonomic model of situations, or a functional analysis of the structure of social situations interacting people encounter". Moreover, some researchers use the concept as general theory of international relations to analyze a specific nature of economic and political relations of a given international actors. According to Paul Clarke, interdependence theory is 'useful for viewing international relations' and his research "supports the use of interdependence theory as a means of both understanding economic relationships and formulating foreign policy" (Clarke: 2006: v). Thus, provided that the Sino-Africa aid relations involve both economic and international relations, this study takes the latter aspect as conceptual framework to analyse the China-Africa aid relations.

Robert Keohane & Joseph Nye's (2001: 7; see also in Eureka: 2011a) general concept of interdependent theory is well applicable for the current nature of China-Africa interdependent

relations in that this concept of interdependence assumes that people and institutions depend on each other in order to survive and achieve their goals. In the study of political science and international relations, this analytical concept, i.e. interdependence, “refers to the situations characterized by reciprocal effects among countries or among actors in different countries” (Keohane & Nye: *ibid*). Exchange of interests takes place in the process of international interaction, such as, flow of money, goods, messages and people through transnational connections. Transboundary exchanges have increased since World War II and the development in recent decades has revealed that transnational human interconnectedness has been doubling every ten years (Keohane & Nye: *ibid*: 8). Although such transnational interconnectedness has been increased dramatically, interconnectedness is not the same as interdependence (Keohane & Nye: *ibid*; Enuka: 2011a: 7ff). Interconnectedness does not necessarily involve transactions of resources and vulnerability, while the interdependence represents mutuality of dependence of actors with possible cost driven from the actor’s asymmetric dependence on one another (Rusbult & Lange: 2003: 355). This means, though there exists interdependence of parties, the imbalance between them matters. According to Carmel et al (2008: 2), “interconnectedness can occur across issue areas and does not necessarily imply mutual dependence”, but interdependence is more than interconnectedness; “it can be viewed as part of globalization and involves a relationship of mutual dependence in which countries or groups within countries can manipulate dependence for power purposes, by threatening to downgrade or sever relations” (Carmel et al: *ibid*: 2).

Keohane & Nye: (*ibid*: 8) argue that the effect of transactions on interdependence of actors will depend on the constraints, or costs, associated with them. For example, an oil importing country is likely to be more dependent on the supplier than a luxury items importing country, even if importing an equivalent amount of monetary value. Accordingly, an interdependent relationship will always involve reciprocal costly effects of transactions, which means they can affect each other through their own instrument or resources, and this reciprocity is not necessarily symmetrical and these costly effects may or may not be imposed directly or intentionally by another actor. In contrast, interconnectedness does not have significant costly effects; it is simply interconnectedness. As an arch proponents of interdependence theory Keohane & Nye (see in Enuka: 2011a) further argue:

“The current international system is characterized by growing interdependence: the mutual responsibility and dependency on others. They point to growing globalization, particularly,

international economic interaction as reinforcing the idea that relations in the world today are characterized by interdependence. Operationalizing interdependence is not entirely in terms of situations of evenly balanced mutual dependence. Apparently, the common judgment about interdependence is about whether the relationship is mutually beneficial.”

As mentioned earlier, interdependence simply means mutual dependence of actors; however, we should “be careful not to define interdependence in terms of situations of *evenly balanced* mutual dependence. It is asymmetries in dependence that are most likely to provide source of influence for actors in their dealings with one another” (Keohane & Nye: *ibid*: 9). Under such situation, less dependent actors, such as the luxury importing country mentioned earlier, can often use the interdependence relationship as a source of power to advance its interest and perhaps affect other issues on the side of the oil importing country. Because, luxury importing might not be as important as oil. Here, there is ambiguity as to whether or not a relationship between the industrialized countries and less developed countries should be considered interdependent and mutually beneficial. This would depend on an inherently subjective judgment (Keohane & Nye: *ibid*: 7ff).

Thus, to avoid any potential ambiguity and sterile arguments as to which type of relationship should be characterized by interdependence or not, the authors of this theory do not limit the term *interdependence* to situations of mutual benefit. In order to make it integrative rather than a dividing, they choose a broader definition. Accordingly, since interdependence restricts autonomy (imposed intentionally or unintentionally by the other actor involved in the interdependency), interdependent relationships of parties always involve costs, and it is impossible to predict and specify whether the benefits of the interdependent relationship will exceed the costs. In this case, there is no guarantee in an interdependent relationship that such relationship will bring mutual benefit to the actors. It therefore depends on the values of the parties and the nature of their relationship (Keohane & Nye: *ibid*: 8). Furthermore, the costs and benefits of interdependence relationship can be analyzed through two different perspectives. The first emphasizes on the mutual gains or losses to the actors involved in the interdependency, and the second focuses on the ‘relative gains’ and ‘distributional issues’ on how those gains are divided. In the latter case, most political issues of interdependence revolve around the questions “who get what?”, and actors involved in such a relationship will strive to maximize their share of gains sometimes disputing over the size of the benefits even when both parties profit enormously from this interdependence relationship (Keohane & Nye: *ibid*: 8ff). Conflict interest of Multinational oil companies and oil-exporting governments can

be an example of this situation, for they share an interest (profits) in high prices of oil (Keohane & Nye: *ibid*: 9).

Based on interactions between European states, Montesquieu in 1752 observed that “Two nations who differ with each other become reciprocally dependent; for if one has an interest in buying, the other has an interest for selling; and thus their union is founded on their mutual necessities” (Masterson: 2009: 1). Referring to the Chinese-African relations, Erika (2011a: 44) noted that “the two relating actors suffer each, a desideratum that differs from that of the other, yet possessing what the other desperately needs. This situation therefore creates the imperative for interdependence”. This means, both actors have something needed and desired by one another. This shows that the driving motive behind this mutual dependency is the parties’ interest to exchange resources they possess. In this case, China as an emerging donor initiated a fast growing aid relationship with the African states, which in turn pay back in forms of natural resources. In other words, the donor and the recipients are involved in an exchange relationship. So if interdependence is mutual dependence of actors of interest, how do interdependence theorists and political realists view foreign aid?

Foreign aid has provoked a number of theoretical analyses and from their respective theoretical departures, both interdependence and realists assume two divergent theoretical underpinnings. According to Keohane & Nye (Erika: *ibid*), ‘interdependence theory’, considers foreign aid as an “age-long fact of human activity”, and this is obvious in the increasingly globalizing and interdependent world. In this case, realists’ view on foreign aid differ from that of interdependence theorists. But before explaining this, let us make it clear that there are numerous strands of realism with different themes and main assumptions which are developed through time, all with established criterias and all ‘share a clear family resemblance’ (Donnelly: 2009: 31 see in Burchil). But by narrowing the broad and contesting concepts in a way that suits to the scope of the study, this study relies on ‘political realism’ that mainly emphasizes on the concept of the state’s national interest at the center of its international relations.

This political realism assumes that individual sovereign states constantly compete in pursuit of their national interest and own security concerns using all possible instruments, such as economic, military and political maneuvering. Under this condition, states always strive to defend their territories and interests from perceived threats. And political integration of

among individual sovereign states lasts only as long as the political relation serves the national interests of the most powerful states (Keohane & Nye: *ibid*: 20; see also Wang et al.: *ibid*: 6). Similarly, K. Waltz assume that "states seek wealth, advantage and flourishing, peace and prosperity, peaceful coexistence, sovereignty, autonomy and independence (Donnelly: 2009: 43).

From this point of departure, realists see foreign aid differently from what interdependence theorists do. For political realists, foreign aid is not about interdependence, since realists uphold that international politics is a struggle about power and influence (Keohane & Nye: *ibid*: 20). For example, McKinley & Little (2006: 237) observe that political realists assume that aid is an effective instrument of foreign policy; it is used to promote the interest of the donor. McKinley & Little (*ibid*: 243) further suggest that "aid is designed to satisfy the interests of the donor rather than the needs of the recipient."

Similarly, discussing the general motives of aid, Sogge (2002: 41ff), pointed out that although the Cold War was the dominant purpose in the aid regime, especially in the first four decades, it would be absurd to assign a single motivation to foreign aid because, motives to aid are often mixed. Therefore the author observes that aid specialist commonly locate motives of aid in three clusters. These are: strategic socio-political motives, mercantile motives, and humanitarian and ethical motives. Lets now have a closer look to these motives.

According to Sogge (2002: 43), the first one, strategic socio-political motives, aim to reward and keep a loyal aid recipient client 'on one's side' during political negotiations, crises and buys overall supports in the international political fora, such as buying votes in the UN. Moreover, the donor aims to win acceptance of its development model and set steer economic and political agendas, which may produce voters' support at home. The second type, mercantile motives, aims to seize market opportunities, which promote business interest and related employment and improve the donor's financial capacity. In a long term, this projects to expand trade and investment opportunities that includes strategic access to cheap labor and raw materials in the recipient country, which will help to consolidate and protect economic sectors at home. The last, humanitarian and ethical motives, is about showing 'concern and compassion for victims' of man made and natural disasters and claim the high moral ground and national self-regard. These motives are expressed by Western politicians in different forms of rhetoric. For example, rhetoric by Dutch politicians show a self-image as

'Activist', stressing on using aid to advance social justice, development and sustainability, while the British parliamentary acts as 'Power Broker' suggesting to use aid to advancing British power and influence through supporting friendly governments. The Belgian political rhetoric in contrast acts as 'The Merchant' emphasizing the country's interest on market access in the recipient country. In this case, aid should benefit the domestic and international market.

In a similar line of thought, Palmer et al (2002: 6) attempt to explain the driving motives of foreign aid applying a general theory of foreign policy that "views foreign aid not as separate from other aspects of foreign policy, but as a component of a state's foreign policy portfolio." According to Palmer et al (ibid: 8), a systematic research on this confirms that political and economic interests of donor states play a larger role in the motivations of giving foreign aid than the 'human needs' of the recipient states. This approach further assumes that the expected political and economic benefits of the donor determine the amount of aid and to which states to give foreign aid. But this does not mean that human concerns do not have an effect on decision makings of donors. They do; however, "-they do not dominate-" as much as political and economical factors do. For example, a team of researchers compared US, French, Japanese and Swedish bilateral aid flow to Africa in 1980s and the findings shows that the determinants of aid giving behaviour are ideology and the pursuit of commercial interest, rather than altruism (Sogge: 2002: 43). This is in line with Hans Morgenthau's argument that "The actions of the states are determined not by moral principles and legal commitments but by considerations of interest and power" (Donnelly: 50). Although Morgenthau's argument is overstated (the fact that donors sometimes intervene when natural and man made disaster occurs, such as in Haiti recently), this implies that foreign aid is largely seen as a tool of foreign policy whereby donors influence recipient states to take their desired actions.

To further explain this idea, Palmer et al (2002: 13) apply a "two-good model" approach, i.e. a 'change-seeking' policy intended to alter the status quo within the recipient state and 'maintenance-seeking' policy designed to protect an existing outcome, both according to their policy preferences and capability. Accordingly, the authors assume that "the donation of economic aid, particularly development assistance, is an example of change-seeking foreign policy behavior." Thus, to bring about the desired changes on the one hand, and to realize the maintenance and protect a specific aspect of the status quo on the other, donor states select

one of these policies. To substantiate this argument that foreign aid is a tool to influence recipient states, Palmer et al (ibid: 11) provided the following examples:

In the aftermath of the World War II (WW II), the US prevented the Soviet army from further expanding to Eastern Europe. With a desire to change the status quo, the US guided the development of the postwar economic and political order of the European states in a way consistent with the preferences of US leadership. Accordingly, the USA donated approximately \$12 billion in aid through the Marshall Plan. Similarly, the Soviet Union in late 1970s established close relations by donating large amounts of economic aid to several African countries intended to persuade its political influence and satisfy needs of raw materials. As a result of this aid relation, Ethiopia and Tanzania for instance have nationalized their economies. Japan in the post-WW II period followed the same approach in order to improve its international position. Japan aided the construction of the Eastern Seaboard project in Thailand resulted in improvement of its relations with the South East nations.

