

**The Economic and Strategic Impact of China's  
Rising Influence in Africa: A case Study in Nigeria  
and Zambia**

**George Tanyi-Tang**

Submitted to the  
Institute of Graduate Studies and Research  
in partial fulfillment of the requirements for the degree of

Master of Arts  
in  
International Relations

Eastern Mediterranean University  
February 2021  
Gazimağusa, North Cyprus

Approval of the Institute of Graduate Studies and Research

---

Prof. Dr. Ali Hakan Ulusoy  
Director

I certify that this thesis satisfies all the requirements as a thesis for the degree of Master of Arts in International Relations.

---

Prof. Dr. Ahmet Sözen  
Chair, Department of Political Science  
and International Relations

We certify that we have read this thesis and that in our opinion it is fully adequate in scope and quality as a thesis for the degree of Master of Arts in International Relations.

---

Asst. Prof. Dr. Nuray Ibryamova  
Supervisor

---

Examining Committee

1. Assoc. Prof. Dr. Wojciech Forysinski

2. Assoc. Prof. Dr. Moncef Khaddar

3. Asst. Prof. Dr. Nuray Ibryamova

## **ABSTRACT**

The rapidly increasing level of engagement between China and African states have attracted considerable scholarly attention and debates. Two distinct camps have formed around these debates, namely: “Sino-Optimism” and “Sino-Pessimism”. For Sino-optimists, China’s interest in Africa is potentially good for the continent and holds the potential of transforming Africa economically and technologically. For Sino-Pessimists on the other hand, the opposite is the case as they believe that the relationship is dangerous for the international system. This point is often exemplified by pointing out China’s willingness to protect autocratic leaders in Africa by providing loans without incentives such as democratization and respect for human rights.

At the heart of the debates between these schools of thought have been two fundamental issues. Firstly, scholars have considered the extent to which China’s influence have impacted African economies directly. Secondly, some have asserted that the nature of the relationship potentially exposes African states to a neo-imperialistic dependency on China which essentially gives China economic and political dominion over the states. By Examining Nigeria and Zambia, two uniquely different states which have significantly different relationships with China, this thesis explores these two fundamental issues, exploring the history and strategic importance of the Sino-African relationship, as well as examining the relevant economic data.

The research finds conclusive evidence of China’s positive effect on African economies via foreign Direct Investments (FDI) as well as infrastructure development projects. It also concludes that a neo-imperialistic dependency begins to emerge

between some African States such as Zambia and the People's Republic of China, this is evidenced by a governmental dependence on Chinese foreign aid as well as piling national debts owed by African states to China.

**Keywords:** Sino-Optimism, Sino-Pessimism, Democratization, Neo-imperialism, Foreign Aid, National Debt, Foreign Direct Investment.

## ÖZ

Çin ve Afrika devletleri arasında hızla artan etkileşim düzeyi, önemli bilimsel ilgi ve tartışmalara neden oldu. Bu tartışmalar etrafında iki ayrı kamp oluştu: "Çin-İyimserlik" ve "Çin-Kötümserlik". Çin iyimserleri için Çin'in Afrika'ya ilgisi kıta için potansiyel olarak iyidir ve Afrika'yı ekonomik ve teknolojik olarak dönüştürme potansiyeline sahiptir. Çin-Kötümserler için ise, ilişkinin uluslararası sistem için tehlikeli olduğuna inandıkları için durum tam tersidir. Bu nokta, Çin'in Afrika'daki otokratik liderleri, demokratikleşme ve insan haklarına saygı gibi teşvikler olmadan krediler vererek korumaya istekli olduğunun gösterilmesiyle örneklendirilir.

Bu düşünce okulları arasındaki tartışmaların merkezinde iki temel mesele vardır. İlk olarak, bilim adamları Çin'in etkisinin Afrika ekonomilerini ne ölçüde doğrudan etkilediğini değerlendirdiler. İkinci olarak, bazıları, ilişkinin doğasının potansiyel olarak Afrika devletlerini Çin'e neo-emperyalist bir bağımlılığa maruz bıraktığını ve bunun da Çin'e esasen devletler üzerinde ekonomik ve politik hakimiyet verdiğini iddia etti. Bu tez, Çin ile önemli ölçüde farklı ilişkileri olan benzersiz iki farklı devlet olan Nijerya ve Zambiya'yı inceleyerek, bu iki temel konuyu araştırıyor, Çin-Afrika ilişkisinin tarihini ve stratejik önemini araştırıyor ve ilgili ekonomik verileri inceliyor.

Araştırma, altyapı geliştirme projelerinin yanı sıra yabancı Doğrudan Yatırımlar (DYY) yoluyla Çin'in Afrika ekonomileri üzerindeki olumlu etkisine dair kesin kanıtlar buluyor. Ayrıca, Zambiya ve Çin Halk Cumhuriyeti gibi bazı Afrika Devletleri arasında neo-emperyalist bir bağımlılığın ortaya çıkmaya başladığı sonucuna varıyor;

bu, h k metin  in dıř yardımına baėımlılıėının yanı sıra Afrika devletlerinin  in'e borlu olduėu usual borların birikmesiyle kanıtlanıyor.

**Anahtar Kelimeler:**  in-İyimserlik,  in-K t mserlik, Demokratikleřme, Yeni-emperyalizm, Dıř Yardım, Ulusal Bor, Doėrudan Yabancı Yatırım.

# **DEDICATION**

To my family and God Almighty

## **ACKNOWLEDGEMENT**

I am eternally indebted to the Almighty God for His abundant grace, love, peace, protection, provision and inspiration throughout my programme here at EMU.

I am also profoundly indebted to my family who supported and stood with me in my academic program. Your love, moral, financial and material support was invaluable to the successful accomplishment of my program. I have been able to come this far because you stood by me from the beginning until now.

I am also glad to express my sincere gratitude to my supervisor Assist. Prof. Dr. Nuray Ibryamova, who worked tirelessly to help me attain my potentials not just in my thesis but throughout my program at EMU. I want to also thank all the lecturers at the Department of Political Science and International Relations who made my studies enriching and memorable.

Finally, I want to thank my friends and classmates who stood by me in this academic journey.



# TABLE OF CONTENTS

ABSTRACT .....	iii
ÖZ .....	v
DEDICATION.....	vii
ACKNOWLEDGEMENT .....	viii
LIST OF FIGURES .....	xii
LIST OF ABBREVIATIONS .....	xiii
1 INTRODUCTION .....	1
1.2 Statement of Problem .....	3
1.3 Research Question.....	4
1.4 Hypotheses.....	4
1.5 Research Methodology .....	5
1.6 Aims and Objectives .....	6
1.7 Significance and Scope of the Study.....	7
1.8 Limitations of Research.....	8
1.9 Theory.....	8
1.9.1 Dependency Theory.....	8
1.10 Operational Definition of Key Concept.....	9
2 LITERATURE REVIEW.....	11
2.1 China's Forays in African Economies .....	11
2.2 Overview of China–Africa Trade.....	17
2.3 Influx of Chinese FDI to African Countries .....	18
2.4 Support to African Countries from China .....	19
2.5 China-Zambia Relations .....	22

2.5.1 The Evolution of Sino-Zambia Relations .....	22
2.5.2 China-Zambia Economic and Trade Relations .....	24
2.6 China-Nigeria Relations .....	27
2.6.1 The Evolution of Sino-Nigeria Relations .....	27
2.6.2 China-Nigeria Economic and Trade Relations .....	29
2.7 Issues with China's Investments in Africa's Economies.....	31
2.7.1 Social Effects of China Investment in Africa .....	32
2.7.2 Trade Effects of China Investment in Africa .....	32
2.7.3 Competitive Effects of China Investment in Africa .....	32
2.7.4 Unemployment Effects of China Investment in Africa .....	33
2.7.5 Moral Effects of China Investment in Africa.....	33
3 SINO-AFRICAN RELATIONS POSITIVE EFFECT ON ECONOMIC GROWTH IN AFRICA .....	34
3.1 Nigeria and Zambia Advantage in the Economic Cooperation with China .....	34
3.2 China's Investment Opportunities for Nigeria and Zambia .....	36
3.3 Benefits of China's Investments Impact on Nigeria .....	37
3.3.1 Investment.....	37
3.3.2 Trade.....	38
3.3.3 Nigeria's Import from China.....	40
3.3.4 Trade Balance.....	41
3.4 Benefits of China's Investments Impact on Zambia .....	42
4 SINO-AFRICAN RELATIONS AND NEO-IMPERIALISTIC FORM OF DEPENDENCY BETWEEN AFRICAN STATES AND CHINA .....	52
4.1 Foreign Direct Investment .....	52
4.2 Multinational Corporations.....	55

4.3 Trade Policies.....	56
4.4 Export/Import.....	59
4.5 Foreign Aid to Africa .....	61
5 SUMMARY CONCLUSION.....	65
REFERENCES .....	68

## **LIST OF FIGURES**

Figure 1: China-Africa Trade.....	60
Figure 2: Chinese Global Foreign Aid Expenditure.....	63

## **LIST OF ABBREVIATIONS**

CCECC	Chinese Civil Engineering Construction Company
CCP	Chinese Communist Party
CEMAC	Economic Community of Central African States
CNOOC	China national Offshore Oil Corporation
CNPC	Chinese national Petroleum Company
CNPCC	Chinese National Petroleum and Chemicals Cooperation
EAC	East African Community
ECOWAS	Economic Community of West African States
FDI	Foreign Direct Investment
FOCAC	Forum of China Africa Cooperation
GDP	Gross Domestic Product
IMRC	International Mineral Resources Company
ITAEI	Investment Tracker at the American Enterprise Institute
NEPAD	New Partnership for Africa's Development
NIA	Nigeria Investment Agency
NNPC	Nigerian National Petroleum Corporation
PRC	People's Republic of China
SADC	Southern African Development Community
SOE	State Owned Enterprises
TAZARA	Tanzanian –Zambia Railway
UNCTAD	United Nations Conference on Trade and Development

# Chapter 1

## INTRODUCTION

Over the last few decades, the political, economic and strategic engagement between the People's Republic of China (PRC) and the African continent has significantly increased with high-level alliances and various bilateral agreements developed to help African nations improve their ill infrastructure, build new ones, and create the conditions for economic development (Taylor, 2007). These tend to be the main commitments that underpin contemporary Sino-African relations.

In the past, the relationship with the African continent and the People`s Republic of China has not always been a smooth one until very recently. Within the past two to three decades, China`s economy has experienced an astronomical boom which has turned the nation`s fortune around in terms of economic growth, political stability and global dominance in various spheres of human endeavors ranging from technology, sport, commerce, education, military and various other spheres of human political and economic life (Paul, 2016). Within the same time period, African states have endured relatively slow growth in terms of poverty reduction on the continent, while political instability have further hampered efforts towards infrastructural and economic development on the continent.

Currently, China is widely considered the second most powerful nation in the world and with the second strongest economy behind the United States of America and also

strongly rivalling the US in many respects. In growing and maintaining its economic prowess and dominance on the global level, there is an evident need for China to continue making the significant strides which has brought it so much success; as such, there is need for regional and global allies. From the African point of view, the continent has historically been particularly vulnerable to all sorts of Western interventions, right from the days of the initial colonial era down to the present day due to lack of or dilapidating infrastructure, poor education, lack of proper health care facility, poverty, lack of food, poor governance, insecurity, religious and tribal intolerance amongst many others (Taylor, 2007b).