Similarly, the Organization for Economic Cooperation and Development (OECD), provide development assistance designed to influence recipient nations to adopt policies favored by donor states. The purpose of aid for OECD is to encourage the adoption of political institutions and economic systems similar to donor states (Palmer et al: ibid: 12). Therefore, “The fact that development assistance is given with the stated intention that recipients orient their future policy choices in the direction preferred by donors makes clear that this type of foreign aid should be conceived of as change-seeking” (Palmer et al: ibid). In line with the above perspectives and practices, Morgenthau (1962: 309) argues “policy of foreign aid is no different from diplomatic or military policy or propaganda; they are all weapons in the political armory of the nation”. According to the realist perspective, states in the international system are inherently self-interested entities aiming the pursuit of the national interest (Wang et al: 2010: 9). In this respect, the main motive behind foreign aid is therefore a mix of political and economic desires of the donor. Motives of aid does not seem to come in fixed and stable proportions, and as one observer noted ”the safest generalization to make is that foreign aid, when used alone or in combination with other policy instruments, has unique ability to allow the donor to demonstrate compassion while simultaneously pursuing a variety of other objectives” (Sogge: 2002: 44). But why do countries seek and accept aid?

According to Sogge (ibid: 46), the short answer is that politicians of developing countries struggling out of the ruins of war as well as those who have a fervent wish to modernize their country's economy are often expected to have a good case to seek for foreign aid. However, the powerful donors have to qualify a deserving and compliant recipient (a state that obeys the standards of the donor), because if donors do not like the politics of the recipient, it will not be eligible for aid. For such and related reasons, some recipient countries do calculate the advantages and disadvantages as aid was one way to pursue political projects serving their (the recipients') national interests. For example, following the Tanzanian independent and the aspiration of nation building based on self-reliance as a guiding principle, the *Arusha Declaration* in 1967, urged caution about foreign aid that might weaken or distort their (signatories) own efforts. The declaration made it clear that "gifts which increase, or act as a catalyst to, our own efforts are valuable" (Sogge: ibid: 46ff). Of course, there are also corrupted rulers who seek and used foreign aid as an instrument for serving their power and the interest of the donors undermining the very people they rule. And this creates dependence, a situation that further traps the recipient state in cycles of clusters of problems, including falling into the hands of the aid donors. Conversely, some leaders sometimes reject foreign aid in order not to compromise their autonomy at home; but this does not necessarily mean they work for the interest of their nation. Generally speaking, the foreign aid industry has therefore multifaceted motives on both the donor and the recipient sides. If this is so, where do we theoretically situate the contemporary China-Africa aid relations?

Much have been said about the Chinese aid involvement in Africa. In an article in *Africa and China: Engaging Postcolonial Interdependencies*, Rupp (2008: 65ff), argues that China's core economic interests has aligned with Africa's abundant natural resources. China is strategically leveraging structural characteristics of African political and economic systems that advance the interest of both Africa and China placing the former at the center of emerging geopolitical tensions, which may rival if not displace the 150 years of Euro-American colonial rule and neocolonial influence. Hence, Rupp concludes that China and Africa are engaged in post-colonial interdependency without seeking political or economic hegemony.

Other recent studies, such as Euka (2011a: 44, 53), characterized the China-Africa relations as a phenomenon of the increasing globalization of political economy. The author theoretically situates the present China-Africa aid relationships as "interdependence" of parties within the globalizing political economy. Euka's analysis argues that Africa is poor

and underdeveloped and is in need of financial resources, and China is relatively better off and is facing a global challenge, thus it is in need of Africa's support. Enuka (ibid: 45) notes that "interdependent relationship has developed between China and Africa, where the former gives aid for the latter's support and resources." Accordingly, this situation creates the imperative for interdependency with Chinese interest as a determinant factor in the relation. The study concludes that the China-Africa aid relationship is therefore one that can be characterized and explained within this theoretical purview.

The fact that China and Africa possess resources that the other desperately needs, and provided that transactions between them have dramatically increased in the last decade, I would argue that this phenomenon can *partly* be attributed to the increasingly globalizing world, for the dynamics of globalization contributes to the interdependency of the actors. However, in this study I depart from Enuka's work by, first, that the interdependency of China and Africa is not merely the result of interconnectedness (globalization) or the increasing transnational exchange of resources as Enuka (2011a: 44, 53) assumes. Secondly, although Chinese interest dominates some aspects of the deal, it is not the only determinant factor in the overall relations with African countries. In fact, Africa is driven as much by political and economic interest as China is, which is well understood by the latter. Hence, despite that China is the donor country and African countries are the recipients, the interdependence between the two sides equally derives from both economic and political motives. Whereas Enuka (2011a: ibid) suggested that the interdependence mainly derived from the economic interest of the actors which resulted from the phenomenon of the globalizing economy.

To clarify my argument, in the economic aspect, China's and Africa's desperate needs for resources are the main driving forces behind their interdependency. And as mentioned earlier, both have resources to offer to one another and this exchange of resources has enhanced interdependence. And in the political front, while China is presenting and positioning itself as alternative model of development in the global political arena, Africa's growing aspiration to break free from its post-colonial domination of the Western powers coupled with China's understanding of this situation provides the fundamental bases for the interdependence of the two actors. Consequently, such interdependent relationship progressively affects the traditional influence of Western powers in Africa and this effect is felt in the West. Such mutual dependence of the actors is manifested in many ways and can be explained by

Keohane & Nye's (2001: 7ff) theoretical framework of interdependence while the driving motives of the donor can be framed by political theory of foreign aid. Here, foreign aid in the China-Africa relation plays a facilitating role in strengthening the interdependency between the two actors.

Therefore, though Euka's (2011a) analysis is correct in some aspect, explaining the contemporary China-Africa aid relations mainly by the globalizing economy ignores the equally important political attributes to the interdependency of the parties. Hence, without discrediting Euka's analytical assumptions, this thesis will build on Euka's analysis by taking it a step further adding the political and economic drivers of African states as one of the most important determinant factors behind the interdependency. This is a crucial aspect which is largely missing from the focuses of most literatures which portrays the China-Africa aid relation in a very simplified way, i.e. an exploitative and an exploited relationship respectively (e.g. Dreher & Fuchs: 2011; Lyman: 2005).

It is true that the contemporary China-Africa relations in general and the aid relations in particular may not perfectly be explained by one theoretical model only. But as 'theory is inescapable' in analyzing a phenomenon, the actual situation of this relations can best be analyzed by applying interdependence theory complimented by realist theory of foreign aid with the hope that these theoretical frameworks will provide or contribute an additional theoretical insight to the nature of the contemporary China-Africa aid relations.

4 Method/Empirical Materials

4.1 Research Method

China's growing aid relations with Africa has recently attracted international attention. Unfortunately, most of it has portrayed the nature of this relation as exploitative and ignoring Africa's interests, which I argue in this thesis is erroneous. To the contrary, this study demonstrates with the help of Keohane & Nye's interdependent theory (2001), that the traffic flows both ways and this has created interdependence between them. Most literatures from previous studies analyze the nature of this growing aid relation qualitatively. Important reasons for this could be the lack of availability of reliable statistical data from both donor and recipient states as well as from the concern of political implications of the emerging relations. This study follows the same trend, for the research questions posed in this study can be conveniently answered using qualitative method.

Thus, this is a qualitative case study with central focus on the 'China-Africa aid relations'. A qualitative research design observes and helps to explain and understand a phenomenon (Flick: 2009) and a case study is a research method, with distinctive characteristics that is ideal for several types of investigations (Tellis: 1997). Case study research allows for exploration and understanding of complex issues (possibly quite large) using reports of previous studies and according to Zainal (2007: Jupp: 2006: 20) "it can be considered a robust research method particularly when a holistic, in-depth investigation is required". Moreover, it is comparatively flexible method of research with regard to data selection, collection and data analysis (Hsieh:2004: 101ff).

According to Yin (2004), case study approach is appropriate "when the research addresses either a descriptive question (*What*), or an explanatory question (*How* or *Why*). This approach is appropriate for this study, for it will answer "*What*" and "*How*" questions using literatures from previous studies and reports.

4.2 Research Design

Yin (Tellis: 1997) pointed out that researchers who conduct case studies can adopt either single or multiple-case designs. The study can be embedded - i.e. occurring when the same case study involves more than one unit of analysis-, or holistic-, when no other cases are available for replication. Single cases are often used to challenge or confirm a theory, or to represent a unique or extreme case. And in order to avoid lack of rigour in the study, Yin suggests that researcher must begin by describing the theory, for this will support the description of the phenomenon under study (Zainal: 2007: 3). Accordingly, this study adopts a *holistic single-case design*. And the rationale for choosing this design is that this enables the study to describe and understand the precise nature of phenomenon, which in this case is the nature of China-Africa aid relations and its implications.

However, single-case study or the dependence of case study in a single-case, is often criticized for its inability to provide generalizing conclusion, especially in a situation when the cases are rare (Zainal: 2007; Jupp: 2006: 20). For example, Giddens considered case methodology ‘microscopic’ because ‘it lacked a sufficient number of cases’ (Tellis: 1997). Conversely, Yin argued that theory, and not populations, is the level at which generalization of the result of either single or multiple studies will occur (Tellis: *ibid*). Thus, using the relative size of cases does not make a difference, for this ‘does not transform a multiple case into a macroscopic study’. What is important for Yin is that parameters should be established by the goal of the study. By doing so, “even a single case could be considered acceptable, provided it met the established objectives” (in Tellis: *ibid*). This idea is supported by Firestone noting that “The most useful generalization in qualitative studies are analytic not sample-to-population” (see in Hsieh: 2004: 109), for “increasing the sample size does not necessarily achieve a wider range of generalization” (Kennedy, 1979 cited in Hsieh: 2004: 109).

Based on this, since the thesis’ central focus is Chinese ‘aid’ relations to Africa and the established goal of the study is to provide a theoretical understanding of the nature and the overall implications of this relation, the continent will be taken as one entity (a single-holistic case group of countries) for three main reasons. Firstly, and as mentioned earlier, China does not publish country-specific aid data (Davies et al. 2008: 5; Anshan: 2008: 39) and this situation makes the individual countries less observable. And according to Jupp (2006: 82),

ecological correlation are often used when data about individuals are not available and when collecting such data would be costly. Ecological correlation is a correlation between two variables and it "exists where the researcher is interested in the prevalence of a particular phenomenon in a group or area" (Jupp: *ibid*). Secondly, as part of its grand foreign policy, China itself sees/approaches aid policy in Africa at the continental level. The fact that the establishment of FOCAC in 2000 and the ongoing engagement of the two parties through one framework shows that China has a well planned strategy towards the continent (Davies: 2008: 142).

Thirdly, China is encouraging and increasingly aligning itself with the priorities of African development institutions, such as the New Partnership for African Development (NEPAD). For instance, China agreed to provide development assistance to African governments at the continental level in accordance with the priorities outlined in NEPAD document (MFAPRC: Dec. 2003). These indicate that China and the African continent are interacting and operating under uniform cooperation policy instruments.

In this case, although taking Africa as a whole might influence the outcome of the study in that the aggregate results might have some limitations in describing the nature and magnitude of the impact of Chinese aid relations with individual African states; studying a specific country case will not either reveal the real nature and impact of Chinese aid at the continental level, for it would provide a country-specific analysis probably not applicable to the rest of Africa. So in order to avoid any ecological fallacy in the analysis and conclusions, I chose to focus on a larger picture (Africa as one unit) complimenting the analysis with consolidated empirical evidences from a number of African countries. This does not mean that the level of analysis is moved down to a country level or a population of units; it still remains in a continent level.

However, although China does not provide official aid data on individual country, this study acknowledges that aid is still bilaterally negotiated and assumes that Chinese aid relation and the nature as well as its overall impact on individual African states may vary. Thus, readers should take these factors into account and focus on the issues related to the '*aid relation*' between China and Africa as a whole rather than focusing on the number of states within the continent.

4.3 Data Collection

As many issues and aspects of the China-Africa aid relations have not been studied, finding appropriate/valid primary sources has always been a problem in this study. Nor did my financial and time constraints allow me to conduct a field study. Fortunately, good case studies often benefit from having multiple source of evidences in that this would help to 'triangulate' or establish lines of evidences and make the findings as robust as possible'. Yin (2004) pointed out that "case study research is not limited to a single source of data", which means the researcher can use various types of data collecting methods. As Jupp (2006) pointed out, "data can be derived from secondary sources and applied and adjusted to the researcher's aims". And this includes archives, official statistics and other secondary data.

In this case, the material sources collected for this study are therefore secondary and predominantly qualitative. Most of them are recently published and are available in electronic databases, internet or online sources and books from University libraries. Published official reports, China's White Papers and online sources from both Chinese government and FOCAC are selected to be used. The accuracy and reliability of the data/information, especially from those of the scholarly materials, used in this study are not cross-checked with their primary sources as there is no way to do that, but I rely on them as they are scholarly work being in use in academic circles. Online materials, such as news reports are carefully selected from widely read home pages.

The existing scholarly literatures about Chinese involvement in Africa are mostly from Western academics and sources. Although it does not mean that this study agrees on every analysis and conclusions, very rich data, such as Deborah Brautigam (2008, 2009) who studied the China-Africa relation for over three decades in field and Davies et al (2008) who conducted a field research are some of the most important secondary source that this study will rely on. The former attempts to explain the changing rationale for aid from 1950s to the present by separating 'aid' from the other economic instruments being used by Beijing. Moreover, it attempts to debunk the critics that China's aid goes to resources rich countries though this claim seems to contradict other findings. And the latter study focuses on the dynamics of Chinese foreign aid policy and economic involvement in Africa in general, and the aid business in particular. This study provides informed data on the overall implications for Africa, China development assistance to the continent and the traditional donors. And

using these studies could benefit this research. Literatures like Enuka (2011a) and Rupp (2008) and Raine (2008) are useful in their contribution to the analytical discussion of this study. Enuka (2011a), which is an inspiration to this study, analyses the China-Africa aid relation from a narrow globalizing economic perspective. I believe Enuka's analysis could be dealt from a broader perspectives by including the political aspect of the aid relations. Keohane, R. & Nye, J. (2001), Palmer, G. et al. (2002), Sogge (2002) and Clarke (2006) contribute to the theoretical discussion of the thesis.

In sum, as this study argues that the nature of the China-Africa aid relations is interdependent and since interdependence theory does not necessarily mean that the relation is evenly balanced in terms of the size or quantity of the exchange between the two parties (Keohane & Nye: *ibid*), and that it is difficult to quantitatively measure *the motives* of foreign aid, a qualitative case study is the ideal approach (method) to be used in analyzing this study. But this does not mean that interdependence theory does not serve quantitative studies. In fact, as Clarke (2006: 47) pointed out, some researchers have used it in quantitative studies, but it should be understood that "different goals require different methods". Thus, in order to show the interdependent nature of the contemporary aid relations of the actors, gain a theoretical understanding of the complex situation and consequently answer the research questions, the analysis will rely both on empirical data from previous studies and on data collected from governmental publications.

4.4 Data Analysis

This holistic single-case study will be approached by *descriptive* level of analysis. A descriptive study attempts to provide a full portrayal of the case or cases being studied (Jupp: 2006: 40), which in this case is the nature of China-Africa aid relations and its overall implications. According to Baxter & Jack (2008: 554) analysis depends on the type of case study. Yin briefly suggests techniques of analysis in case study, but also asserted that there is no set of procedure for analyzing data (Hsieh: 2004: 101ff). Method of data collection, selection and analysis in case study is flexible; it does not follow a linear progression to justify the data analysis (Hsieh: *ibid*). Usually, data are analyzed at the beginning of data collection and based on this, researchers generate analytical statements and revise these statements until a reliable answer is reached (cited in Hsieh: *ibid*: 101ff).

Here, the goal of the researcher should be to describe the natural phenomena which occur within the data in question' (Zainal: 2007: 3). However, according to Bassey (cited from Hsieh: 2004: 102), analytical statements in case study seem as *story-telling*, and the data as *soft-data*. It is therefore 'criticized as being descriptive rather than critical'. Thus, in order to validate the analytical statements, the analysis should go beyond story-telling. To solve this problem, this study will use Yin's technique of *explanation-building*, which starts from a general perspective, then compares with findings and by revising the statement a conclusion will be reached (Hsieh: 2004: 102).

4.5 Definition

Foreign aid is a very broad term. In general sense, it is a form of support/or help one country's government or non-governmental body gives to another in a form of donation. Members of the Development Assistance Committee (DAC) in 1972 defined Official Development Assistance (ODA) as 'concessional funding given to developing countries' and to 'multilateral institutions primarily for the purpose of promoting welfare and economic development in the recipient country' (Davis et al. 2008: 1; Brautigam: 2008: 208). Roger C. Riddell (2007: 17), Burnell (2002: 473), Browne (2007: 12f) broadly define foreign aid as a transfer of physical goods, skills and technical know-how, financial grants/gifts, or loans at concessional rates from donors to recipients governments to help the recipients, the donors, or to help both. These include resources to address humanitarian and development and poverty needs in the poor countries. But it would also include resources that further the political and strategic interests of either the donor or recipient, or both. Furthermore, these resources may help to achieve military aims and objectives. If this is a general definition of development aid in the Western world, then what is the definition of aid for China?

According to Davis et al. (2008: 1, 18), though China's definition of 'aid' generally corresponds to the DAC definition, "China's foreign aid policy has a wider, more ambiguous scope" designating all forms of assistance, including loans, grants, and technical expertise as aid. China's White Paper for foreign aid states that China's 'aid' generally falls into three types of financial resources: aid grants, interest-free loans and concessional loans. The first two come from state finances, while concessional loans are

provided by the state-owned Export-Import Bank of China (CWP: Apr. 2011). Thus, foreign aid in this paper refers to a narrow meaning of all forms of 'aid' that has been channelled to the African states. Terms such as 'Western' and 'global north' refers mainly to the industrialized countries led by the USA and EU. Provided that 50 out of 53 countries are members of the Forum for China-Africa Cooperation (FOCAC), Africa in this study refers to the whole continent. Finally, terms like Sino-Africa and China-Africa represent the same meaning and will be used interchangeably.

Part Two

Analytical Discussion

5 China's Aid Policy, Disbursement, and Driving Motives

This Chapter is divided into four sub-sections of interrelated issues and all aim to describe the nature of Chinese aid, which will help to understand the nature of the China-Africa aid relations in depth. By doing so, the first research question will be addressed.

5.1 Chinese Foreign Aid Policy

Generally speaking, China's foreign policy toward Africa focuses on two major principles. On the one hand, policy anchored in principle of 'no interference in other states' sovereignty. China made it clear that the sovereignty of the recipient states must be respected (Wang et al: 2010: 34; Dreher & Fuchs: 2011; Brautigam: 2008, 2009).

The other principle is that economic policy with 'aid and trade' packages without conditionality; it means there can be no accompanying conditions when giving aid (CWP: 2011; Raine: 2009: 17). China provides aid "with no strings attached" to politics or no push for reforms of any kind except subscribing to the "One China Policy" (Onjala: 2008). As China's White Paper on foreign aid clearly states, the core content of the 'Eight Principles' governing China's economic and technical assistance to foreign countries featured "equality, mutual benefit and no strings attached" (CWP: 2011: *ibid*). And this approach is consistent with the Chinese ancient philosophy that "overseas territories should be treated based on friendship principle" (Euka: 2011a: 45).

According to the White Paper (CWP: 2011), the economic cooperation extended from economic aid to multi-form and mutually-beneficial cooperation. Moreover, after the shift from the planned economy to the socialist market economy in the 1990s, China took a series of measures to reform and diversify the sources and means of funding mechanisms and it strengthened its foreign assistance paying more attention to the economic and long-term effects of aid projects.

The decision-making power on foreign aid lies with the central government. But, in order to administer foreign aid, the Chinese government has established a responsible body to oversee foreign aid. Accordingly, although some affiliated governmental departments handle financial resources for foreign aid, aid is centrally managed and supervised by the Ministry of Commerce. The White Paper clearly states,

The Ministry of Commerce of the People's Republic of China is the administrative department authorized by the State Council to oversee foreign aid. It is responsible for the formulation of foreign aid policies, regulations, overall and annual plans, examination and approval of foreign aid projects and management of the project execution (CWP: April 2011).

In practice, Chinese bilateral aid rests primarily with the Ministry of Commerce and Multilateral aid is the responsibility of the Ministry of Finance as it is in many other aid-giving governments. But the Ministry of Foreign Affairs and Chinese top leadership also involve in major policy decisions and major initiatives on aid for Africa (Dreher & Fuchs: 2011; Lancaster: 2007). In this case, the fact that the ministry of commerce plays a major role in formulating, regulating, planning, examining and approval of foreign aid, this demonstrates that there is a strong link/or intersection between the aid and commercial activities. And this supports the theoretical assumption of aid specialists that mercantile motives play important role in the aid industry. According to Sogge, mercantile motives aim to improve the donor's financial capacity by seizing market opportunities (Sogge: 2002: 43), which we will see more in the upcoming sections.

5.2 Aid Giving Practices

China offers aid in three forms: financial and material grants, zero interest loans, and low interest concessional loans with subsidized interest rate (Brautigam: 2008: 200ff). Concessional loans dominate the total aid to Africa and are used mainly to finance infrastructure projects in over 35 African countries (Lum et al: 2009: 11). Reports show that Chinese combined aid and related investment projects in Africa in the period between 2002 and 2007 amounted to \$33 bn. of which 54 per cent was related to infrastructure, which makes China a major source of foreign aid (Lum et al: 2009: *ibid*).

However, Brautigam (2008: 200ff) disputes the widespread publicity stating that “the amount of aid China gives to Africa does not nearly reach the caliber that it is often perceived to be”. Some of the reasons are that researchers in the International Monetary Fund (IMF) and WB grab any figures they could find and publish them as hard facts. For example, some reported as high as \$9bn aid for one project in Nigeria while others confuse the amount between US dollar and RMB. Whatever the amount may be, China gains labor and engineering contracts from the recipient states in return to its financial support/loans. For example, Berthelemy (2011: 16) states that “Development assistance is usually granted in kind, while financial assistance is given to finance contracts that are implemented by Chinese companies”. Chinese companies in Angola for instance “have secured 70 per cent of all contracts financed by the Chinese credit lines as under the terms of the lending agreement” (Hwang: 2010: 5).

And in the case of concessional loans, China preferred to follow a model known as the “Angolan Model”, where low-interest loans are secured by commodities/natural resources of the recipient state as collateral in a form of barter arrangement. Accordingly, China in its deals has repeatedly expressed a desire for resource-backed financing agreements in Africa. For example, Gabonese government awarded China the rights to exploit the iron ore deposit in exchange of financial support to pay for infrastructure investment (Davies et al. *ibid*: 54; Hwang: 2010).

Furthermore, this approach has been demonstrated by providing large loans and announcement of large investments mostly in resource-rich African countries such as Nigeria, Angola, Sudan, and DR Congo (Euka: 2011a: 50). In January 2012 for instance, China affirmed new plans to offer an economic package to the oil-rich Southern Sudan. This includes “development grants and a possible billion-dollar infrastructure loan”. Beijing’s offer of such extended scale of loan is intended to secure market access to its state and private enterprises in the new nation (ICG: 4 April 2012). Strategically important countries, such as South Africa, Ethiopia and Egypt are also priority countries in China’s broader strategic relations with a fair share of Chinese aid and investment, but this does not mean that small countries with relatively little economic and political significance don’t get aid; they do have received relatively large Chinese aid and investment support (Davis et al. 2008: 5). Such preference of China, reminds us the assumptions that the expected political and economic benefits of the donor determine the amount of aid and to which states to give foreign aid (Palmer et al: 2002).