China's approach towards the Nigerian and Zambian economies as well as its impact on both states have differed in many respects. In Nigeria, Muhammed et al., (2017) highlight the role of Chinese "textile imperialism" in the decline of the Nigerian textile sector and the eventual loss of 2 million Nigerian jobs. This occurred mainly as a result of cheap Chinese textiles being dumped in the Nigerian market, thereby negatively impacting local manufacturers without the infrastructural wherewithal to compete effectively with importers of Chinese textile products.

In contrast, Elcoate (2018) notes that China's dominance in the Zambian coal and copper industry, have largely been more direct and abrasive than in other parts of Africa. Here, direct Chinese ownership is common and high loans to Zambian government (often granted with public assets such as Zambian airports as collaterals) create a brazenly unequal economic and diplomatic relationship in which the Zambian state is essentially under the economic control of the PRC. Whereas in Nigeria, China's dominance has been more market-driven (consumers opting for cheaper Chinese products), in Zambia it has taken a more direct and political bent (FDIs and aggressive

corporate takeovers). This highlights a key and fundamental difference in China's approach to various African States.

This paper critically analyses the Sino-African relationship from a strategic and economic point of view. Taking Zambia and Nigeria as its case studies, it explores how China's relationship with both these states has impacted them economically. Furthermore, applying a neorealist framework, the research critically evaluates how the Sino-African relationship might reshape global politics as China expands its foreign influence beyond its immediate South-East Asia sub-region and become a genuine competitor for global hegemony.

## **1.2 Statement of Problem**

The research assesses the strategic and economic impact of the rising influence of China on sub-Saharan Africa, specifically looking at Nigeria and Zambia which are rich in crude oil deposits for the former and solid minerals in the case of the later. While the US-China global competition has been a prominent topic in foreign policy discourse (see Johnston, 2019), China's strategic interest in Africa has not received sufficient attention as an aspect of this global competition.

There is an obvious concern for the continent as regards its relationship with the PRC and it converges around suggestions that both parties have learned to ignore or seem to pay little attention to, namely; the question as to whether China's relationship with Africa is neo-imperialistic in character. This suggestion has been chiefly ignored due to the proposed benefits promised the African continent without a thorough examination of the merits and demerits of terms. Scholars in the past have done some research in this area to identify the complexities yet few have been able to adequately



proffer a broad and encompassing picture of China's footprint on the continent and what it implies for the continent's short and long-term prospects. Moreover, beyond the data on the economic cooperation between the PRC and the African States, little effort has been made to draw a contrast between the CCP's foreign policy doctrine and China's strategic/economic incursion into Africa.

Furthermore, sufficient attention has not been paid in the literature to potential security benefits to China from the African alliance, as well as how an Africa that is strategically aligned with China may alter the global status-quo from a security perspective. In essence, the thesis aims to solve two critical problems. The first relates to the lack of research on CCP's conceptualization of its own objectives and interests as well as what that forebodes for the future of the Sino-African relationship. The second key problem relates to the lack of research on the strategic benefits of the relationship for China with respect to its ongoing hegemonic competition with the United States. This thesis is concerned with shedding light on this complex but important conundrum in contemporary international relations.

### **1.3 Research Question**

To better study the economic and strategic impact of China's rising influence in Africa, this research puts forward this research questions;

- i. What are the advantages for Zambia and Nigeria in economic cooperation with China?
- ii. What are the neo-imperialistic dependency tendencies in Zambia and Nigeria relations with China?

### **1.4 Hypotheses**

This study proposes two hypotheses:

H1: Sino-African relations has had a positive effect on economic growth of Zambia and Nigeria.

H2: Zambia and Nigeria relations with China have led to a neo-imperialistic form of dependency.

## **1.5 Research Methodology**

In order to achieve the aims and objectives of this research, three methodological approaches will be implemented: a comparative analysis approach, descriptive statistics, and systematic literature review method.

Comparative analysis approach represents a methodological middle-way between case-oriented and variable-oriented approaches (Rihoux, 2006). The essential goal of this method as applied in the current research is to provide an in-depth analysis of two distinct (yet very similar) cases and highlight related features between both cases in order to reach conclusions which can be generalized to a wider population. The impact of China's influence in the Nigerian textile industry as well as the Zambian coal industry represent two important and -in several respects- related cases. Applying a comparative approach underscores the non-uniform nuances in China's approach to various African states.

A systematic review involves "the review of a well-formulated research question which employs systematic and explicit methods in order to identify, select, and critically appraise relevant research, and also to collect and analyze data from the studies that are included in the review" (Jahan et al., 2016). Furthermore, the method is important for this research because it provides an introspective path towards solving problems in areas where there could be either limited information or perhaps

contradictory and inconclusive research conclusions (Siddaway et al., 2019). In addition, a systematic review can be carried out to examine and combine the various processed information of the research where they seem to be different and discrepant (Sánchez-Fernández, and Iniesta-Bonillo, 2007).

A review was applied in this study in order to synthesize two relevant research streams in the literature: US/China hegemonic contest and the China/Africa relationship. The goal of this exercise is to provide evidence of a pattern within the literature that connects these two distinct relationships and further highlight the strategic significance of the Sino-African relationship.

As defined by Mann (2009, p.3), “descriptive statistics consists of methods for organizing, displaying, and describing data by using tables, graphs, and summary measures”. In essence, this method is characterized by the display of quantitative data relevant to the research topic either as evidence of a research finding or in support of such evidence. Descriptive statistics method is helpful for reducing complex data into simple and accessible information which provides insight into a research issue with quantitative clarity. The method can also be easily combined with other research methods to strengthen the overall methodological approach to the research question.

In this particular study, descriptive statistics is utilized to strengthen the findings of the literature review process. This is done via the provision of graphs, charts, and data which provide evidence of China’s growing impact in Africa, as well as its impact on both China’s economic and strategic interests.

## **1.6 Aims and Objectives**

This research has two broad aims:

Firstly, it aims to study the economic effect of Chinese influence in Africa. The objective is to highlight the extent to which China's economic activities in Africa have led to tangible economic/developmental progress on the continent.

Secondly, the research aims to analyze Chinese strategic interests on the African continent. Essentially, the objective is to assess how the relationship is viewed from China's perspective in terms of its global strategic competitiveness.

### **1.7 Significance and Scope of the Study**

This thesis seeks to assess this research questions by focusing on key drivers of Sino-African relations and how they relate with China's broader strategic interests. Specifically, the thesis examines the case of Nigeria and Zambia. China's interests in both these countries situated respectively in Western and Southern Africa have increased exponentially in the last decade. The thesis limits its scope to China's strategic and economic interests in Nigeria and Zambia.

Nigeria and Zambia were selected as the case study for this research work because of trends of economic relations between Nigeria-China as well as Zambia-Africa. Both countries are blessed with numerous natural resources which are inadequately exploited and have drawn the attention of advanced countries to seek to exploit the natural resources in these countries. Nigeria is often referred to the "Giant of Africa", this is not in terms of population alone but also in terms of natural resources imbedded in the country which have drawn attractions and led to formation of economic cooperation with advanced countries. Zambia is blessed with massive resources too such as iron ore, which have made the country to rely on cooperation with developed

countries in exploring the natural resources. It is on this basis; this research adopts Nigeria and Zambia as the focal point.

## **1.8 Limitations of Research**

This research is limited by three key factors: its scope, logistical considerations, as well as available time. Given the broad aim of analyzing China's economic and strategic impact on the African continent as a whole, limiting the research case to Nigeria and Zambia risks the exclusion of more complex strategic and economic activities in East-Africa in particular where China has significantly invested in economic and strategic ties. The research is further limited by temporal and logistical constraints. Due to travel restrictions imposed by the pandemic, acquiring primary data relevant to the research was not possible.

## **1.9 Theory**

The theoretical tenets for this research work are the dependency theory. The basic proponents, assumptions, strength, weaknesses and application of the theory will be discussed in this section.

### **1.9.1 Dependency Theory**

Dependency theory was first proposed in the 1950's by Raul Prebisch, an Argentine economist and statesman. The theory gained more prominence in the 1960's and 1970's. The theory was introduced to understand the impediment to the economic development of underdeveloped countries.

The basic assumptions of this theory are that the economic advancement of developed countries does not guarantee the growth of poorer countries. Dependency theory revealed that economic growth is not beneficial to all as proposed by the neoclassical theorist. Prebisch emphasizes was on the trade imbalances where poor countries export

primary goods to advanced countries who then process the products into finished goods and sell back to the underdeveloped countries. The value added to this finished product is more exuberant in terms of price than the primary products which invariably means that underdeveloped countries will have to pay more to buy these finished products making them not to have enough from their export to service their imports. The dependency theory is a strong approach to looking at the economic imbalances between the developed and the underdeveloped countries in the world and the theory is concerned with achieving unbiased economic growth in the world by proposing that underdeveloped countries shouldn't use their foreign exchange reserves to purchase manufactured products from foreign countries.

Despite the strength of dependency theory, it has been criticized by focusing on the economic factors that led to underdevelopment by giving no focus to other factors that might have led to the underdevelopment of poor countries. Also, the proposition of disentanglement of poor countries from advanced countries is unrealistic.

The adaptation of dependency theory is to explain the international inequality between China and its economic relations with Zambia and Nigeria. This study will look at the disparity between these countries by looking at the positive and the negative aspect of China economic relations with Zambia and Nigeria.

### **1.10 Operational Definition of Key Concept**

To avoid ambiguity of key terms adopted in this research work, the research deemed it necessary to define concepts as they are adopted in this research work:

- i. Positive effects:** This implies ways China relations with Nigeria and Zambia have improved the economy condition of both Countries.

- ii. Neo-imperialistic Dependency:** This implies the new form of trade exchange from the previous colonial methods where the economy of underdeveloped countries is largely determined by the influence of developed countries. In this research, focus will be on Zambia and Nigeria and how the economy of both countries has been largely determined by the influence of China.
- iii. Economic Growth:** This implies indices to measure the upward and downward movement of a nation's wealth overtime. In this study, Zambia and Nigeria economic growth since economic cooperation with China will be under focus.

## **Chapter 2**

### **LITERATURE REVIEW**

This Chapter reviewed literatures that helped provide insight to provide substantive information to this topic to further enhance knowledge on discussions of China foray in Africa. The discussions in this chapter will be categorized under different sections, looking at China's foray in African economies, overview of China-Africa trade, influx of China's FDI in African countries, Support to African countries from China. this section will go further to examine the situations in the case study for this study by scrutinizing the evolution of the relations as well as the economic and trade relations. The chapter ended by appraising the issues of China's investment in Africa.

#### **2.1 China's Forays in African Economies**

For a long time. China and Africa have been friends. Their friendship dates back to the advent of modern China. Since then, China and Africa have formed a great bond in terms of cultural, economic and resources control. China has nurtured friendships with many African countries and strives to duly liberate African countries. Diplomatic ties were formally established after the 1955 Bandung Conference in Indonesia. The conference helped to find non-alignment movement (Moonsamy, 2019). Since World War II, China have followed two distinct foreign policy approaches. This foreign policy contained an anti-imperialist plan that was eventually sprinted through colonialism and China's demands on Taiwan. China's anti-colonial attitude justifies its South-South solidarity, a foreign policy embedded in Chairman Mao Zedong's "three



worlds" policy, to maintain state autonomy, national interference, and Asian human rights policy (The Three World Theory, 1974).