But, Chinese government officials do not agree with the views that Chinese aid goes to a resource-rich states. According to Davies et al. (2008: 6), although Chinese government may have prioritized key strategic partners in Africa, the government is ‘conscious of not elevating one country over another’. This claim is partly true in that China does not make strategic country planning as the US does’ (Lancaster 2007: 4). On the same spirit, Brautigam (2008: 207), disputes the notion that China only pursues aid relationships with oil-producing countries stating that China gives aid throughout the continent of Africa and that there is no much evidence.

In her attempt to investigate the truth of China’s ‘resource-backed loans’, Brautigam first talked to China’s EXIM Bank and its African partners and then further arranged a meeting with the IMF and in the latter round session, an African specialist told her that “no one else is lining up to provide funding for development in the DRC.” Because, it does not have infrastructure, hence, “It can’t attract much donor aid. Given this limitations, the Chinese are filling the huge gap” (Brautigam: 2009: 146). The investigation further observed that aid is connected to business in many ways, but suggests that it is far from searching for natural resources. Because, a small country like Sierra Leone gets the same patterns of Chinese aid, economic cooperation and investment as the large countries like Angola and DRC (Brautigam: *ibid*: 148).

Brautigam’s assertions is correct in that Chinese aid does not discriminate. However, if she proves that “Chinese aid is almost entirely tied” to business preconditions (Brautigam: 2008: 204 & 2009), I do not see how this can be far from searching for natural resources (e.g. in 2008: 207). In the same issue, a field study by Davies et al (2008: 19) proves that China wants to make sure that the collateral is sufficient to guarantee the return of the loan. But also admits that,

Figures on China’s aid disbursements to Africa remain vague. In absence of a central aid agency, the lack of general time series data on aid flows and the non-transparent nature of Chinese loans complicate the process of defining, calculating and monitoring China’s development assistance to the continent (Davies et al: *ibid*: v).

The fact that Chinese aid is connected to business in many ways (Brautigam: *ibid*: 148), and that China prefers collateral arrangements when giving aid (Davies et al: 54) lead to question the terms and conditions of Chinese aid. One thing that can be said is that whether it is for oil and minerals or market opportunities, Chinese aid is strongly connected to economic objectives. In addition to the preconditions, i.e. purchase of Chinese goods and services, China is involved in the implementation of most projects which are funded by it self and this situation clearly indicates that China's aid giving practice is linked to its economic interest. Thus, the assumptions that foreign aid is driven by strategic interest of the donor (Palmer et al: 2001: 8; McKinley & Little (*ibid*: 243) is correct.

5.3 Is Chinese Aid Tied or Untied?

China's earliest aid recipients were countries who declared themselves socialists, but when ideological affinity was less important than recognizing mainland China, Beijing insisted on a 'One China' recognition policy. Accordingly, a number of African states cut-off their diplomatic relations with Taiwan favoring Beijing. This shows that Chinese aid was tied by political preconditions (Enuka: 2011a: 46; Brautigam: 2008). However, in the intensified economic reform of the post-Mao period, especially from 1990s onwards, the condition of Chinese aid to Africa has shifted towards rhetoric of 'equal partnership and mutual benefit' focusing in economic exchange (Brautigam: 2008). But does this new development eliminates precondition for aid or creates new term of conditions?

The Chinese government and even the Western donors and critics claim that the present Chinese aid is unconditional, meaning it is not tied to domestic political affairs of the recipient states. This is largely true. However, many observers, such as Davies et al. (2008: 57) partly differ from what China's rhetoric claims. In practice China's policy of 'respect for sovereignty and non-interference' is largely valid and such rhetoric and practice creates the impression that China is not imposing its political views, ideals or principles onto recipient countries. Moreover, aid is often bilaterally negotiated and recipient states feel that they have the power of making decisions on their priorities. This is correct as well; however, the contour of the seemingly non-prescriptive nature of Chinese aid remains blurred.

Shinn, Pehnelt, and Schüller et al (in Dreher & Fuchs: *ibid*: 12) suggest that Chinese aid is tied with objectives of improving business opportunities in the recipients' countries. Brautigam's (2008: 204) field study confirms this claim stating that "Chinese aid is almost entirely tied to the purchase of Chinese goods and service" and currently, 'aid-to-profit' is new element of Chinese aid. Given that concessional loan is considered as aid in the Chinese aid system, quoting a statement issued by China's EXIM Bank will further reveal the tied nature of Chinese aid. The bank clearly states the basic criteria for concessional loans as follows:

"Chinese enterprises should be selected as contractors/exporters and equipment, materials, technology or services needed for the project should be procured from China ahead of other countries – no less than 50 percent of the procurement shall come from China" (Davies et al. *ibid*: 57).

Therefore, as Berthelemy (2011: 16) notes "most Chinese development and financial assistance are tied"... "The only part of Chinese assistance that may be considered as untied is debt relief." But, since the goods and services procured by China are highly competitive compare to the same goods and services procured by OECD/DAC member countries, Chinese tied aid does not reduce the effectiveness of aid in Africa. Thus, according to Berthelemy, 'its practice of tying of aid may not create a significant distortion of competition'. This is supported by Kenyan government officials stating that whether the Chinese aid is tied or not, it is one of the most competitive sources (Onjala: 2008:41)

From the above discussion, it is clear that the objectives of Chinese commercial and foreign aid policies are not divergent, thus there is contradiction between China's rhetoric and practice'. This approach confirms Palmer's et al (2001: 8) and Sogge's (2002: 43) theoretical assumptions that political and economic interest of donor states play a larger role in the motivations of giving foreign aid than the 'human needs' of the recipient states. This does not mean that China has no concern and compassion for victims' of man made and natural disasters; it does, though it does not often claim a high moral ground as much as Western donors usually do. In any case, much evidences indicate that Chinese aid is tied with business opportunities and this confirms the theoretical assumptions of the motives of foreign aid are largely supported. Let us further examine these theoretical assumptions based on aid practices in the following section.

5.4 Driving Motives of Chinese Aid

As theoretically assumed foreign aid industry has a multifaceted motives in both the donor and the recipient sides. And most researchers in the area agree that aid is an effective instrument of foreign policy; it is used to promote the political and economic interest of the donor (McKinley & Little: 2006: 237; Sogge: 2002; Palmer et al. 2002). On the issue, the widely spread perception on China in Africa is that China's foreign policy is driven by "an unprecedented need for resources (Raine: *ibid*: 36; Lum et al: 2009; Lyman: 2005), and that today's China's race for Africa is not different from the cause of Europe's 19th century 'scramble for Africa'; it is a race for raw materials involving distinct political dimensions (Marks: *ibid*: 41).

In this case, Chinese foreign aid data gathered through news research suggest that strategic economic interest and the extraction of natural resources is the main motivating factor behind the Chinese aid to Africa and Latin America (Dreher & Fuchs: 2011: 12; Kaplinsky et al: 2006). In a similar line, a field study by Kaplinsky et al (2006: 14) asserted that Chinese aid is growing throughout the Sub-Saharan Africa and it "appears to be carefully targeted to complement its commercial activities, including in fragile states", such as Sudan, Angola and Democratic Republic of Congo (DRC). These finding are are in line with China's official statements. China's Ministry of Commerce in 1999 openly concluded that, "through aid, China's 'enterprises entered the markets of the developing countries very quickly" and were welcomed by all stakeholders. And in the political front, "grants are used to coordinate diplomatic work" (Dreher & Fuchs: 2011: 12). This statement confirms Morgenthau's (1962: 309) theoretical assumptions that "policy of foreign aid is no different from diplomatic or military policy or propaganda. They are all weapons in the political armory of the nation".

Furthermore, looking into the shifted context of Chinese aid policies, which attached aid with economic interest, is sufficient to understand the driving motives of China's aid. The shift of China's aid policy in 1980s and 1990s clearly shows that China's foreign aid policy today is evolved from ideological and strategic considerations to predominantly economic oriented strategic relations (see for example CWP: 2011; MFAPRC: Dec. 2003).

However, the point is that China's growing need and the injection of foreign aid is equally responded by Africa's growing demand for financial aid. A case study by Åberg (2010: 28) for instance suggests that the main driving factors behind the Chinese financial assistance to Angola are China's rapid growth and the need to natural resources as well as to diversify its energy imports coupled by Angola's growing need for alternative financial resources, which is crucial to rebuild Angola's war-torn economy. Although the present China's relation to Africa is largely focused on its resources requirement; it has a political dimension though it may not be as much as the African countries earnestly urge. It is true that China sometimes needed to accumulate sufficient diplomatic support from the continent in return to its aid. For example, China's campaign to gain African support to its accession to the UN General Assembly and the Security Council in 1972, its need for political support to join the World Trade Organization (WTO), and a support for a successful bid to host the 2008 Olympic are some of the most important political gains that China profited by depending on Africa's diplomatic support in exchange to its aid (Rupp: 2008: 68).

Previously, China provided African states a politically-backed economic, technical and military supports (Rupp: *ibid*: 68; Enuka: 2011a). Today, particularly after the formation of the FOCAC in 2000, the partnership has advanced to a higher degree of political and economic cooperation. China reaffirmed to always stand by the African countries at the United Nations Security Council (UNSC), WTO and in other international organizations including supporting proposals and political positions of the AU (MFAPRC: Dec. 2003).

For example, China has played a vital role in counterbalancing international pressure against some African states. The government of Sudan for instance has gained Chinese support when the UNSC insisted for sanctions (Rupp: *ibid*; Brown & Sriram: 2008: 255). Similarly, China provided Angola a soft loan of \$2 bn when Western donors, including the WB rejected or postponed aid for reasons linked to non-transparency. Similarly, China supplied arms and fighters planes to Zimbabwe when Western countries had embargoed (Kaplinsky et al: 2006: 30). These were done not primamrily to gain political support from these three states, but clearly for economic reasons, provided that China controls the oil industries in Sudan and Angola and commercial interest in Zimbabwe. In any case, these indicate that there exists a two-way exchange of overall supports in the international political fora.

Here, Enuka's (2011a: 44, 53) assumption that China needs of Africa's support in the face of global challenge might be true only in the economic aspect, but it is overstated and the analysis ignores Africa's concerted role in strengthening the relations with China. Although China often champions the South-South cooperations to challenge the rest, it has to be noted that political aspect of the current relation of these actors has much greater importance and even urgency for Africa than it does to China. Thanks to its economic miracle, China has more alternative political instruments than the African states do. The absence of political preconditions in its aid system indicates that politics is not a primary agenda in its relations with Africa. Whereas, African states need Chinese political support not less than the economic relations as evidenced by their strong desire and political moves in recent years. This desire is expressed by countless high-level visits to Beijing, scheduled summits, forums, bilateral and multilateral agreements as well as loud political rhetoric.

In any case, there exists interdependency. As two prominent South African researchers noted, the relationships between Africa and China is developing; "the two sides rely on each other, even more" (Xinhua 19 July 2012). Such reciprocal relationships between China and Africa serves both parties; while China depends on Africa's resource, potential market, and to some extent diplomatic support, African states squarely depend on Chinese aid to expand their infrastructural projects as well as political support. This relation is in line with Keohane & Nye's (see in Enuka: 2011a) assumption that this type of interdependence is characterized by reciprocal effects among countries or among actors in different countries who possess resources what the other desperately needs. In sum, although both China and Africa are depending on each other with respective drives, the economic imbalance between them gives the former an upper hand and decisive position. And as the asymmetry between actors is most likely to produce source of influence in their dealings (Keohane & Nye: *ibid*: 9), China as a donor has the ball in its court that enables her to influence the relations. However, this influence should not be exaggerated as China does not assume power as much as the Western donors did upon Africa. Because, China's involvement in Africa is taking place in the presence of the still powerful Western donors and that African countries have alternatives to choose. Thus, there is less chance for China to continuously manipulate the asymmetric relationships for power purpose and for its economic advantage by simply ignoring African interest; especially in those countries that are fully aware and in control of their destiny.