China's involvement in Nigeria has proliferated since the 1970s when Chinese business showed great interest in Nigeria. China's political role in Africa in the wake of the Beijing Summit led to increased interest in African countries. From a Chinese perspective, the Forum provides a formidable platform for China and its "African friends" and will create a new cooperative relationship that will result in greater cooperation between China and Africa. In the twenty-first century, other conferences have been held in early 2000, followed by others in Addis Ababa in 2003, Beijing in 2006, Cairo in 2009, and Johannesburg in 2015. (King, 2019; Lahtinen, 2018; Mutasa 2018; Nagar and Mutasa, 2017). The conferences were held to ensure great bonds are formed between Africa and China. It is necessary to know the importance of the conference on the relationship between China and African Countries.

He (2003), argued that the Bandung conference had an enduring impact on the relationship between the newly independent Asian and African nations. The key idea of the conference was that people should strive to dismantle colonialism in all ways (including neo-colonialism). Since then, bilateral and multilateral relations between Asia and African have been excellent. Egypt had ties with China after the Bandung Conference and became the first African nation to do so. Following this, relations between African countries and China have grown from strength to strength. The growth of African countries' economies can be attributed with the increased trade with China. The visit of the Leader of the Communist Party of China, then Chinese Prime Minister, further enhances ties between China and African countries. China's foreign

policy was intended to improve and stabilize relations with African countries in the 21st century (Zhang, 2018).

Bonds between the African nations and China can easily be seen as diplomatic and political. The relations between the Africa and China in terms of trade and investment can be traced back to remote time. It is important to state that China has always traded with different African countries throughout history. The tiles between China can be traced back to "Silk Road" (130 BC-1453 AD) (Tang et al., 2017; Farooq et al., 2018; and Yupei, 2019). Also, history have shown that there is also evidence of chinaware debris in the shipwreck off Zanzibar, and the travel account of Zheng He 600 years ago further prove the long historical relationship between China and Africa. Lambard (2007), claimed that Chinese investment in Africa dates back to the 6th century, involving voyages to the Indian Ocean.

The dynamism of economic growth, globalization and political niceties have improved China, making it a major global player in terms of economic growth. China has become more constructive which has led to the introduction of new approaches in their relations with Africa and other continents of the world. China introduced principles of economic cooperation in 1983 with African countries that include equality and mutual advantage, as well as various paths, and efforts to achieve inclusive growth (Zhao, 2020).

China's approach to economic development and growth is to receive raw materials from emerging and developed industries in which Africa have the ability to supply. The supply of oil and energy to China shows that 25 to 30 percent of its oil supplies is from sub-Saharan Africa. These supplies originate mainly from Sudan, Angola,

Nigeria, Gabon, etc (Smith, 2006). China has signed contracts with other countries such as Iran, Indonesia, Saudi Arabia, Russia, Venezuela, etc, despite massive supplies from Africa nations (Akpan, 2019). This shows that, although Africa is the primary target for China to source raw materials, this supply is not sufficient to meet China's huge demand for resources from other parts of the world. China's economic relationship with Africa is not primarily based on oil and gas supplies alone.

Due to the increased demand for copper, Africa have also been a primary market destination for China. China has also been getting copper, zinc and other solid resources from African nations such as Zambia and the Democratic Republic of Congo etc. As part of its current policies, the Chinese government believes that it is important to promote Sino-Africa trade. As such, they do not favour any individual country over the other. The increasing commercial relationship between Africa and China made other nations of the world look at this relationship with great scepticism, catching the attention of other "traditional" African allies, as well as Western forces. In a contemporary report by the US Congress, the Defense Secretary has indicated that "China uses economic assistance, diplomatic benefits and, sometimes, sales of armed mechanization to seal up energy transactions with African countries". (The CQ Researcher, 2005). It is believed that economic backing rendered by China have given them room to form alliance with many African countries.

The opportunities provided by Chinese government have enabled them to form friendly ties with over 40 African nation states, and establishing more than 100 establishments and commercial brokers in the continent. The interest and actions of China's in Africa, in addition to North-South treaty relations, are already causing a

significant shift in world politics and contributing to a new emerging geometry in the trade and cooperation of the world (Sautman and Hairong, 2007).

Africa's historical history has led many to believe that China's efforts in Africa are self-interested, but despite this, many African leaders and scholars have interpreted China's cooperation with African countries as a great idea to move the continent forward. The relationship between Africa and China has added value to the development of countries that have formed bilateral relations with China which further reveals the ability of China to help underdeveloped and developing nations to use their potentials especially in the agricultural sector (Fan, 2007). In a 2006 UN report on the Economic Outlook for Africa, it was reported that African economy has risen by 5.3%, which has remained stable in recent years. The economic growth of African countries can be associated with the involvement of China.

When it comes to treaties or former allies, China has defined what it is called and is actively pursuing "resource diplomacy." China has placed special emphasis on good cooperation and friendship in pursuit of this new diplomatic impetus with Africa (Chang, 2006). Even though many African countries are experiencing transition by reforming and modernizing their policies, China's policies have made it necessary to maintain a strong bond to ensure the win-win potential from this partnership.

Today, the Forum of China-Africa Cooperation acts as part of China's Africa strategy. The forum brings together China and Africa officials to discuss national issues. The Forum's first Ministerial Meeting was held in October 2000, with over 80 African leaders in attendance. The Beijing Declaration for the China-Africa cooperation forum and the China-Africa cooperation program for economic growth has now been

introduced. The fourth FOCAC conference was held after the 2000 meeting and became the first FOCAC ministerial conference which was held to update the guidelines defined at the Beijing conference. The report follows the Addis Ababa Action Plan (2004-2006).

The Foreign Ministerial Conference and Third Conference on the Asia-Pacific were held in Beijing in November 2006. The summit focused on "friendship, peace, growth and cooperation". This was aimed to foster friendship, peace, economic development and cooperation between Africa and China. It is necessary to state that the focus was on development and cooperation, rather than on donors and aid issues usually seen at African donor and aid meetings. Under the current political atmosphere where China is a major economic player, and where transformations and globalization define global politics, China can serve as a model for African communities to build economic stability, economic growth, and economic development. This relationship will benefit both parties with financial returns and global visibility. The Forum offered a venue for all nations to engage on topics like sustainable development and global economic growth. This has major impact on the globe and have called for attention since roughly one fifth of the world's population is present in both China and Africa (Carmody, 2017).

Although China's trade relations with sub-Saharan Africa are significant, they are relatively weak compared to the rest of the world. The Investment Tracker at the American Enterprise Institute reports that China's investments in Africa's economy have totalled over \$2 trillion since 2005. However, merchandise exchange volume is increasingly growing. According to estimates from the Chinese General Customs Administration, China's imports and exports to Africa totalled \$101.86 billion for the

first half of 2019, increasing to \$2.9 billion in value in a period of one year, exceeding the growth rate. U.S. general foreign trade was down 4.9% in the same time. Chinese exports to Africa totalled \$52.86 billion in 2016, up 5.2 percent from 2015. Chinese imports totalled \$49 billion in 2016, down 0.5 percent from the previous year. The country's trade surplus rose by 159% in the past year, and by 11.8% in the previous quarter (Ahmed et al., 2019). Continued growth would have significant economic and development consequences. "Africa and China can achieve mutually beneficial cooperation, with abundant resources, enormous trade capacity, technical expertise and available investment, thereby promoting the promotion of sustainable development in the international economy," as claimed by Kufuor, former Ghanaian leader. (Sameiro and Colstad, 2014).

While both sides acknowledge the importance of improving relations, the potential opportunities posed by Sino's swift trade growth and revived diplomatic policy tactic need to be fully understood and explored. Africans must also take into account Chinese motives and behaviours. They are distinct from the donor language typically used in Africa's bilateral and multilateral development agreements with its Western allies. Therefore, the next section will be exploring China and Africa trade relations.

## **2.2 Overview of China–Africa Trade**

Africans have longstanding trade relationships with China. African nations, however, have embarked in more trade with China in the last two decades. China's exports to Africa have escalated at the highest rate since 2000. Trade relations with Africa and China have increased by 24.7 percent over the last two decades. Generally speaking, Africa is more economically dependent on China.

Trade between African countries and China can be classified as imports from China, and exports of commodities from African countries to China. Africa has been the destination of various important items including vehicles, machinery, garments and textiles, footwear and plastic products. Machinery and electronics devices are among the most popular goods for sale from China. In addition to the clothing and textiles equipment, China's imports of construction vehicles, tractors and motor vehicles have been imported to many African countries such as Algeria, Central Africa, Nigeria, Chad, Rwanda and Zimbabwe which have increased dramatically over the time (Tralac, 2014). Garments and textiles have been introduced and worn in some African countries too.

Compared to trade between Africa and the European Union and the United State, international trade between Africa and China is the largest. Today China exports more than \$209 billion worth of goods from Africa, more than twice of trade between African and the United States (Tralac, 2014). China-Africa trade expanded faster than Africa-Europe trade. However, the trade between Africa and EU member states is booming as shipped volumes are substantially rising. Between 2015 and 2017, intra-African imports and exports averaged about \$2 billion each, while America, Asia, Europe and Oceania's exports and imports averaged about \$470 billion each, respectively. China is the largest trading partner in Africa, which has improved relationship between these two nations (UNCTAD, 2020).

### **2.3 Influx of Chinese FDI to African Countries**

Almost all African countries are members of the Chinese FDI, including countries that are not officially Chinese ambassadors. This have clearly demonstrated that Chinese foreign investment is driving China's economic development in Africa. The

comprehensive Chinese FDI in Africa illustrates China's vital role in the economic affairs of African countries (Pigato and Tang, 2015).

In 2014, China accounted for just 6 percent of all foreign direct investments coming into African countries, and South Africa earned nearly 18 percent of that. It is important to note that all of the other five countries, including Algeria (5.7%), Niger (19.8%), Zambia (10.6%), Congo (4.8%) and Sudan (5.9%), possess resources. The industry's development is attributable to greater government importance on oil and non-ferrous material production. China-based investment firms have been increasingly active in Nigeria. According to the Nigerian Investment Agency, thousands of Chinese companies are currently operating in the Nigerian market. (Walker, 2014).

However, FDI in China has moved away from the top five nations, suggesting that China's FDI in Africa is still focused on resource-rich African economies. Additionally, while China has far more natural resources than larger countries, these are not the primary drivers of Chinese investment. The FDI inflows to South Africa in 2006 had to do with the acquisition of a stake in Standard Bank. In comparison, China makes up a large portion of Nigeria's foreign oil investment due to payments from the Netherlands, Italy, and the United States (Chen et al., 2018).

## **2.4 Support to African Countries from China**

The Chinese Assistance Committee for the Cooperation and Development of International Organizations provided approximately 20 percent of the aid provided by China in 2001 to 2011. Western foreign aid is usually in the form of direct cash transfers and material aid, but China's foreign aid is typically in the form of quick and flexible loans, investment, and infrastructure (Wang et al., 2014). China is able to



invest in Africa in life sciences, renewable energy, transport, financial services, real estate and industrial products without needing the same requirements as other countries in the world. The terms of the loan are more serious. The inclusive approach to foreign lending led many countries in Africa to join China's alliance.

Africa in China enjoys a reputation as an outstanding area for financial support. After 2000, China's official development assistance to African countries increased significantly after the launch of the China-Africa Cooperation Forum (FOCAC). In 2009, China was responsible for 47 percent of the foreign aid distributed by China. More than half of China's total foreign aid was given to Africa, indicating that China's foreign aid is primarily allocated to Africa. Between 2000 and 2013, China, Zimbabwe, the Ivory Coast, the Gambia and Egypt received the bulk of funding from Africa.

On the other hand, between 2000 and 2014, Chinese banks lent much more money to African governments, and to other countries' governments as well. Of the \$24.2 billion invested in the transport sector, \$17.6 billion has been invested in energy, and just \$9.0 billion in mining (Jyhjong et al., 2016). Five African nations, namely Angola, Ethiopia, Sudan, Kenya and the Democratic Republic of the Congo, received 55% of all Chinese agricultural-development loans. A bulk of this loan is being used to fund oil-rich countries, with much of their funded oil infrastructure being financed by loans from China. The loan portfolio is divided among a variety of sectors, such as transport, telecommunications and electricity (Jyhjong et al. 2016). Between 2003 and 2011, China issued 56% of all raw materials loans to Africa (Brautigam and Gallagher, 2014). This exposes their assets to a maximum risk of falling oil prices, and has led them to expand their portfolio of oil-backed loans. (Gallagher et al. 2016).

From the Chinese government White Paper on International Aid, China's foreign aid can be classified into three categories: grants, interest-free loans and soft loans (China Africa Research Initiative 2017). The main aim of the grants is to help beneficiaries build health services, schools, and homes, support exploration ventures for wells, and finance conservation efforts. The funds are also used for development cooperation, humanitarian emergency response and childcare programs (China State Council Information Office, 2011).

Interest-free loans are also used in developed nations to finance public works and livelihood programs. Interest-free loans are 10 years of use, 5 years of grace, followed by 5 years of repayment. Currently, the focus is on providing donor-determined interest-free loans to relatively high-income and economically prosperous countries (China State Council Information Office 2011).

Present loan programs are used to help recipient countries purchase goods that will help them undertake profitable ventures, such as mechanical and electrical products, as well as medium and large infrastructure projects. Services and other marketed amenities. Loans are given to the Chinese Export and Import Bank to boost economic development, promote foreign trade and implement China's global policy. The state claims that the interest on the loan should be lower due to the subsidies offered. Currently, the interest rate on concessional loans in China is between 2 and 3%, and the maturity period is between 5 and 20 years (Information Office of the State Council of China 2011). Compared with the International Monetary Fund, the ban on low-income countries accepting large non-concessional commercial loans and other Western creditors, who also rely on international financial institutions to evaluate

macroeconomic policies and prepare for reforms, has forced African countries to look elsewhere for financial assistance (Caffentzis, 2010).

China provides financial aid most often as fast, flexible, and often unconditional loans, and also as efficient export loans (Wang et al. 2014). However, the importance of economic growth in so many different environments. It is used in many different industries such as health, communications, education, telecommunications, energy, agriculture, business, banking and financial services (Guillon and Mathonnat, 2017). The next two sections will clarify how Zambia, China and Africa are closely related. The evolution of the relationship will be studied and economic links will be investigated.

## **2.5 China-Zambia Relations**

### **2.5.1 The Evolution of Sino-Zambia Relations**

Ian Taylor found that the geostrategic role of Zambia and the political personality and ideology of Kenneth Kaunda were the two primary factors that influenced relationships between China and Zambia. (Taylor, 2006). Kenneth Kaunda recounts Zambia's recent past. Kaunda was one of the founders of anti-colonial movements, and a staunch supporter of non-aligned nations (NAM). China was one of the primary players in the Bandung Conference and was the first Sino-African connection network. During his Presidency, Kaunda visited China four times and this provided valuable learning on the "Three Worlds Theory" of Mao Zedong (Lanteigne, 2009). Zambia's Kenneth Kaunda coined the term "friendship at any time" when defining the relationship between the PRC and its post-colonial African partner states.

Zambia relies on the country's geopolitical relationship to bolster its ideological position. Despite internal instability in the 1960s and 1970s, China was one of the key sources of assistance to Zambia, actively participating in the war against apartheid and counteracting international ties between East and West. In the 1960s and 1970s, China's interactions with the continent focused largely on support for Beijing's independence movements, while China received support from the newly independent African states on the international stage and, above all, Beijing's commitment to a permanent seat in the United States. International Affairs of the United States. The leading icon of China and the African countries' ties amidst the Cold War was the Tanzania-Zambia Railway (called TAZARA or Tam-Zam) designed by the Chinese in an attempt to distinguish themselves from Rhodesia. Blacksmith, gentleman. The Tanzania Railway Museum was completed in 1975. It was one of the largest infrastructure projects in Tanzania and a strong sign of collaboration between China and Africa during the Rhodesian Crisis.

While Sino-Zambian ties deteriorated during the 1990s, relations between China and Zambia are currently improving because of ongoing democratic transition in South Africa and structural changes in the international climate. In the course of cooperation. Africa's leaders support the multipolar world order in defiance of Western leaders who condemn China's agricultural subsidies. This concept was quite clearly articulated at the 2000 FOCAC Summit when the President's successor stated that:

“Developed countries are not prepared to face the problems of fairness and fair play in the international economy and the commercial market, which cause tremendous misery and difficulties for developing countries. Growth tends to live in a perverse trade system that subsidizes demand in the developing world. It is not practical to demand support, aid or assistance from those who profit from the status quo. The present system is built to lead us to everlasting poverty and underdevelopment...” (Hairong and Sautman 2009).

Owing to the PRC's non-colonial background, it has retained its strong presence in Africa, and most African states have a China policy (Taylor, 2009). The support that the PRC gets at the UN is increased by the votes of the African delegations. While PRC's call for a permanent seat on the UNSC in the 1960s was supported by a coalition of Western nations, in view of the Western debate on human rights issues and PRC's Tibet stance, African support is crucial. In regards to Sino-Zambian relations, it was Chinese investment in the mining industry that was most important (China is now the third largest foreign investor in Zambia). At the official level of foreign policy, China has exerted its authority in the Third World, and Kenneth Kaunda's saying "friendship for all climates" has acted as an official slogan for a UN conference.

### **2.5.2 China-Zambia Economic and Trade Relations**

Africa's companies intend to conduct a massive investment in China. China is one of the major investors in Zambia and is larger than South Africa and the United Kingdom. As stated by the Zambian government on February 3rd, 2010, the total number of jobs that the Chinese investment is expected to create between now and the end of 2013 is 15,000. The real cost of the rental is considerably higher than originally expected. Data on FDI inflow to Zambia from the PRC is scarcely available and ZDA announces only "investment commitments" which may differ from actual FDI accumulation. But there are two different methods of analysis. The primary motivation behind Chinese investment in Zambia is in the extractive industry (Kragelund, 2009).

According to UN figures, Chinese foreign investment was at least 89% of all Chinese fiscal investment from 2000 to 2009. Chinese companies approach Zambian investors about the prospect of investing in copper and zinc mines as well as in other minerals. With the recent discovery of oil and shale oil in Zambia, the country is developing rapidly. Foreign investors, such as China Guohua International Group and China

Electricity Grid Company, are involved in searching out natural resources in Mwinilunga (Lusaka Times, March 17, 2009). Secondly, China's large state-led companies dominate Chinese foreign direct investment. Small-scale investment is gaining importance though.

Recently, the increasing usage of copper has led to increased demand for copper, which is required in electrical wiring and cables. In 2009, China consumed around 30% of global copper output. It is expected to play a major role in the production of copper by 2030. The increased demand for various metals has encouraged the expansion of mining in Zambia in recent years. U.S. steel production is expected to grow by 5% from 1.25 million tons in 2009 to 1.3 million tons in 2010. Chinese mining companies include Central African Mining, the Tycoon Group, and Zanmeng. Chinese companies have made a number of major acquisitions involving international mining companies with operations impacted by the fall in copper prices. Jinchuan Mining Group bought a 51% controlling stake in Zambia's only nickel mine. CNMCC purchased one of Zambia's largest copper mines, Luanshya Copper Mine, a joint venture of the Bein Steins and the International Mineral Resources Company (IMR). The acquisition of the copper mine was made at the time copper prices fell, which caused the former Swiss and Israeli owners to reassess and withdraw their business prospects.

It is important to note that the mining sector is of strategic significance to Zambia and China. However, because of its landlocked position and lack of direct business links, it faces minimal foreign-trade impacts. In reality, the mining sector has a major effect on national economic output. On the other hand, as in 2008, the falling copper prices are putting pressure on the Zambian currency, causing inflation which must be

resolved by devaluing the Zambian currency. An increase in the price of copper could lead to an over-appreciation and the so-called "Dutch disease" To a lesser degree, Chinese FDI flows into the infrastructure market, where, for example, Chinese companies are constructing roads and bridges in Zambia. The Tanzania-Zambia railroad that the Chinese have built has historically been the first major infrastructure project that the Chinese have put into operation. In addition, during the Cold War period, other major projects, such as the 2,804-meter-long bridge constructed in Zambia. Recently, China has vowed to invest heavily in infrastructure in Zambia's Chambishi Economic Region (discussed in more detail below). The ZDA reports that China has invested \$44.7 million in the construction sector and employed 2,977 workers. Fifteen MCC Construction and Trade Limited, China Hainan, China Gansu, Mei Mei Investments and CBMI Construction are the leading companies within this market (Fraser and Larmer, 2010).

As Chinese companies have invested in infrastructure growth, it has decreased the need for government expenditures. (Hairong and Sautman, 2009), that Within the development context, Chinese investment in the construction sector can provide employment opportunities, particularly for the Zambian economy. However, when looking at the potential for job growth, a large proportion of local labour is significant. The advantages of large-scale construction projects aren't limited because businesses tend not to train their own workers, but to import skilled labour from outside the world. Smaller construction companies may also benefit from these economic benefits. There are an increasing number of Zambian companies operating in the city, and at least 80% of them are owned by Chinese business partners (Kragelund, 2007).

More and more Chinese companies are turning to Zambia for purposes other than the extraction of natural resources and infrastructure products, although it should be noted that their operations remain marginal in scale compared to 'mining.' For example, Hairong and Sautman estimate that Chinese factories have half a dozen metal recycling plants (Hairong and Sautman 2009). They specialize in the development of steel bars and logs used in manufacturing construction and mining plants. The company also has an oxygen producer, tire manufacturing factory, and many small copper foundries. The Zambian government is focusing on diversification and not giving much reliance to the mining sector by promoting other sectors. This has been a great challenge due to the challenges and cost of doing business in Zambia must be put into consideration. Having looked at Sino-Zambia relations, the next section will be reviewing China and Nigeria relations. Much focus will be given to economic and trade relations between both countries.

## **2.6 China-Nigeria Relations**

### **2.6.1 The Evolution of Sino-Nigeria Relations**

In 1958, China set up a trading office in Lagos, the first contact between Nigeria and China. It then implies that while Nigeria was still under colonial rule, economic and commercial relations with China began with the government. The domestic economy of China, however, which was revealed at the end of the Cultural Revolution in the 1970s, was very weak. In order to resolve domestic problems, China retreated backwards during this time and overseas investment was put to a halt. In the same vein, Nigeria leaned towards capitalism as a result of the Cold War, though non-aligned, and relied on Britain and America for economic growth. Sino-Nigeria relations were also hampered by this state of affairs as Nigeria avoided communist countries' dealings (Ogen, 2008).