In sum, like other donor countries, China's foreign aid policy towards Africa is not driven by the social and economic development needs of recipient African countries, nor has altruistic motives, but substantially by its long-term economic objectives. Åberg's (2010: 30ff) case study supports this assertion in that China's financial assistance to Africa in general and to Angola in particular corresponds with its need of oil and other natural resources. The recent earmarking of \$ 8bn to the oil rich South Sudan (Stephen: 29 April 2012) proves that China's aid is driven by economic objectives. Therefore, as the relationship between the two actors in the past was driven by ideological and political concerns, the present relationship is mainly driven by China's economic interest. What makes this relationship different from the past is that China's predominantly economic interest is coupled by Africa's fast growing political and economic needs. Here, Chinese aid and Africa's abundant resources play a very important role in cementing the two parties' cooperation and interdependence. But how did this interest driven Sino-Africa aid relations impacted African countries and the long-standing Western influence? The following chapter will address this question.

6 Impacts of China's Aid Relations with Africa

There is no doubt that the rise of China as economic power and aid donor impacted African countries both negatively and positively. As Alden (in Eneka: 2011b: 226) observes, China's engagement with African continent over the last few years has significantly altered Africa's traditional dependency on the Western donors, for China has become an alternative source of aid, trade and investment for the continent. There are many signs that African dependency on the Western aid is decreasing and the continent's bargaining position is getting stronger. Furthermore, the reciprocal nature of the China-Africa aid relations created opportunities for both China and Africa. However, this does not mean that there are no challenges and even potential risks that should be tackled the earliest as possible. This chapter aims to discuss how the Sino-Africa aid relations affected African countries and the long-standing Western influence.

6.1 Sociopolitical Impacts of Chinese aid in Africa

Chinese aid has impacted African domestic politics both positively and negatively. As Rupp (2008: 75) observes, on the one hand, the aid relations created popular perceptions towards both China and the African leadership by enabling the latter to gain political credits for winning important economic deals with China and its economic subsidiaries, which undoubtedly generated enormous economic benefits for the African states. On the other hand, unreserved support and association with some African despotic regimes creates ambivalence on the very motives of the Chinese support. The fact that most critics focus on the negative aspect of the aid relations, this situation doubled the Western involvement in politics of human rights and democratic reforms in Africa using it as a main contesting tool in its battle for all forms influences in the continent.

Whatever the motives of this contest is, the critics triggered towards the "worrysome" Chinese aid practices in Africa increased attention to domestic politics. And this in turn has

contributed to the overall political awareness in most African states with greater possibilities of impacting them positively. The political rhetoric of the African political elite and the democratization process expressed by party politics and general elections confirms that the external pressure towards domestic politics, particularly on areas of human rights and good governance is bringing something valuable without being affected by Chinese unconditional aid and its soft approach to African politics.

Although it is undeniable that African democracy is still weak and fragile, studies on democracy in Africa suggest that the progresses achieved in fighting corruption and improving governance today is more concrete than a decade ago (Ong'ayo 2008: 4). For instance, "Freedom House classified half of the African states are democracies, regimes where citizens can choose and replace their leaders in a reasonably free and fair elections" (Diamond et al: *ibid*: 4). In this case, China's politically untied aid to Africa has no negative impact on the democratization process. To say the least, apart from accusations and exaggerations, there are no concrete cases where Chinese aid involvement or the Chinese development model in Africa has reversed the democratic reform or achievements.

However, Chinese economic involvement in some African countries has triggered domestic political conflicts which translated in to violence. Although the Chinese government has made a concerted effort to extend a degree of socioeconomic assistance, China's support for improving the socioeconomic conditions of African communities, especially those located in regions where China extracts resources, remained murky (Euka: 2011b: 226). Reports show that the increasing presence of Chinese companies and laborers in Africa has been received by confrontations, such as riots, attacks and many other forms of economically motivated violence (Wheeler: 2012: 10 and Euka: 2011b: *ibid*).

For example, studies show that an armed group in Nigeria known as 'The Movement for the Emancipation of the Niger Delta (MEND) repeatedly warned the Chinese and other foreign parties against investing in the oil producing areas of Niger Delta and consequently kidnapped more than a dozen of Chinese workers who were later released (Obirah: 2007: 52 and Wheeler: 2012: 9). The abduction of Chinese workers in Southern Kordofan oil fields coupled with the expulsion of senior field officer is another vexing political problem and generated anxiety among Chinese nationals working in both North and South Sudan (ICG: 4 April 2012).

Furthermore, poor working environment imposed by Chinese companies has become a game-card for politicians in some African countries. Rupp (ibid: 72), observes that Chinese industrial investment in Africa tend to be ‘socially thin’”. For example, Chinese industries’ presence in some places in Zambia and their poor working conditions has ignited violent protests. And Reports show that the protest ended up with firing shotguns from Chinese officers injuring at least a dozen (The Economist: 20 Apr. 2011). As a result, the leading opposition candidate, Michael Sata, argued that Chinese investment in Zambia was entirely worthless, thus during the 2006 presidential election in the country, he campaigned on an explicitly anti-Chinese ticket. Although he won majority in the China affected area, the overall defeat in the election triggered anti-Chinese riots in the capital city (Blair: 31 Aug. 2007).

But, again, we should be careful not to conclude that Chinese economic intervention in Africa is all about political violence. Firstly, there are societies in support of Chinese economic intervention. A field study conducted by Estebe (2010) for instance suggests that while results from opinion polls emphasize the positive nature of China in Africa, a qualitative ground research indicates the presence of positive and negative perceptions. A good example of this is that the flooding of cheap Chinese products triggered two mass demonstrations in Dakar, the capital city of Senegal, “one in support of Chinese merchants, the other in opposition” (Euka: 2011b: 227). Secondly, it has to be noted that the violence may not have a direct connection with aid. As mentioned in section 1.2 of this study, the demarcation between the ‘aid’ and ‘economic’ relations of the two parties is not always clear-cut. One thing clear is that China involves in construction and extraction of projects that are funded by itself. One way or the other, these situations indicate that China’s economic engagement in Africa has a potential impact in countries’ domestic politics.

6.2 Socioeconomic Gains of Chinese aid in Africa

Ignoring political conditionality and other related issues, Chinese aid in Africa focuses on ‘practical, realist and achievable objectives. Based on this, China sees Africa as a business opportunity and the African people as consumers, not as a colonial subject and as reservoirs of labor for procuring African natural resources or for producing commodities for overseas

industries (Rupp (2008: 66, 83). As Brant (in www.whydev.org: 2011) described, Chinese foreign aid emphasizes “the importance of stimulating economic growth and implementing a development model based on each country’s specific requirements and circumstances”.

And this intention of supporting Africa over the long term growth has been demonstrated by China’s commitment to finance Africa’s infrastructures, including major highways, railways, airports, seaports, dams, and power plants, Oil and mining, export processing zones, and Information Communication Technology, education, agriculture and other areas of economic development, than simply seeking an exploitative relationship (e.g. Wheeler: 2012: 9ff; Brautigam: 2009; Davis et al.: 2008: 53; Rotberg: 2008: 1).

In addition to the large debt cancellations and new pledges, China had committed \$3.3 billion to ten major hydropower projects that should see sub-Saharan Africa’s energy capacity boosted by 30% upon completion. Furthermore, Chinese telecommunication firm supplied \$3 billion worth information and telecommunication equipment for sub-Saharan Africa, mainly to Ethiopia, Sudan and Ghana (Raine: *ibid*: 30ff). A report from World Bank in 2006 estimates that China spent \$7 billion on roads, railways and power projects in Africa, followed by additional \$4.5 billion in the following year (Raine: *ibid*: 199). Only after 2009, China delivered 113 ‘end-to-end projects’, 137 batches of supplies and 13 cash donations to African countries, and further launched 66 technical cooperation projects. China is also actively pushing forward on 100 clean-energy projects in Africa (FOCAC: Oct. 2011). And the fact that China alone was responsible for 40% of global increase in oil demand between 2000 and 2004, Africa benefited from the commodity exchange, which effectively raised its GDP from 2.6% to 4.4% in 2001-04 and to 5.5% in 2005 (Marks: 2007: 5). According to Parenti (2009: 118), the support of NEPAD’s objectives has also successfully contributed the the continent’s economic growth.

The lack of infrastructures has always been a key obstacle to socioeconomic growth and development in African countries and these hard infrastructures have certainly created opportunities and access to further business activities for the local, regional as well as to international commercial partners. The Economist magazine (20 Apr.2011) pointed out that the injection of Chinese aid to infrastructure development in Africa has boosted employment in Africa and made basic goods like shoes and radios more affordable. Cheru & Obi (2010) summarizes the impact of Chinese economic support to Africa:

The growing strategic partnership between China and Africa has had a noticeable impact on the performance of African economies. Since 2001, Africa's economic growth, underpinned by Chinese demand for African oil and other raw material resources, has been impressive. In addition, expanded Chinese investments in the infrastructure sector—from roads, power generation, ports and new airports—have opened up opportunities for African producers to increase production, move goods to local, regional and global markets relatively quickly resulting in increased incomes to Africans. Improved access to transport and energy has been critical in the observed productivity gain in African agriculture.

The above empirical data shows that Chinese aid focuses on development of the infrastructure sector which increases the overall productivity of the continent. And this is appreciated by African countries. As South African diplomat put it, “Before China became interested in Africa, we used to try to talk to Western governments about infrastructure or agriculture and their eyes would simply glaze over. Now our phones ring with offers of support” (Raine: *ibid*: 199). Prime Minister Meles Zenawi's statement will reinforce this:

"The official doctrine among the international financial institutions which in the past determined policy in Africa was that infrastructure would be taken care of by the private sector. Well, we have waited 30 years and nothing much has happened. When the Chinese companies came in and started building infrastructure in a big way they were filling this major gap in the development of Africa. We, in Africa, should feel very satisfied with it" (Moody & Nan: 27 April 2012).

The commitment in improving infrastructures and pragmatism of the Chinese move in general impressed the African leadership as well as the African public to a considerable degree. As Calstous Juma (*The Economist*: 15 Feb.2010) noted, China's growing presence in Africa has played a key role in inspiring a re-examination of the continent's economic prospects. In fact as Kim (2009: 73) points out, “China's good image as a donor is coupled with the attractiveness of its development model.”

Furthermore, the Chinese aid relation is increasingly impacting Africa's human resource by providing medical personnel and scholarships. Only during the academic years of 2010 and 2011, China provided 5,710 government scholarships (FOCAC: 2011). As professor Calstous Juma points out, in addition to the increasing of the number of African students in Chinese universities, the Chinese government focused on strengthening the continent's scientific infrastructure by launching a postdoctoral programmes for Africans who each will return

home with scientific equipment worth \$22,000 (The Economist: 15 Feb. 2010). Such support in the development of human capital will further accelerate the overall growth of African countries.

In general, the politically untied Chinese aid has been much more productive on the ground than what is being portrayed. Many infrastructure and high-profile projects built by Chinese ‘aid’/or concessional loans throughout the continent are evident and unquestionably these have accelerated productivity and have become the mainspring of development in Africa. The Economist Magazine in its article “*The hopeful continent: Africa rising*” observes that “China’s arrival has improved Africa’s infrastructure and boosted its manufacturing sector.” It further points out that six of the world’s ten fastest-growing countries over the past decade were African states (The Economist: Dec. 2011).

Therefore, the positive outcome of the Chinese aid system is visible all over the continent. As Enuka (2011a: 51) confidently noted “China’s aid has its undeniable pluses that arguably offer Africa opportunity for growth and progress”. Thus, it is no wonder Africa is more than ready to cooperate with China as a development partner. But what is at stake is that the China-Africa interdependent relationship is questioned and faced sever critics from the international community, mainly the Western world. Why? by attempting to understand the negative impacts, challenges and opportunities of the China-Africa aid relations, the next section will address some of these concerns.

6.3 Negative Impacts, Challenges and Opportunities

According to Keohane & Nye, one aspect of interdependency is that it involves reciprocal effects of transaction (Enuka: 2011a). However, as interdependence is not always in terms of situations of evenly balanced mutual dependence, the asymmetries in dependence will most likely to provide source of influence for actors in their dealings with one another (Keohane & Nye: 2001: 9). And in the case of foreign aid, being a donor already tips something and this is understood by both the recipients and the donor. In this case, while some aid recipients are cautious of the cost-benefit of the relationship and strive to seal a beneficial deal, others make less effort for different reasons; it can be inability, corruption, or may be forced to remain loyal to the donor’s interest, or for some other reasons. According to Keohane & Nye (ibid),

the benefits and costs of the relations depend on the values of the parties, which means, it depends on the bargaining ability as well as defined interest of the actors. In this respect and from the earlier discussions, the China-Africa aid relations can be described as asymmetries in dependence. Based on these assumptions, let us see how asymmetries in dependence has challenged the African states and see what opportunities are there to maximize their benefits.

The fact that China uses foreign aid as an instrumental to support its own companies operating in Africa; Chinese aid and trade activities *intersect* and this has become a challenge to some African countries. As mentioned in earlier chapters, China's foreign aid has commercial dimensions, or China provides a trade-packed aid. As Davies et al. (2008: 52) state that "China's foreign policy and aid commitments are becoming an increasingly sophisticated instrument that helps to entrench China's commercial engagement". A market research conducted in three countries in Africa, namely Ethiopia, Ghana and Zambia suggests,

China's foreign aid practice is used by Chinese aspirant multinationals as leverage for market access and other investment opportunities. What is clear is that aid, mainly in the form of concessional loans, but also commercial financing, serves as a platform for mainly Chinese state-aligned enterprises to establish a foothold in the African market (Davies et al. *ibid*: 51ff).

Once the Chinese companies establish a foothold in Africa, they compete with local businesses involving in local and international tenders. This situation has created serious tensions between the African manufacturing industries and merchants and Chinese industries in Africa as local industries have been hard hit by the flood of cheap Chinese imports to the continent (Wang et al: 2010: 58). On this serious issue, Taylor, one of the conference participants in Georgetown University, observes:

"Findings indicated that many African local businesses tend to be very weak and face strong competition from Chinese businesses. Importation of cheap textiles can have a dire impact on local businesses. There have been cases reported in that a flood of textile imports from China have dismantled the local businesses and have put most of the remaining firms out of business" (GTU: 2008).

The negative effect of the influx of the cheap Chinese products is felt everywhere in the continent, villages, countryside, and towns. As a result, although the availability of low

quality and inexpensive goods in the African market is an opportunity to the poor consumers, it “represents an economic malignancy spreading through African markets, displacing African-made-goods and, in the process, undermining and ultimately destabilizing African industries” (Rupp: 2008: 69). This is true.

For example, South Africa’s textile industry declined by 75,000 jobs just because China imported 80 percent of the t-shirts flooded in the country’s market. Studies by Kaplinsky et al (2006: 13) shows that an approximate of four people are supported for every job in South Africa’s formal sector. This negative impact did not stopped there, but spread throughout Lesotho closing six textile factories alone, Swaziland, Madagascar, Mauritius, Ghana, and Kenya. The closing of African industries affected tens of thousands of workers in each countries and hundreds of thousands individuals in families and communities that were supported by the income of the laid off workers (Rupp: 2008: 69ff; Kaplinsky et al: 2006: 13; Wang et al: 2010: 71). This is a clear and serious danger on a national economy and domestic politics.

Moreover, as Karumbidza (2006) points out, an anti-Chinese sentiment is growing in Zimbabwe, because people are horrified at the prospect of a permanent take-over of major state companies. And this has become a serious concern for Zimbabwean trade unionists worrying that companies are being forced to close having lost their market to cheaper goods imported directly from China. As a result, the flooding of the Chinese cheap products in Africa has created resentment and frustration among local businesses as well as consumers. In a meeting organized by Chinese parliament, South African government official Moeletsi Mbeki voiced his concern stating that,

Africa sells raw materials to China and China sells manufactured products to Africa. This is a dangerous equation that reproduces Africa’s old relationship with colonial powers. [...] China’s export strategy is contributing to the de-industrialization of some middle-income countries (Marks: 2007: 5).

Furthermore, the impact of Chinese workers in Africa is noticeable across the continent. Xinhua, a state news agency, for instance reported an estimate of 750,000 Chinese nationals to be working or living for extended period of time in Africa (Raine: *ibid*: 26). George Ayittey, a distinguished economist, observes, “As a condition for Chinese aid, African states

must accept large numbers of Chinese experts and workers as part of their investment packages.” As a result, the number of Chinese expatriates in Namibia, Zambia, and Nigeria has reached 40,000, 100,000 and 120,000 respectively (The Economist: 15 Feb.2010). This situation has already created tensions between the locals and the Chinese unskilled laborers, as their presence leaves the African labor force unemployed exacerbating the existing unemployment and the labor market in general.

Although Chinese companies operating overseas are encouraged and obliged to ‘abide by local laws, and by principles such as transparency and equality, protect the labor rights of local employees, protect the environment, implement corporate responsibilities and so on’ (Marks: 2007: 5), these principles do not often seem to be respected. For example, Rocha (2007: 25) observes that there are serious concerns about Chinese funded projects in African countries “where in some cases, the ratio of Chinese expatriates to locals contracted is as high as 70 per cent Chinese and 30 per cent local”. On similar issue, Dipak Patel, Zambia’s minister of commerce, trade, and industry expressed his concern stating that “China is displacing local people and causing a lot of friction. You have Chinese laborers here moving wheel barrows. That is not the kind of investment we need” (Rupp: 2008: 72). Even under such a harsh situation however, Chinese officials often try to defend their position. For example, Sun Baohong, a Chinese embassy official in Washington DC., said, “We take advantage of our low cost, cheap materials, technology and cheap labor to maximize our efficiency of ‘aid’ to Africa” (Rupp: *ibid*).

China took this for granted since the Tazara railway project in 1970s, when it had imported 1,500 Chinese workers (Euka: 2011a: 42). And this kind of practice neither helps Africa in addressing the high unemployment and the scourge of poverty, nor does it assist Africa’s private sector in technology transfer as well as financially. However, this problem largely falls in the African individual states’ labor law. These and the failure to seal deals favorable to the local people resulted in such drawbacks. According to Shinn (GTU: 2008),

The bilateral negotiations vary from country to country.... Angolan labor law regarding Chinese (or other foreign) projects in the country dictates that the projects should be done with 70% Angolans and 30% Chinese workers, but in reality it is 60% Angolan and 40% Chinese workers. In Ethiopia, the workers on Chinese-backed projects are mainly Ethiopians and in Sudan, the workers on such projects are mainly Chinese. These variations reflect the differences between local labor laws and their effects on the number of local and Chinese workers.

Shinn is correct in that the failure of the aid recipient states to seal and implement a deal favorable to the local people as well as the failure of the local labor law to protect its interest are the main problems. Moreover, the door for bargaining was not closed as Chinese labor does not seem to be a negotiable part of Chinese aid. As Cheru & Obi (2010) noted the “Chinese are quick to respond to any anomalies involving their investment in Africa if and when African partner governments brought this to their attention”. This is what the Ethiopian case mentioned earlier suggests. To be more specific, a recent article entitled “*Africa Talking to Beijing*” authored by Deborah Brautigam, informs that “Tough governments are able to get the most out of the rise in emerging-market interest in Africa.” Brautigam points out that Ethiopia “holds the reign”; “...trying to get beyond the 'win-win' rhetoric in engagements with their Chinese partners” (in *The Africa Report*: 27 February 2012).

Brautigam (in *The Africa Report*: *ibid*) states that Ethiopia has effectively protected its local workers and traders in the deal with China. For example, Chinese traders and shop keepers are not allowed to involve in street petty trade; it is reserved for local people, whereas this is a hard fact across many African cities’ corners. The government reserves these positions for locals by enforcing the rules, and China listens. Some years ago, Chinese companies build the ring-road in Addis Ababa, the capital city aiding 15 per cent of the cost. In the process, the companies complained that they could not find enough local skilled workers giving an excuse to importing Chinese workers. In response to this, “The Ethiopian government requested China to establish a college that would focus on construction and industrial skills” rather than importing labour from China. And as a result China “fully equipped Ethio-China Polytechnic College opened in late 2009, funded by Chinese aid” (*ibid*).

Similarly, the Tanzanian government in 2011 stated that “Chinese were welcome as investors but not as vendors or shoe-shiners”, thus they are banned from the local street markets (*The Economist*: 20 Apr.2011). The South African government also reacted to safeguard its national interest. As mentioned earlier, recent reports by William Gumede (*The Africa Report*: 27 Feb. 2012) suggest that “the South African textile industry has been hard hit by cheap imports from China, with factories closing down and heavy job losses” dropping from almost 300,000 workers in 1996 to 120,000 in 2010. However, the government did not remain

passive; it “persuaded China to sign a pact that would limit imports from China and give the South African industry a period to rebuild”.

The reaction of the Ethiopian, Tanzanian, and the South-African states is a good example that reinforces Keohane & Nye’s theoretical assumptions of the cost-benefits of interdependency. On this, Keohane & Nye (2001: 8ff) argue that one aspect of interdependency focuses on the ‘relative gains’ and ‘distributional issues’. In this case, actors involved in such a relationship will strive to maximize their share of gains sometimes disputing over the size of the benefits from this interdependence relationship. This is what the mentioned countries did. And in all cases, China resisted to change the status-quo (The Africa Report: 27 Feb. 2012; The Economist: 20 Apr.2011), until it was forced to accept the demands from these countries and this reveals that China equally depends on the resources and markets of these countries, thus it has to compromise or concede in order to settle the raised disputes and sustain the relations. These measures show three important things: firstly, local regulations can play an important role in limiting any possible negative impact of the Chinese aid. Secondly, this indicates that it is upto the interdependent parties to strive and maximize their benefits in the relations. Finally, it also reveals that there is a considerable degree of political freedom within interdependent relations, which is against the norms in the traditional donor-recipient relations.

The point is that the intersection of aid and commercial activities has negative impact on the local business enterprises falling into unfair competition, which ultimately cause the displacement of local manufacturing firms and workers substantially affecting tens of thousands of citizens. And this situation has increasingly become a point of tension arousing growing anti-Chinese sentiment and popular antipathy across the continent (Cheru & Obi: 2010; see also Wang et al: 2010: 7). In this respect, those critiques who saw the Chinese aid relations as worrisome have a basis for their claim. Clearly, there is imbalance in the relations and that Chinese aid is linked to and guided by commercial interest and this in turn has such serious repercussions, especially on recipients that are not able to seal a fair deal. It is therefore difficult to take the Chinese rhetoric, that aid policy is motivated by a desire for ‘solidarity’ and a ‘win-win’ relation, at face value. Hitherto, Chinese interest plays an important role behind the Chinese aid regime. And as Anshan (2008: 40) noted some of the contradicting challenges Africa and China faces are that there exists incongruities of interest between them, especially in market and labor. But, in spite of this situation, relationship

continue to grow. As an Ethiopian senior government official pointed out, “China’s aid commitments supported its own national interests” (Davies et al: 2008: 36). In a similar tone, a senior South Sudanese government officials pointed out that ” China is not a donor” (Wheeler: 2012: 9). This comment interestingly conveys two important points: first, the countries’ relation with China is also based on their own interest. And the other is that interdependency exists with full awareness of the parties. What does the above experiences of the countries shows?

According to Keohane & Nye (2001: 8), interdependence relationships restricts autonomy and will always involve *reciprocal costly effects* of transactions. In other words, the asymmetries between the parties can possibly be manipulated by the powerful one by using its tools or resources to advance its objectives without considering the costly effect on the other. This is what happened between China and some African countries. The fact that China comes with a real cash and that African countries are in urge of financial aid to mobilize their resources and increase productivity, this situation tips China a potential to influence the relation and this has costly effect on some African countries, such as the closing textile industries in Lesotho, Kenya, Madagascar, and Mauritius, higher proportion of Chinese labor and bad working conditions for locals in Angola, Sudan, Nigeria, Namibia and Zambia. All of them failed to priori specify the benefits of their interdependence relationship with China and their cost in some of their engagements exceeded the benefits. Here, Keohane & Nye (ibid) argue that it is impossible to predict and specify whether the benefits of the interdependent relationship will exceed the costs. But this cannot be a reason enough for the costly effect the countries faced in the interdependent relation, because there are countries that predicted and priori specified the benefits of their engagement.