China had been forced to embark on an economic reform and follow an economic liberalization strategy because of negative consequences from the Cultural Revolution and the closed-door policy. Not only that, together with China's revived economic strength, the fall of the communist Soviet Union prompted the country to develop relations with a few states. According to Hutchinson (1975), The war of the African nations and China against a common enemy, West Imperialism, inspired the relationship between Africa and China. Enforced by a common historic history, China agreed to assist countries in Africa in their pursuit of colonial liberalization and imperial rule.

China's rivalry with the Soviet Union further supported Nigeria's Chinese interest. China has, as mentioned before, broken ties with the Soviet Union under Mao Tse Tung's rule. This was because Stalin found China to promote a covert intent to become the Communist world's leader. Thus, Stalin agreed with the aid of Soviet experts to cancel the Sino-Soviet Treaty on Nuclear Technology which is to be established in China. Irritated by the decision, China began following a plan to win more allies than the Soviet Union. For instance, in response to Soviet Union support for Nigeria, China provided Biafra with weapons (not openly) during the Nigerian Civil War (Folarin et al., 2016).

Full diplomatic relations between Nigeria and China started after lessons learned from the Nigerian Civil War. During the war, Nigeria's Western allies did not give much-needed assistance, and the Soviet Union capitalized on the lacuna and became a major weapons supplier to the Gowon-led government. There was no other way for Nigeria to assess the negative impact of limiting external relations on the basis of ideological and sentimental considerations.

On February 10, 1971, Sino-Nigeria diplomatic relations became formal (NEWSGD.com). This relationship was reinforced by Western disapproval of military dictatorships in Nigeria between 1970 and 1998. In 2004 and 2006, the then Chinese President, Hu Jintao, made official visits to Nigeria and held a joint session with the Nigerian National Assembly, as China backed Nigeria's bid to sit in the United Nations Security Council. On the other hand, despite maintaining trade relations with Taiwan, Nigeria and China, a joint declaration was issued in 2005 confirming that Beijing was the only lawful government to represent the entire Chinese jurisdiction and that Taiwan is a non-negotiable part of its territory (David & Joshua, 2012).

### **2.6.2 China-Nigeria Economic and Trade Relations**

This section will be discussing the economic and trade relations between China and Africa. The nature of the relations and what has transpired between the countries overtime will be discussed in this section.

China is an exporter of completed merchandise to Nigeria. Chinese Ambassador to Nigeria, Gu Xiaojie, gladly asserted at a recent conference that Nigeria's market is the primary target for China's engineering products, the second biggest fare market, the third biggest exchanging partners, and an objective for significant interest in Africa (Akinterinwa, 2016). With few fares consequently, Nigeria imports more exclusively from China than from the United States and India consolidated. China imports from Nigeria just natural agrarian items, for example, cotton and wood, and minerals, for example, raw petroleum. China has added mechanical and human experience and funding to its rundown of fares to Nigeria, with in excess of 200 Chinese organizations working in Nigeria. The renovation of the rail network in Nigeria is on the total the duty of the Chinese Civil Engineering Construction Firm.

China's inclinations are likewise reflected in Nigeria's present liquified gas; Petro China and other Chinese organizations have consented to arrangements to buy a portion of Nigeria's unrefined petroleum. China's key focus in these endeavours is to support its economy affluent in the country through market development and admittance to crude materials. China isn't just keen on government work; a few Nigerian states, for example, Lagos and Ogun, and businessmen, for example, Aliko Dangote, are totally associated with an assortment of undertakings with China.

Respective exchange ties between Nigeria and China have extended by almost 300 percent since 2004 and summed up at US\$14.94 billion in 2015, with the exchange balance firmly in favour of China (Premium Times, 2016). Other than South Africa, Nigeria is currently China's second biggest exchange accomplice Africa. Nigeria has additionally marked a cash trade with China, which is relied upon to improve its exchange ties. This occurs when Chinese exports to Nigeria reached approximately 80% of the aggregate sum of reciprocal exchange (Premium Times, 2016).

The reconstruction of the rail system in Nigeria is almost entirely entrusted to the Chinese Civil Engineering Construction Firm. The Chinese National Petroleum Company (CNPC) and the Chinese National Petroleum and Chemicals Corporation (CNPCC) are making juicy and enviable trips to Nigeria's deep-sea oil fields. China National Overseas Oil Company has acquired a 45 per cent interest in OPL 246 in Akpo Oilfield, Nigeria (CNOOC). In this contract, though NNPC from Nigeria will have 30% of the benefits, while CNOOC is expected to take 70% of the benefits. The license was issued to China National Petroleum Corporation (CNPC) for four oil blocks, OPL 471, 721 732 and 298, in exchange for CNPC's help to refurbish the Kaduna refinery, valued at \$2 billion.

Another source for income generating revenue have been the goal of Nigeria for years to enable economic development and Nigeria have gotten inspiration from china's economy success which have reflected in economy zones developed in the costal cities in Nigeria. The goal to diversify it economy, have made Nigeria and China to consent on multiple contracts to enable monetary trades and specialized connections, in addition to those related to financial security. Undoubtedly, China's interest in Nigeria has expanded dramatically since 1971, as demonstrated by the quantity of Chinese organizations working in the district.

In general, the CECC has long obtained the contract to renovate the blue railway project in Lagos state, Nigeria. However, the CECC has also obtained contract to; (a) the renovation of the 1,215-km Lagos-Kano railway line, (b) the extension of the Lagos-Badagry route, and (c) the construction of the Lagos-Warri railway line. Also, a group of businessmen in Nigeria had a \$3.9 billion cement deal in partnership with Chinese businesspersons. The aim is to help Dangote Group's promote its cement production to more than 50 million metric tons in West Africa (Mbamalu, 2015).

## **2.7 Issues with China's Investments in Africa's Economies**

China's growing presence in Africa has been questioned by many African institutions, such as universities and research institutes (Konings, 2007). Although some scholars interpret China's economic growth as an enriching development model for the Third World (Alden, 2005), others see similarities in China's actions with colonialism (De Lorenzo, 2007). This section will address the advantages and disadvantages of Chinese investment in African economies.

### **2.7.1 Social Effects of China Investment in Africa**

The advantages and drawbacks of Chinese involvement in Africa have been difficult to assess. China's highest investment in Africa could be partially due to Africa's 5.8% economic growth in 2007, the fastest rate of growth in Asia. (Brooks, 2004) The African Development Bank has withdrawn trillions of dollars of debt from African countries, sent hundreds of doctors to work in Africa and hosts thousands of African students at its universities and training centers. Thanks to China's highways, bridges, and dams, the nation is an important part of the world's infrastructure. At the same time, government has been exceedingly sluggish in political and economic reform.

### **2.7.2 Trade Effects of China Investment in Africa**

There, however, are some contested points among both sides. It applies to the fields of economics, business and social relations. According to Kaplisky et al. (2007), there are two trade effects, especially in sub-Saharan Africa. Competition from domestic producers on domestic markets is one factor and competition from export-oriented industries on foreign markets is another. Although the inflow of cheap Chinese wholesale and retail markets used to establish product distribution networks has hit local factories and traders heavily, the trade balance favors China (Alden, 2005). Moreover, African producers cannot compete with Chinese firms, not even on African markets, because Chinese producers have low cost of production and market prices (Tull, 2006).

### **2.7.3 Competitive Effects of China Investment in Africa**

Although Africa is a major player in shoring the economies of China and other Asian countries, it is often criticized for using African workers to create Chinese-proposals (Alden, 2005). Like other products, Chinese companies have been generating a lot of competition against African companies, and as the report said, the impact of this

competition could be quite serious (2007). Textile factories in Nigeria were unable to work because of imported fabrics. Most human societies are not very affected by temporary bilateral agreement that limit Chinese imports. However, China's largest trading partner, South Africa, is not very affected.

#### **2.7.4 Unemployment Effects of China Investment in Africa**

There is more to it than mere rivalry. According to Anshan, the dispute over labor policies and market policies, as well as the outflow of goods from China, has become a significant issue. When managers choose to hire Chinese to work long hours, these decisions create friction with local cultures in the workplace. Furthermore, commercial practices can generate discontent among local populations who feel that Chinese companies are not doing enough to help the local economy by creating local employment. A third conflict concerns cheaper and better Chinese products being more available than locally-made goods.

#### **2.7.5 Moral Effects of China Investment in Africa**

Beijing's diplomatic policy focused on resources is not concerned with morality. After all, some of the most resources are in countries with poor governance. China has forged alliances with corrupt nations, sometimes coming under fire from those nations' people. Examples can be seen in the organization's meetings in Sudan, Nigeria and Ethiopia. For example, Chinese supervisors shot protesting officials in the Chambishi Copper Belt, Zambia (Trofimov, 2007).

## **Chapter 3**

### **SINO-AFRICAN RELATIONS POSITIVE EFFECT ON ECONOMIC GROWTH IN AFRICA**

This chapter will be evaluating the positive effect of Africa-China relationship on the economic growth of Nigeria and Zambia. The fundamental principle of economic cooperation between China and Africa is to achieve a win-win scenario by promoting reciprocal economic benefits. Looking for new markets and competing for resources to fit its fast growing economy are the two core objectives of China. China's best strategy has been to create strategic regional and economic blocks of the continent's strategic partnership while improving bilateral ties with individual countries. With the goal of encouraging the industrialization of the continent and stimulating economic development. The goal of this chapter is to establish the positive role of China on the economic growth of Nigeria and Zambia. The impact of China on commodity prices, capacity to extract and infrastructure in Nigeria and Zambia will be established.

The next subsection will be discussing the advantages for Nigeria and Zambia in the economic relation with China. This is aimed to proffer proof on how beneficial the relationship has been to African nations.

#### **3.1 Nigeria and Zambia Advantage in the Economic Cooperation with China**

The goal of establishing major economic zones in Africa has been the major goal of China (Hinga and Yiguan, 2013). This reflects China's wider foreign direct investment (FDI)

strategy in Africa by China. The total amount of China FDI to Africa as at 2019 worth over \$1.3 trillion. Nigeria recorded the highest foreign direct investment from China in 2012 which was \$333.5 million and Zambia highest foreign direct investment from China was recorded in 2010 which was \$4.2 million in 2010. This foreign direct investment has impacted Nigeria and Zambia economy positively in terms of commodity prices, capacity to attract and infrastructures. Chinese intervention in Africa has impacted the GDP growth rate by 5% through investment in energy, telecommunications, construction of roads have improved Africa economy due to Chinese intervention (Hinga and Yiguan, 2013). Since Nigeria had intense relationship with China, there has been tremendous growth in its GDP rising from \$69.45 billion in 2000 to \$448.12 billion in 2019. While Zambia's GDP has increased from \$3.601 billion in 2000 to \$23.31 billion in 2019. According to Pigato and Tang (2015), China and Africa had a strong trade relationship since 2000 which has contributed to the economy development of African states. China's influence in Africa is as a result of its technological force by supplying vital technical support to fuel industrial and economic growth in Africa. China have invested in multiple sectors such as agriculture, wholesale and retail, technology, services and geological prospecting, leasing business, manufacturing, building industry, finance, mining and real estate in Nigeria and Zambia as well as other African Countries. The diverse investment in various sectors shows China's commitment to growing Africa's economy. Nigeria and Zambia have abundant resources that can be explored. The lack of technical know-how and finance despite the abundant resources in Africa hindered the exploration of this raw materials. Development partners like China are aware of the issues in Africa and have tried forming exchange of capital for long-term growth and foreign investment (Vuthika, 2014). China relations in Africa despite the viral skeptics, have



had great improvement in Africa which have influenced many African countries such as Nigeria and Zambia to form alliance with China (Mabera, 2021). The benefits of Chinese investment in Africa are various. The next sub-section will speak about China's investment prospects in Africa. This will help to identify how African nations are benefiting from such opportunities for investment.

### **3.2 China's Investment Opportunities for Nigeria and Zambia**

China's investment in Africa great room for numerous opportunities. This section will be discussing how Chinese investment have created opportunities for African countries with special attention on Nigeria and Zambia. China impact in creating big financial opportunities in Africa because of raw materials imbedded in the continent cannot be over emphasized. The available raw materials in Africa have made Chinese entrepreneurs have already secure huge hectares of farmland in Africa and actively engage local human capital and applying modern agricultural techniques to carry out their activities. China have had great impact on the mining industry in Zambia by introducing modern techniques for mining. Chinese presence well felt in Zambia mining industry as Chinese subsidiaries are contracted to construct roads and railways that will link mining sites to points of interest (Carmody, 2017). Although, China invested in many aspects of Zambia's economy, but the bulk of Chinese investment is in Zambia's mining industry recent investment opportunities in Zambia include the Kokkola, Mopani, Kansanshi, Kalumbila, Lumwana projects. These projects have created job opportunities for at least for a single member of every household in Zambia (Blekking et al., 2020). Also, China have immensely invested in Nigerian economy. Nigeria generates improved foreign exchange earnings by supplying raw mineral and agricultural materials to China. In Nigeria, China has set up over 200 sole-owned companies and joint-ventures which are actively engaged in the construction, oil and

gas, technology services and education industries of the Nigerian economy. Indeed, it is generally possible to classify the Chinese economic interests of Nigeria into three, including those solely owned by Chinese private investors, those owned by the Chinese government, those jointly owned by Chinese and Nigerian private investors, and those solely owned by Chinese and other foreign investors. Nigerian incentives for foreign investment have also benefited from Chinese investment, including tax cuts and generous expatriation quotas.

### **3.3 Benefits of China's Investments Impact on Nigeria**

In recent time, China's economy has been declining from 14.2% in 2007, to 6.1% in 2019 reaching all time low in 30 years. Despite this, China investment in Nigeria have continued to increase rapidly, with over 200 Chinese companies operating in Nigeria in the 21<sup>st</sup> century making Nigeria the highest recipient of Chinese FDI. To enable us determine how beneficial China's investment in Africa is, this section will be divided into four categories which are investment, trade, Nigeria import to China and trade balances between china and Nigeria.

#### **3.3.1 Investment**

China's investment in Africa has been on the rise since 2010. (Qinghai, 2016; Brautigam et al., 2017). In the case of Nigeria, Chinese investment have grown from 2001 to 2011 with Net FDIs, doubled from US\$3 billion in 2003 to over US\$6 billion in 2005. The Nigerian oil and gas industry had 75% of the shares of China's foreign direct investment in Nigeria. This is not to suggest that the output of the non-oil sector is poor. The sector has actually risen from US\$0.3 billion in 2003 to US\$1.7 billion in 2005. During this time, changes in the FDI management, the privatization program of the government and the administration were accounted for the direction of FDI drives in Nigeria.

It is evident that China has up to 30 sole proprietorships or joint ventures in Nigeria, most of which are involved in the construction, oil and gas, technology, services and education sectors of the Nigerian economy (Margret and Qi, 2011). On average, based on available data from 1996 to 2017, there is an upward trend in FDI to Nigeria from China. FDI flows to Nigeria rose to US\$ 4169.14 million in 2006 from US\$ 190.61 million in 1999. This is a collective rise during this time in FDI from all regions of China. The FDI inflow to Nigeria rose to an all-time high of US\$ 390 million in 2007, based on data from the China region alone, and decreased the following year. However, its increase continues until 2012, where it is estimated at US\$ 333 million, which is just 1.6 percent of Asia's total FDI. The FDI in 2012 was a record US\$ 4 636 million relative to the USA, higher than China's FDI in the same year.

The increase in FDI, have augmented domestic money, technology transfer, expertise and skills, encouraging healthy competition, innovation and promoting exports are the benefits associated with FDI. However, these advantages must be evaluated in line with the negative effects of FDI's, including tax evasion and misuse of transfer pricing, anti-competitive and restrictive market practices, instability in investment flows, environmental hazards caused by Chinese corporations' operations, and excessive economic and political power capable of destabilizing security and security (Wausi, 2019).

### **3.3.2 Trade**

Nigeria exports different kinds of goods to China, ranging from food, poultry, crude materials, oils, chemical products, to products produced. Data for exports from Nigeria to China is available as of 2000. As of 2000, Nigeria exported a total of US\$307.3 million primarily to China for four major goods. The principal export items during this time are mineral fuel and lubricants, measured by US\$273.7 million. These were

closely followed by crude materials, estimated at US\$33.3 million, except food and fuel. The remaining chin goods, priced at \$0.1 million USD and \$0.2 million USD, were the least exported in 2000. In China, mineral fuel and lubricants ranked first in terms of exports, crude materials except food and fuel came second, exports of beverages and live animals ranked third and the last thing occupying the fourth position is manufactured goods (Onogwu, 2019).

Nigeria's exports to the rest of the world more than doubled the value reported in 2000, quickly advancing to 2005. Nigeria's exports to the rest of the world rose to US\$44.4 billion in 2005, up from US\$20.3 billion in 2000. Interestingly, exports to China have rose to US\$526.9 million in 2005, an increase not comparable to the overall increase in exports in 2005. (UNCTAD, 2014). However, two new broad-based items were launched in 2005 and the ranking remains the same, but food and live animals replaced by manufactured goods are in third place. The composition of exports for the year was altered by the addition of chemicals and miscellaneous production.

On the other hand, the proportion of exports of crude materials, except food and fuel, decreased even as the absolute value grew in 2005. In a nutshell, compared to the rest of the world, Nigeria's exports to China dropped in 2005, but the variety of exports increased in 2005. Exports of all goods to China in 2008 stood at US\$ 268092.96 thousand, while imports from China amounted to US\$ 4292323.79 thousand, reflecting Nigeria's trade deficit. Export and import systems change with additional products. We've got more than 10 items trading between the two countries this time. This includes capital goods, household goods, agricultural products, shoes, animals, metal, mineral textiles, transportation, vegetables, hides & skin, and wood. In this order, raw materials took first place, followed by oils, intermediate goods, hides &

skins and metals with 33.54 percent, 27.47 percent, 14.66 percent, 4.95 percent and 3.45 percent of total items exported to China in 2008 respectively (Arenas et al., 2018).

From US\$ 179,849.5 in 2008 to US\$ 563,287.9 in 2009, raw material exports more than doubled in 2009. Except for Hides & Skin, which rose by around 68.69 percent in 2009, the remaining four items under consideration more than doubled. Exports of the five goods continued to increase in 2010, but decreased in 2011 for all products except fuel and raw materials, which increased by approximately 63.35% and 88.62% respectively. Hiding & skin and metals exports to China decreased in 2012, while the remaining three items increased. By 2017, except for fuels that increased slightly by around 7.95 percent, all five exports under consideration decreased relative to the year 2009. For all goods, total exports to China rose by about 169.03 percent in 2017 compared to 2009, with fuel and raw materials leading the chart of major exports.

### **3.3.3 Nigeria's Import from China**

Total imports to Nigeria in 1996 amounted to US\$ 5.3 billion, which increased to US\$ 5.8 billion in 2000 and continues to rise, to a value of US\$ 17.7 billion by 2005. This overall growth in imports to Nigeria was also reflected in its imports from China, which showed a remarkable increase from US\$ 252 million in 2000 to US\$ 2.3 billion in 2005. Machinery and transport equipment took first place in the list, followed in that order by the production of products, miscellaneous goods, chemicals and food and live animals. Imports from China amounted to US\$ 4.3 million in 2009, nearly double the value in 2005 and rising to US\$ 5.85 million in 2017 (Mazire, 2020).

In 2014, Nigeria reported the highest imports from China, with imports estimated at US\$ 10.2 million, possibly due to former President Goodluck Ebele Jonathan's administration resuscitating the railway transport system in Nigeria. Capital goods

were first imported in 2014, followed by equipment, intermediate goods, industrial goods (4th) and metals (5th) with an import value of US\$ 4.63 million, US\$ 4.05 million, US\$ 2.78 million, US\$ 2.59 million and US\$ 1.19 million, respectively. By 2017, China's total import felt the same for the five goods that did well in 2014 compared to what it was in 2014. For example, capital goods still rank first but fall in value to US\$ 2.72 million, followed by machinery and electricity which also fell to US\$ 2.40 million, with an import value of US\$ 1.86 million, intermediate goods are next. With a decline in value to US\$ 1.12 million, consumer products are ranked 4th and metal is 5th with US\$ 518,040.9 thousand. This may not be due to Nigeria's recession experience from late 2015 to 2017 (Jha, 2018).

#### **3.3.4 Trade Balance**

The trade balance between Nigeria and China will be debated in this section. The trade balance is the differential between a country's exports and imports. The word net export may also be used. In this scenario, in order to see which of the two countries has a positive trade balance, we would look at the gap between what Nigeria exports to China and what it imports from China between 2008 and 2017. From the available data, the only positive time in 2012 was Nigeria's trade balance relative to China. Nigeria's exports exceeded those of imports from China by US\$32,336,331 during this time. A negative trade balance shows every other period. China, on the other hand, due to trade surpluses over time, is the main beneficiary of trade with Nigeria. Therefore, one can correctly assume that the relationship is lopsided (Edgar, 2014). Between 2008 and 2017, with the exception of 2012, they exported more to Nigeria than they imported from Nigeria. Thus, although China enjoys a favourable trade balance with Nigeria, it is fair to assume that Nigeria is experiencing an unfavourable

trade balance with China. In terms of rising growth, the supply chain and a sound trade policy with China, Nigeria is expected to do better.

### **3.4 Benefits of China's Investments Impact on Zambia**

The relations between China and Zambia have traditionally been enhanced by the fact that Beijing has strongly assisted the Zambian government in its attempts to consolidate political independence and its fight against foreign domination (China-Zambia Relation in Retrospect, 2010). The two countries have been cooperating economically since 1964 in many ways, including the signing of many bilateral and multilateral trade agreements and agreements. Indeed, even before China turned into a global financial power, Zambia and Tanzania were helped by the Chinese government by demonstrating assets for the advancement of the 1,860-kilometer Tanzania-Zambia Railway (TAZARA) from Kapiri Mposhi, north of Zambia's capital Lusaka, to Dar-es-Salaam, capital of Tanzania (Arsene, 2011).