Although it is true that there is no guarantee that such relationship will bring mutual benefit to the actors (Keohane & Nye’s: 2001), countries, such as Ethiopia, Tanzania, and later South Africa have clearly specified their benefits in the relationship with China. Hence, their interdependent relationship did not totally restrict their autonomy to seal a fair deal. Rather, Keohane & Nye’s (ibid) argument is correct in stating that the cost and benefits of the interdependence relationship depends on the values of the actors and the nature of their relationship. However, although the China-Africa interdependence relationships restricts autonomy, in that the interdependent relationship involves an act of compromises or concessions, the situation might not always involve *reciprocal costly effects* of transactions as

Keohane & Nye (ibid) claim. For example, pressing China to cut labour size and importing cheap textile products that negatively affect domestic labour and industries in Africa will only limit its profit margins that would have gained at the cost of its partners, while deterring/or reversing this situation will increase the benefits of the African countries without causing an extra cost to China, which actually helps to sustain the interdependency.

Those countries which specified their benefits in some cases have restricted China's autonomy by forcing it to concede some of its benefits. However, as opposed to Keohane & Nye's (ibid: 8) assumptions, I doubt on the reciprocity of *costly effect* of the transaction as conceding or narrowing a profit margin may not necessarily be a cost. It can be an opportunity cost (i.e. the benefit that could have been earned). Thus, I argue that costly effect may only incur on the weak side, while reciprocity of costly effects may happen only if the interdependency of the actors comes to an end causing mutual losses or if an opportunity cost is considered a real cost, which is not, for it is an opportunity lost. Keohane & Nye (ibid) have failed to elaborate this particular point, while they are correct in stating that mutual dependency does not necessarily bring an evenly balanced gains or losses. And this is what we can see in the mentioned African countries; i.e. some countries have managed to maximize their benefits by restricting Chinese autonomy in the interdependent relations, others failed to do so, thus faced the costly effect, while the situation benefited China.

In general, provided that African governments lack coordinated strategy to regulate the Chinese activities, some have become vulnerable (Cheru & Ob: ibid). Thus, individual and collective weaknesses to set a clear rule of engagement for mutual benefits makes some African countries more vulnerable than others. Then why do these African countries chose to keep up such seemingly beneficiary, but imbalanced relationships?

I argue that the reason why such condition has become acceptable for the recipient countries is because African states are economically and politically benefiting from such deals; albeit the imbalance between them and China. As President Julius Nyerere of Tanzania said in his time, "China and Africa are most unequal equals" (Rupp: ibid: 83), however, as Cheru & Ob (2010) point out, the enormous economic opportunities far outweigh the threats, despite the discrepancies in the exchange. In other words, the aid relation have brought relative gains to African countries. To the interdependent theorists, "the common judgment about interdependence is about whether the relationship is mutually beneficial" and not necessarily

guarantees evenly balanced benefits or losses; it can also be judged by relative gains (Keohane & Nye: 2001).

In this case, empirical data clearly show that the aid relation is mutually beneficial. Even in a situation where the benefit of the exchange is not evenly balanced, the relation between this “unequal equals” has been strengthened by a number of summits and bilateral as well as multilateral engagements.

Despite the reality that China and Africa stand on unequal platform, both parties’ cooperation stems from their mutual political and economic necessities. Montesquieu’s (see Masterson: 2009) observation of Europe’s interdependence based on mutual necessity applies for China and Africa. As interdependence theory assumes (see chapter 3), the parties possess resources what the other desperately needs; hence, an increasing exchange of interest, goods, money and people is taking place between China and Africa. This interaction between the two parties occurred based on mutual necessities. To borrow Roteberg’s (2008: 1) idea, China and Africa desperately need each other and their interactive and remarkably symbiotic relationship is continuously and mutually reinforced and is tight and thoroughly intertwined, for both actors benefit significantly. The South African Standard Bank (SASB) research analyst Freemantle and economist Stevens in a newly released report observe that the reliance between China and Africa can be seen in two-way exchange between the two sides (Xinhua: 19 July 2012).

Another important point is that China does not arm-twist recipient states to join such trade-linked aid deals; it is based on ‘take it or leave it’ principle usually approached through diplomatic languages of “solidarity”, “partnership” and a “win-win”. According to Rupp (2008: 83) the China-Africa relation does not seek coercive political and economic domination on both sides. With all its drawbacks, it is this aspect of the aid relations which attracted the African states to further reinforce their cooperation with China, which in turn become an increasing challenge to the long-standing traditional Western influence on the African continent. As this paper argues, the emergence of China as a new donor has become a viable financial as well as political alternative for African countries and this situation has created anxieties and change of behaviour in the West. The next section will show how the China-Africa aid relations have impacted the traditional Western influence.

6.4 Chinese aid approach: A Challenge to the Western Influence on Africa

Sogge (2002: 43) theoretically assume that aid donors maintain, protect and promote their political and economic interest through rewarding and keeping loyal aid recipients whose politics is compatible with the interest of the donor. In such relations, we may theoretically assume that the recipient state has no other alternative source of aid, it therefore falls into the traps of dependency. Nor has the recipient any substantial influence by its own unless it rejects foreign aid in order not to compromise its autonomy at home or else declares for "self-reliance" as the *Arush Declaration* depicts. In the presence of alternative donors however, there is no reason to keep such a patron-client relationship. This is what the emergence of China as a donor has brought to Africa. China approached Africa with substantially divergent aid policy and as a result, there are strong signs that Africa's dependency on the traditional Western aid is progressively decreasing while overall interdependency between China and Africa is boosting. This has become an opportunity for African countries, but a challenge to the long-standing Western influence that had been assumed for granted. How?

Here is the case: Chinese aid policy is part of the larger foreign policy and as discussed earlier, it is anchored on principles of non-interference and aid "with no strings attached" to politics (see section 5.2). This situation created an alternative to the dictates of Western donors. According to Tull (2006: 466) and Enuka (2011a: 51), China's sovereignty-based order in its relation with Africa has attracted African states and challenged the traditional relationship with Western donors that progressively undermined the sovereignty of African states. The divergent approaches to aid have political impacts potentially shaping the future relations of the actors.

For example, the fact that China's non-intervention approach has publicly separated business from politics, "it is hardly surprising that the Chinese stance on the issue of sovereignty is gratefully acknowledged by African governments" (Tull: 2006: 466). Expressing his relieve and complaint against the intrusive behavior of western donors, Paulo T. Jorge, Angola's minister of Foreign Affairs said:

China respects a fundamental principle that Angola takes with great consideration: non-interference in our internal affairs. In the foreign relations with our European counterparts the tendency is the reverse. Angola is an independent state and we do not accept violations of that principle. Hence, with China we have a relationship that is based on mutual respect (Åberg: 2010: 29).

Similarly, some African leaders noted that Chinese aid and trade relation is much easier than the politically loaded Western aid. A Kenyan official for instance said, “You never hear the Chinese saying that they will not finish a project because the government has not done enough to tackle corruption” (Enuka: 2011a). Explaining why China is succeeding in his country, the Sierra Leone ambassador to China also stated that the “Chinese don't hold meetings about environmental impact assessment, human rights, bad governance and good governance” (Kaplinsky et al: 2006: 31). Although the last two views do not necessarily represent a positive signal, the availability of Chinese aid in a totally different pattern enabled African states to openly show their resentment towards the traditional Western behaviour.

Not surprisingly, such divergent approach of the donors gives Africa political leverage and this sense of relief is publicly reflected by many African leaders. For example, Abdoulaye Wade, former Senegalese President, in a public Forum “expressed his sense of relief that African nations have a newfound power to choose not to accept funding from traditional Euro-American partners” (Rupp: 2008: 75). In the same spirit, President Al Beshir of Sudan stated “When our relations became problematic with the international financial institutions, we turned to China. Relations with China have enabled us to overcome economic difficulties” (Askouri: 2007: 74). The Ethiopian Prime Minister and Africa's chief negotiator, Meles Zenawi also “derided western economic prescriptions of the late 20th century as ‘medicine that turned out to be worse than the disease’” (Heinlein: 2012). Similarly, Kagame and many other African leaders openly praised China for providing what Africa needs, while criticized the West's obsession with aid, which didn't help much to bring Africa forward (Robinson: 2010).

In a continental level, African leaders in different occasions collectively call for profound changes in the international system stressing on important political issues. Increasing Africa's role in international affairs, opposing interference in other countries' internal affairs and wanton use or threat of force in international affairs, the need for reform of the UN and give Africa its rightful place are some of them (e.g see FOCAC: 23 July 2012).

Would these African leaders individually and collectively be in a position to express themselves in such a blatant way without having an alternative means? No is the short answer. In this case, it can be said that the ‘change-seeking policy’, which is theoretically assumed to be used by the donor as a tool of foreign policy (Palmer et al.: *ibid*) is also embraced by the recipient African countries with a desire to alter their relations with the Western donors. This is a new development that emanated from the emergence of China as an alternative economic and political force coupled by Africa’s growing importance in global politics. Here, it is convenient to support the assumption that foreign aid furthers the political and strategic interests of either the donor or recipient, or both (Riddell (2007: 17 and Browne (2007: 12f).

Furthermore, African countries appreciate the Chinese aid and political support, for it enables them to escape the long standing Western domination. As Chidaushe (2007: 110) puts, “Africa is desperate for resources and to break free from the West and collaborate with China”. This supports Sogge’s assumptions that some leaders sometimes reject foreign aid in order not to compromise their autonomy, or not undermine their own effort at home (Sogge: 2002: 46ff). And contrary to the traditional norms of the donor-recipient relations, this kind of resistance is emerging in many African countries, not only in a rhetoric level, but also in action as we have seen earlier. But how did the Western donors react to this new development?

Contrary to the past, Western donors have become more tolerant and accommodating to certain degrees of demands of the recipient states for obvious reasons, i.e. they are convinced that China has become an alternative financial source and political support for Africa, which makes the latter less dependent on a single donor (single- the fact that Western donors are party to DAC/or OECD’s policy framework in which China is not involved). Meanwhile, the OECD countries attempt to establish a common principle on aid. The Busan conference which was held in South Korea for instance “attempted to establish a worldwide partnership on aid effectiveness”, but, China has rejected the call, for “it was not ready to endorse a partnership for global development. It wanted to stay outside of OECD and its framework. China rather made it clear that it wants to pursue its aid regime independent of Western donors keeping its distinct policy (Tran: 29 Nov. 2011). This position and the emergence of the BRICS countries (Brazil, Russia, India, China and South Africa) is supported by African countries in the recent Beijing declaration for possibilities of setting up a new development bank for

mobilizing resources for infrastructure and sustainable development projects (FOCAC: 23 July 2012).

The other thing is that Chinese growing engagement with Africa emphasizes on languages such as 'equal partnership, and mutual benefit, economic cooperation, common prosperity, non-interference, and south-south solidarity' (Raine: 2009: 201; Cheru & Obi: 2010; Chidaushe: 2007: 107). Such politically loaded languages is deliberately highlighted in every political event and communications and it certainly has a power of appealing while widens differences between Africa and the West as the latter has different stance and practices on most of these issue. As a result, this approach has offered lessons to other donors influencing them to adopt such languages.

In 2008, French President Sarkozy in his visit to South Africa for instance called repeatedly for 'partnership' and showed a humility traditionally lacking in Western diplomacy (Raine: 2009: 201). The languages used by US official towards China and Africa is also changing. For example, today's China is considered as a competitor than a 'threat' and Africa as a place of immense opportunities and competition. Hence, the US's language has shifted to cooperation and collaboration (Kermeliotis: 2011). Furthermore, as the result of the growing competition from China in Africa, Europe hosted an EU-African summit in 2007 where it adopted the Lisbon declaration announcing "a new strategic political partnership for the future" repeating what president Hu Jintao of China stated a year earlier at the FOCAC summit (Raine: 2009: 207ff). In a similar spirit, the French government hosted the French-African summit with an agenda of development, peace and security, while Japan invited the Tokyo International Conference on African Development in 2008, decorated with languages "Towards a Vibrant Africa" (Raine: 2009: 201).

China's involvement in aiding Africa is increasingly challenging the behavior of Western traditional donors in several ways; it prompted them to change their traditional approach towards the continent by new strategies emphasizing on the need for collaboration. According to Ayo Johnson, director of Viewpoint Africa, a media dealing with the continent's news, said "the growing influence of emerging players has left the West feeling 'very rattled' and put African countries in a stronger bargaining position." Johnson added that "It's becoming very difficult for the West to deal with Africa from their usual perspective" (Kermeliotis: 2011).

Clearly, the availability of Chinese aid has created an alternative to the international financial institutions (Åberg: 2010: 27). Moreover, Chinese growing dependency on African resources and its expanding market has become clear for the African leaders. These may gradually give a golden opportunity for the African states to escape the traditional top-down relationship with the West. It is advantageous for the continent in that it creates new opportunities to engage Western countries to gradually redefine the traditional patronizing relationship on new terms that recognize its development aspirations and priorities. This desire is openly expressed in different political events and there is no doubt that the non-intrusive approach/or policy made Beijing an attractive partner for African states.

Furthermore, China's use of foreign aid to deepening its commercial interest in Africa has also created frustrations in Western donor states. For example, introducing a new legislation that aims the US competitiveness throughout the African continent, a US senator Dick Durbin said,

"... While the U.S. does important work investing in people through education and health care programs, China and other nations are helping their industries develop infrastructure and expanding markets for their goods. While we're building institutions, China and others are building markets and we're being left behind" (allAfrica: 20 March 2012).

The motive of this statement is clear; on the one hand, it shows that the US interest is challenged by the Chinese expanding markets and influence in Africa. A sense of competition or rivalry between China and the Western powers is emerging and this ultimately seems to open opportunity for Africa with possibilities to change the traditional asymmetric relations which had previously been taken for granted. And on the other hand, this indicates that African countries would have to face a geopolitical tension between China and the Western donors. As Anshan (2008: 40) described it, "China's involvement in Africa is changing Africa and the world, providing more opportunities and creating more challenges." In this case, Rupp (2008: 65) is probably right that the new situation has "placed Africa at the center of emerging geopolitical tensions", which may rival if not displace the 150 years of Euro-American colonial rule and neocolonial influence.

This emerging situation is therefore a double-edge sword for Africa and it will be challenging, even risky, if not carefully managed. African countries should wisely turn the situation to their advantage without taking any political side as they did in the Cold War period. In this

respect, although Africa's advantage can effectively be achieved by drawing up a continental level policy that enables them to secure a sustainable and beneficial engagement with both China and Western donors, individual states should be encouraged to work for their best interest that would address their specific needs. Is this happening? As discussed in the earlier chapters, there are multilateral efforts being approached collectively, such as through AU, NEPAD, and the FOCAC though Africa's leveraging capacity is still limited. At a national level, the efficiency varies from a country to country. There exists serious discrepancies depending on the nature and conditions of their deal with China. To improve this weaknesses of the individual states, their effort would have to be combined with the continental policy framework.

7 Conclusions

The purpose of this study was to understand the nature of China-Africa aid relations and its overall impact on Africa and the traditional Western influence. The thesis argued that the contemporary aid relationship between China and Africa is based on cost-benefit analysis of both parties and that this emerging aid relation has brought enormous opportunities as well as challenges to Africa and the world. To understand this phenomenon, the study diagnosed the phenomenon using a holistic single-case approach taking Africa as one case group of countries dealing with Chinese aid relations. Informed by the methodological approach and the techniques of analysis, this study have attempted to optimize the research results and present valid analytical statements that adequately answer the research questions. Although the study once again acknowledges its limitation, especially in relation to the size and complexity of the issue raised, the flexibility of the method used in analytical procedure and justifying the data, enabled this research achieve its goals.

Accordingly, findings in this study shows that the nature of China-African aid relations is a complex package deals, which involves economic and political cooperations. This severly criticized aid relations is characterized by reciprocal effect serving the interest of both China and Africa. It is true that Chinese aid to Africa is tied with business opportunities mainly supported by its foreign aid policy. But viewing the relations simply in terms of resource grabbing of one side over the other is exaggerated. Furthermore, characterizing China as new power with neocolonial or imperialist ambitions on Africa is not supported by evidence, for such labeling does not correspond with the nature of its aid approach and activities. In fact, the empercial data used in this study show that both China and African countries are equally driven by their respective economic and strategic interest. There exists a two-way exchange mainly reinforced by the politically untied Chinese aid and Africa's resources.

Moreover, evidences from the emperical materials suggest that Chinese aid is used as a tool of foreign policy primarily to advance its economic and strategic objectives. The statements from the Chinese government officials that are mentioned in the discussion supports this findings. But, this is equally responded by Africa's growing demand for financial aid and

strategic interest. This situation leads to growing mutual dependency of the actors. As the concept of interdependence assumes, that people and institutions depend on each other in order to survive and achieve their goals (see chapter 3), China and Africa depend on each other in order to achieve their respective objectives. Similar to Montesquieu's assumptions that "Two nations who differ with each other become reciprocally dependent; for if one has an interest in buying, the other has an interest for selling" (see chapter 3), the dependency between China and Africa is founded on their mutual necessities- a necessities of continuous and growing exchange of of interest- an interest that is continuously and mutually reinforced by countless high-level visits to Beijing and Africa, scheduled summits, forums, bilateral and multilateral agreements.

But is Africa gainful from the Chinese aid relation or is simply changing the long-standing Western aid by another? From an economic perspective, China's renewed engagement with Africa has positively impacted African countries. Chinese aid relation with Africa created opportunities and challenges. The physical infrastructures, energy, agriculture, industrial processing zones etc., which are built by Chinese financial aid has boosted national capacity to exploit its human and natural resources. This in turn has brought enormous opportunities and potential for the continent's eventual self-sufficiency as well as for other stakeholders in the global market. As witnessed by many international financial institutions, six of the world's ten fastest-growing countries over the past decade were African states and a number of African countries have registered a remarkable growth with positive socioeconomic impacts. This registered growth in many corners of the continent can be attributed to China's contribution in funding high-profile infrastructural projects. Because, this growth has never happened before the injection of Chinese aid into such projects. As a result, this important economic deals with China has created popular perceptions towards the African leadership by enabling them to gain political credits at home.

However, the impact of Chinese activities in general and the convergent of aid with commercial interest in particular have posed new challenges on Africa at a national and local level. And this intersection of aid and trade has negatively affected domestic industries, labor market and local business in some countries. The closing of domestic industries, which causes the loosing of jobs substantially affecting tens of thousands of citizens are potentially dangerous for the stability of the hosting countries. The violent reactions against Chinese companies and workers in Nigeria, Zambia, Senegal, and Sudan are a clear indications.

Provided that some African governments lack coordinated strategy to regulate the Chinese activities as well as the inability to set a clear rule of engagement, the problems in some countries are exacerbated. In this case, some of concerns raised in the Western world are correct and the critics against Chinese activities in Africa should not be totally dismissed.

Taking the disadvantages of the relations into account, Keohane & Nye's (2001: 8) assumptions is true that the imbalance of interdependency matters as mutual dependency does not necessarily bring an *evenly balanced* gains or losses. It means, the asymmetries between China and Africa confirms the assumptions of interdependence theory that interdependence involves vulnerability and that it can be manipulated by the powerful actor. But slightly different from Keohane & Nye's assumptions, this may only incur a cost to the weak, and not necessarily has *reciprocal* costly effects of transactions. This is what the case of some African states, such as Zambia, Madagascar, Mauritius, Lesotho and Kenya shows; the interdependent relations costed them much while benefiting China. This cost could have been reduced by restricting China's autonomy in the relations as some countries, such as Tanzania, Ethiopia and South Africa did. In the latter case, China's collaboration to solving the problems raised by some countries proves its dependence on these countries. And China's failure to do so would not help to sustain the interdependency. Thus, while it is correct that interdependence restricts autonomy of the actors, the reciprocity of the costly effects may happen only if the interdependency comes to an end with a loss to all actors, but there is no such case within the Sino-Africa aid relations. As empirical data show, the involvement of China in Africa is mutually beneficial though serious challenges exist.

Politically, the emergence of China as an economic power and new donor in Africa offers an alternative to the dictates of Western donors and Western financial institutions that have failed to work effectively in the continent. Moreover, China's softer approach, the non-intrusive approach/or policy made Beijing an attractive partner for African states. And this divergent approach to aid is clearly challenging the behavior of Western traditional donors in several ways; it prompted them to change their traditional approach and this will potentially shape the future relations of the global actors. This is already evident in changes of diplomatic languages and political moves. For example, the emphasis on languages such as 'equal partnership, and mutual benefit, and common prosperity has positively influenced Western behavior towards Africa attracting more attentions and negotiations with totally new diplomatic

languages and approaches. And contrary to the past behaviour, Western donors are becoming more tolerant and accommodating to certain degrees of demands of the aid recipient states.

Furthermore, the establishment of FOCAC and adoption of strategic partnership provoked competitions between China and Western powers. The EU, France, Japan and other Western powers to host similar African summits decorated by attractive languages. These moves suggest that a sense of competition or rivalry between China and the Western powers is emerging. Meanwhile, there are efforts of taming China. The attempt by the OECD countries to bring China to join a common framework of “aid effectiveness”, as it was claimed to be, is a good example. But China rejected the proposal outright, and later Africa supported the idea of setting up new financial institution by BRICS countries. This clearly shows China’s ambition to position itself as an alternative economic power to the West and Africa’s urge for an alternative economic power.

This situation ultimately seems to open opportunity for Africa with possibilities to change the traditional asymmetric relations with the West, which had previously been taken for granted. This has already posed challenges to the long standing Western hegemony while giving political leverage to Africa including increasing its bargaining power in the international political fora. This political leverage is demonstrated by Africa’s open criticism and resentment against the political behavior of Western donors while praising the emergence of China as economic power and for its unconditional aid relations. This in turn suggests that the continent’s dependence on the traditional donors is decreasing and that the countries are freeing themselves from dictates of Western donors.

It is true that China’s growing involvement in Africa has increased the West’s attention to its interest in natural resources and this situation places the continent in emerging geopolitical tensions of competing powers. The introduction of a new legislation about the US competitiveness in the African continent is another indicator of the emerging competition. It is too early to predict how the emerging China-Africa aid relations will ultimately affect the Western influence in Africa, but certainly, it has already opened an opportunity for the continent with possibilities to change the traditional top-down relations.

In sum, despite the reality that the China-Africa relations in general and the aid relation in particular is asymmetric in many aspects, this cooperation is continuously and mutually

reinforced and has created increasing mutual dependency, which primarily emanated from their growing economic and political interest. Chinese unconditional aid to Africa and its economic involvement in any form is not as dark as it is portrayed. It is truly a golden opportunity for the continent and its people, thus deserve to strengthen it without abandoning the Western relationship. And Western donors and states should change the usual guardian/or saviour attitude and see China and Africa as partners than rival and a preserve/or protected area respectively. Chinese involvement in Africa is changing the traditional relations, but certainly there is still a room for win-win for all involved in a faire and equitable business. Moreover, whatever the motives behind the sharp critics toward the China-Africa relations, African countries should take it as a serious early-warning signal to continuously evaluate their engagements with China and the rest. China squarely must understand that the most crucial element to sustain the present China-Africa interdependent relations is that any deal must ensure mutual benefits beyond the rhetoric.

From the trends in the emperical data used in this study, China posses diversified tools to maximize its benefits in this interdependent relations, but Africa at a continent level still lacks a coherent political tool that will effectively address the emerging challenges and further promote and defend its interest. African countries have a lot to offer, but their engagement should be critically and contineously evaluated and make more efforts in drawing up a continental level policy to ensure the short and long term advantages within the interdependent relations and beyond. Similarly, China should responsibly and quickly correct its bad records in the continent and reassure its good intentions and assistance bring equitable development.

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9 Index

Foreign Friends: African Friends (Chinaposter.net: 2012)



The propaganda posters showing an ideology transfer and cooperation between Africa and China in 1960s - 1970s.