"Despite the fact that the railway line completed in 1976 was never profitable and is still supported by China, the project, which was the largest Chinese-funded venture in Africa, was a technological success and was described ideologically as a "real success story (Arsene 2011). The Chinese have since made very large investments in Zambia in various main sectors. Agriculture, mining, commerce, infrastructure, communications, transport, construction and development are included (Mwanawina, 2008). In the last 10 years, China-Zambian trade has risen exponentially, from just \$100 million (£63 million) in 2000 to \$2.8 billion in 2010 (Arsene, 2011).

Chinese investment in Zambia, especially in copper, cobalt and nickel mines, has increased to unprecedented levels in the last 10 years, and trade between the two

countries has developed rapidly. The following points were made in the 2010 China-Africa Trade and Economic Ties Annual Report:

- a. As one of the eight new steps of the Fourth Ministerial Conference of the FOCAC, all Zambian debts in the form of interest-free loans maturing by the end of 2009 have been repaid by the Chinese Government.
- b. Compared to the same period in 2009, bilateral trade increased by 100 percent and the amount of bilateral trade increased to US\$1,688 billion from January to August this year (2010). The country promises to rank as China's third largest trading partner in the Sub-Sahara region, with an increasing trade balance in favour of Zambia.
- c. More than 300 Chinese companies are currently operating in Zambia, raising the overall amount of China's investment from US\$500 million in 2006 to US\$1.26 billion in 2009. 60 percent of Zambia's infrastructure development industry, 10 percent of the construction materials market, 20 percent of mining ventures and 10 percent of the agriculture and service market are invested in Chinese firms, generating at least 20,000 jobs for Zambia.
- d. There were 13 enterprises in the Zambia-China Economic and Trade Cooperation Zone (ZCCZ) up to November 2010, with an investment of approximately US\$780 million and a turnover of US\$770 million in 2009. Turnover is projected to hit US\$1.4 billion this year (2010), produce US\$40 million in revenue for the government of Zambia, and create 4,000 jobs for local people. In October 2010, the ZCCZ Lusaka sub zone broke ground.
- e. The Grain Silos, which was financed by a concessional loan from the Chinese government, has been completed and is now operational. In 2011, Zambia had a historic bumper harvest and the project played a very significant role in the



grain harvest storage. Both the reconstruction of the government complex building and the proposal for container scanning equipment are going well and are scheduled to be done in 2012. In addition, a project for sports facilities and a health project has been signed, and work will also begin in 2012. Other Chinese government loan-funded infrastructure and equipment projects are also running smoothly.

- f. Many companies in Zambia either closed down or downsized during the financial crisis, while others reduced production and reduced their workers, but none of the Chinese companies did this. Instead, both the Luanshya Copper Mine and the Munali Nickel Mine were bought by Chinese companies and they tried every way to restart production in a short period of time, save thousands of miners from unemployment, and help Zambia recover from the financial crisis.

The Zambia-China Trade and Economic Cooperation Zone was the first of its kind to be set up by China in Africa and attracted funds from NFC Africa Mining PLC (NFCA) and 12 other investors in mining, prospecting, non-ferrous metal processing, chemical manufacturing, metal processing and architecture by the end of 2009. In addition, the 2010 China-Africa Trade and Economic Ties Annual Report noted that companies made an investment payment of US\$578 million against the overall contract value of US\$820 million and produced more than 6,000 Zambian jobs (China-Africa Trade and Economic Relationship Annual Report, 2010). According to the Zambia Development Agency (ZDA), 17 companies and a total investment of approximately US\$1 billion were drawn to the Zone by 2012. (Sinyangwe, 2012). The Zambia Development Agency also noted that businesses in the economic zone located on the Copperbelt in Chambishi generated nearly US\$500 million in taxes and sales

revenues of US\$4.35 billion (Sinyangwe, 2012). It appears that both Zambia and China are gaining from their relationship, which is proof that, despite the difficulties addressed in the next chapter, South-South cooperation can and does yield positive benefits.

It has been argued that Zambia has earned a large portion of the many development efforts that the Chinese government has given to African nations since the Chinese constructed the historic TAZARA rail line (Macha, 2010). Therefore, it is not surprising that many Zambian government officials and some members of the opposition have accepted and praised China for supporting their country and doing business with it. Situmbeko Musokotwane, former Minister of Finance and National Planning, reported that Chinese investment in the country helped Zambia attract other investors from larger economies (Times, April 16, 2010). "Furthermore, during the global financial crunch, former President of Zambia, Rupiah Banda, who often praised Beijing for its investments in the country and for not disinvesting, downsizing or closing companies, said it was good to do business with China due to the "attractive interest rates (Lusaka Times, October 19, 2009, AFP News, December 3, 2010). He referred in part to the fact that in 2010, Beijing provided the Zambian government with a US\$1 billion concessional loan for infrastructure and construction projects (Business Monitor, March 11, 2010).

According to The Monitor, during the November 2009 FOCAC meeting in Beijing, Zambia was the first African state to have access to US\$10 billion in concessional loans for infrastructure development projects that China had promised to African countries. Lusaka, the capital of Zambia, became the first African city to provide banking services using the Chinese currency in 2011. Louise Redvers (2011), noted

that the Bank of China branch is now able to manage Yuan counter deposits and withdrawals, and it is projected that Chinese companies operating in Zambia will save money in the future. This is because when doing business with each other, they will not be forced to pay commission because there will be no need to translate the Yuan to other currencies.

The former Minister of Trade and Commerce Felix Mutati explained another explanation why Zambia requested the loan from China, saying that his country had approached China partly because it has liquidity and because the financial decisions were taken quickly (Wu, 2010). He also argued that the Zambian government was now providing the jobs that people so desperately need as a consequence of the loan. According to the same source, several projects, including the construction of two hydropower plants, housing and road reconstruction, were expected to be funded by the loan and are said to be part of the 10-year Zambia initiative, which began in 2003. Former Finance Minister Ng'andu Peter Magande, who is proud of Beijing's investments in Zambia, like many senior Zambian officials, is quoted as saying: "We see a lot of Chinese investors coming to Zambia, so I would say that Europe was interested in the 20th century and our raw materials were exploited by the West." But we have found new investors this time in the 21st century who are coming back to try to help us move forward (Quist-Arcton, 2008). Magande argued that the other desirable feature of Zambia doing business with Beijing was that the Chinese are not very frank, but they want to understand Zambian processes, customs and structures, after which they describe their own systems and try to find programs that favour both sides (Quist-Arcton, 2008).

The Chinese have proven to be Zambia's "all-weather friends," according to former mining minister Maxwell Mwale, because when other investors were "fleeing" the country, they assured Zambians of their employment, and during the privatization of the mines, they took on the "least attractive" entities they have now turned around (Gondwe 2010). The officials of the Zambian government are not the only ones who esteem Chinese investment in Zambia. Many Zambians who work for Chinese businesses and buyers of cheap Chinese products are also satisfied (Lusaka Times, December 28, 2009; Magistad, Lusaka Times, 2011). In some cases, individuals are calling for more investment from China. For example, in Zambia's North-Western Province, Chief Mpidi of the Lunda people of Zambezi District would like Chinese companies to be awarded contracts to build schools, health centers and other infrastructure in his region because he believes that their projects are better quality than local contractors (Times of Zambia, January 2, 2010).

Some private companies have also praised China for granting zero-tariff status to Zambia and other developing countries because it gives them more opportunities to increase their trade with China (Dodia 2011). In support of Chinese investment, local mining entrepreneur Phesto Musonda believes that all countries in the world, including the US, want China as a long-term investment partner (Gondwe, 2010).

The significance of China-Zambia relations is also reflected in World Bank data showing that all of China's copper mining investments were in Zambia between 2001 and 2007. (Wu 2010). The same source shows that the Chambeshi copper mine, for which Beijing had earned concessions in 1998 through the government-owned Non-Ferrous Metals Mining Company, revitalized much of the US\$220 million invested in mining (NFCA). The loan agreement included a memorandum of understanding

(MoU) between China and Zambia and provided for NFCA to develop US\$300 million worth of investments in the Lusaka copper field. The importance of the relationship between China and Zambia is also expressed in part by the fact that Zambia is the third largest recipient of Chinese foreign investment in Africa and that China is now the world's largest user of copper, which undoubtedly makes Zambia a partner (Wu, 2010).

An estimated 200 Chinese companies were operating in Zambia by 2009 (Carmody and Carmody and Taylor 2009: 10) and trade between China and Zambia was stated to have increased to US\$2.2 billion in 2010 (China-Africa News, China-Zambia Ties, June 10, 2011). Chinese investments in Zambia range from mining interests in the Copperbelt area of the country to investments in agriculture, development and tourism. "By February 2011, a total of 25 farms in Zambia were run by Chinese companies (China-Africa News, "China-Zambia ties," June 10, 2011). In addition, a major scheme for the purchase of cotton from farmers in Zambia was previously introduced in China, and there is evidence that Beijing negotiated a similar scheme for jatropha, a plant whose oil can be used for the production of biofuel (Laishley, 2009). Chinese companies are also rapidly investing in the retail sector of Zambia, ranging from imported textiles and electronics to local chickens sold in urban markets (Redvers, 2011). Chinese investments in Zambia are diversifying from the development of mining and roads to other areas involving agriculture.

In some instances, as noted earlier, the Chinese took over some of the businesses that Western companies had closed. For example, in 2009, in the midst of controversy, Non-Ferrous Metals Mining Company (NFCA) was awarded a contract to operate Luanshya Copper Mines, located in Zambia's Copperbelt Province, after it was closed

in January 2009 by the Swiss-based International Mineral Resources Bein Group Resources of Israel (Kachingwe 2009). The mine was closed because the London Metal Exchange's copper prices had fallen from US\$8,000 per metric ton to US\$3,000 and the closure left 1,700 miners unemployed (Kachingwe, 2009). The miners and their wives are claimed to have petitioned the then President Rupiah Banda to find a buyer for the mine in a rare situation, and NFCA was eventually employed by the government. It is anticipated that the mine will produce 30,000 metric tons of copper cathodes per year. Furthermore, NFCA, which allegedly dedicated US\$400 million to the operational costs of the mine, took over the operations of the hospital of the mine, the trust school, the art school and the leisure facilities for sports. President Banda justified the decision of his government on the basis that NFCA not only knew and understood the mining industry, but did not invest in Zambia to make a "quick buck" and would not flee when there were first signs of stress in the sector (Kachingwe, 2009).

In 2008, Felix Mutati, then Deputy Minister of Finance and now former Minister of Trade and Commerce, claimed that doing business with China was good for Zambia because the Chinese bring investment, world-class technology, employment, and value-added value to Zambia (Wu 2010). The NFCA option was controversial because 49 miners died in an accident at the Chambishi Mine that the company took over in 2003. (Kachingwe 2009). In March 2012, President Michael Sata told Luo Tao, General Manager of the China Non-Ferrous Metal Mining Company (CNMC) group, that CNMC intends to accelerate its investment in Zambia. He added that production would begin by the end of March and that the US\$800 million South East Ore body at Chambishi mines would be their next project (Post Newspaper, March 15, 2012).

The Kafue Gorge and Kariba North hydropower plants, designed by Sinohydro with the help of the former Bank of China, are other recent Chinese investments in Zambia (Chimageni, 2006). In 2009, 160 Chinese companies operating in the Zambian economy were reported to have invested more than US\$300 million and more than 10,000 Zambians were working in those industries (Chimageni, 2006). The Chinese Ambassador to Zambia, Li Qiangmin, asserted against this backdrop that Chinese investors in Zambia were not only in the country to make money, but were also there to move technology, develop infrastructure and had already trained locals in different fields (Kapekele and Sinyangwe 2010). He went on to point out that in 2009, at a time when many people were losing employment due to the global economic crisis, Chinese investors in Zambia created 25,000 jobs. After purchasing mines that had closed as a result of the global crisis, some of the jobs were generated by Chinese companies. Qiangmin also pointed out that more Chinese companies in Zambia are willing to invest in different sectors, including agriculture, construction and education (Kapekele and Sinyangwe, 2010).

Overall, the former Minister of Trade and Commerce, Felix Mutati Mutati, noted that the Chinese constitute the majority in the small-scale mining sector and also stated that in Zambia, on average, large Chinese mining companies pay more than other investors (Wu, 2010). He went on to claim that large Chinese companies had a record as good as any large business in the world in terms of safety (Wu, 2010).

Zambia is also one of the African countries reported to have purchased military equipment from China in recent years, but due to the sensitive nature of the issue, the types and amounts supplied are not known (Jane's Sentinel Security Assessment, 2012). What is clear is that, over the years, Sino-Zambia military cooperation has

included the training of a limited, undisclosed number of military personnel from Zambia. As with many opponents, Michael Sata, the current President of Zambia, also believed before becoming head of state that Chinese corporations were exploiting Zambian workers while keeping the income for themselves. Sata's views seem to have changed since winning the 2011 election. This is because he now says that he accepts Chinese investment and wants to ensure that Zambians benefit from it (Magistad, BBC News, September 28, 2011). Recently, he also acknowledged the important role of Chinese investment in the country and invited the Chinese to explore the possibilities of growing Zambia's investment opportunities in various sectors, in particular mineral exploration, agriculture, textiles and many other fields (Staff Reporters 2012). Sata also named the first Republican President, Kenneth Kaunda, as a special envoy to China as part of his government's appreciation of Chinese investment, and the objective was to renew Zambia's awareness of that region (Kuwema, 2011). The other aim of the appointment was to ensure that the Chinese government was prepared to engage China as an economic development partner of the Patriotic Front government under President Sata's leadership (ZANIS, November 23, 2011). "Previously, as an opposition leader, Michael Sata was in the forefront of those who were critical of Chinese investments and he is known to have used anti-Chinese sentiments for political combustion, denounced the "merciless so-called investors" spilling of "innocent blood (Bearak, New York Times, November 20, 2010).



## **Chapter 4**

# **SINO-AFRICAN RELATIONS AND NEO- IMPERIALISTIC FORM OF DEPENDENCY BETWEEN AFRICAN STATES AND CHINA**

This chapter will be examining Sino-African relations as a form of neo-imperialistic form of dependency between African states and China. Here, the focus will be on economic influences that triggers the neo-imperialistic form of dependency between African states and China. The discussion will be based on various economic indicators such as Foreign Direct Investment (FDI), multinational corporation, trade policies, export/import and foreign aid to Africa.

### **4.1 Foreign Direct Investment**

Foreign Direct Investment have been a potent tool used by developed countries to strengthen their stake in underdeveloped countries. To Kolstad and Wiig (2011:31), making use of an increasingly important approach to China's foreign investment in Africa. First, the dramatically increased foreign direct investment on the continent increased, China exported goods worth USD 2.5 billion in 1995, and since then it has gradually increased, leading to an increase to about USD 36.7 billion in 2007. In addition, China-Africa trade has increased to 148 billion USD in 2017 according to Smith (2019), as well as the overall import-export value of China has raised to 101 billion dollars, which is an increase of 2.5 percent per year. China foreign investment in Nigeria from 2005 until 2017 was estimated to be \$44 billion and Zambia have

received a foreign direct investment of \$9.3 billion dollars within similar time frame according to the U.S. State Department's Office of Investment Affairs. This shows to dominating stake China is having in Nigeria and Zambia. But can it be stated that China's stake in African economy have further obstruct relationship of African countries with other developed countries.

What Kolstad and Wiig (2011:37) argue is that it is very clear that China has taken over the West's interest in oil and other resources on the continent as more investment activities have taken place in more resource-rich countries such as Nigeria and Zambia, and that its resources are the key reason for China's investment in Africa. Another example the scholars use in their article is that China is also spending on its own to secure oil supplies. In addition, one potential explanation for the Chinese to be attracted to Nigeria and Zambia, according to Kolstad and Wiig (2011:37-38), the reason for Chinese investment to thrive in this country is because of the socio-democratic dysfunctions in these countries which gives Chinese companies competitive advantage in these structures and environments because of the social, economic and political dysfunction in these countries. It can therefore be stated that China is using the disadvantages of African countries to their own advantage through the use of FDI in African countries. It is therefore necessary to state the risks of Chinese FDI in Africa.

There are two primary risks to Chinese foreign direct investment right now, according to Sutton (2010:1-2). The first is that China offers to African countries comes with "no strings attached" policy and strengthening its partnerships overall. What this means is that there is a potential risk that this strategy will be able to strengthen authoritarian regimes and encourage oppression, and it will therefore weaken the economic

opportunities of the partner state in the long run. The second threat is that by taking advantage of and manipulating poor institutions within the subject state, China has supported its earnings. Sutton also claims that inadequately regulated Chinese-owned activities have caused damage to Africa's social, economic, and environmental sectors.

Sutton (2010:12) further argues that, with its non-interference, China's Africa policy is directed primarily at the leaders of the African nations and not inherently at their citizens, which is part of the Chinese investment risk.

Sutton (2011:13-14) also proceeded on debating on the facts that China wants to create a resource curse in the states receiving their investment. He posited in his debate by stating that China wants to create a resource curse in the state where they are investing. Sutton argues that there are three key explanations why critical study of the purpose why china aimed at building resource curse in these states. First of all, China has been a partner in the production of mining and oil fields in Africa, enabling the state to make better use of its natural resources. Secondly, in the global market for these products, the Chinese need for natural resources such as fuel has caused market prices to increase. China is also the primary user of these natural resources, meaning that Chinese wealth is the wealth produced in these African states. In addition, China has greatly increased its foreign aid to Africa, and this aid differs from conventional aid offered by Western states, for instance, because of the "no strings attached" policy without including in the political and social conditions of the states have attracted many states. Finally, Sutton suggests that the results of these three combined add up to the unconditional wealth extracted from China through African resource export revenues or through the "no strings attached" loan and other grant policies.

## **4.2 Multinational Corporations**

Chinese multinational corporations are on the rise, according to Alden & Davies (2006:1), as once undisputed Western companies are challenged by an all-growing Chinese corporate sector. These Chinese companies are highly competitive and are currently winning main assets and market shares across Africa's continent. What Alden & Davies (2006:4,6) argues is that their energy giants are looking for a source to tap new energy because China is increasingly concerned with the energy sector, and that is why China has made major investments in natural resource-rich countries such as Nigeria and Zambia, among others. China is a late comer in the African market which has been dominated by multinational companies, developed strategies to gain more influence. Some of the initiated methods are:

- i. Non-interference: The Chinese government is practically willing to cooperate with any state in Africa, irrespective of its political status, in its policy of non-interference, which means that China is also engaged in trade with authoritarian regimes in which the West prefers not to invest.
- ii. Economic strategic benefits: China uses low-skilled labor and low-cost management jobs, all of which vary from each other when looking at the conventional Western strategy.
- iii. Development assistance: Chinese companies are more open to participating in development assistance, to promoting prestige ventures and to paying more diplomatic attention to the subject state.

Broadman (2010:16-17) argues that Chinese multinational companies have invested in the African continent as a result of the growing need for natural resources. However, the data also reveals, according to Broadman, that China is gradually spending more

in other industries, not only in the mineral and oil sectors. Telecommunications, financial services, food manufacturing, tourism and infrastructure, etc., are other sectors of growing investment by the Chinese. Since these sectors are increasingly being targeted, their importance will inevitably increase as well. In addition, Broadman also argues that one critical tactic or pattern for Chinese companies is that the management of their work is seldom incorporated into the African socio-economic climate.

### **4.3 Trade Policies**

Eisenman stresses the key points of China-Africa trade ties, which could eventually lead to a weakening of the African markets.

As indicated by Eisenman (2012: 793), China's new exchanging strategies with Africa has made Beijing a focused for anti-Chinese opposition stories in Africa. China's present exchanging is planned in a manner to however give much access to the market which is important for China's significant turn of events and development objectives. China's organizations that are state-run can channel China-Africa exchanges through extra market choices that impact streams and as indicated by Eisenman, their exchange relations are exclusively subject to five factors: *“China’s comparative advantage in labor-intensive and capital intensive production, Africa’s assets of natural resources and its endowments, China’s rapid economic growth, China’s interest in infrastructural development in Africa and in China itself and lastly the emergence of economies of scale in China’s shipping and light manufacturing goods”* Eisenman (2012: 793).

Eisenman (2012: 897) has also found that China's infrastructural investments improve their ability to manage their trade ties. The effect of this is that China is gaining more momentum at the international level at the detriment of African producers and also locally made product find it difficult to flourish in their home countries. Nigeria have founded strong ties with Chinese and this have allowed Nigeria to be the first African Country to accept Chinese renminbi in its foreign reserve. This gave China access to infrastructural control in African countries which has helped them to exercise leverage over their export destinations and their suppliers' destinations. Chinese have taken over the mining industry in Zambia which constitute 88% of Chinese investment in the country which have allowed China to become the highest producer of electrical cable in the world.

Finally, Eisenman (2012: 808) concludes that China's rising demand for raw materials and its ability to manufacture cheap consumer products have become the heart of trade ties between China and Africa. This looks to get worse as African buyers are increasingly popular with Chinese goods. This have had great impact on the African market that is at the detriment of Chinese investment in Africa. Ademola, Bankole, Adewuyi (2009: 486, 491), argued that China-Africa trade has ended with China being the primary target for African countries to export to and China is seen as the primary focus when it comes to African countries importing products that have already been produced. They further claim that Chinese imports are concentrated around a relatively limited number of countries, predominantly resource-rich countries, and that the Chinese products already produced, in comparison, practically cover all parts of Africa. Merchandise exports from Africa to China rose from 8.6 billion in 2003 to 36.4 billion in 2007, and fuel and minerals accounted for 85.1% of the merchandise imported from Africa by China. In 2019, the total import from Nigeria to China was

10 times more than it imports and also in Zambia, the number of imports far exceed the number of importation from China.

Haugen (2011:168-169) found that there are many reasons why domestic companies in Nigeria and Zambia cannot compete with new Chinese companies. One of the reasons behind this is that Chinese governments have favorable exchange rates and tax refunds. Another market gain for Chinese businesses is that immigration systems are more relaxed in African states than in China, making it easier to obtain long-term visas and residency permits. It is easier for Chinese nationals to migrate to Nigeria or Zambia than the nationals of these two countries to migrating to China. This gives room for Chinese to dominate the local market, making it uncondusive for local producers.

In addition, Ademola et al. (2009: 499) find that the competition they obtain from Chinese manufactured products, which can be divided into three market sectors, domestic/inter-African, regional, and global, is increasingly threatening African producers.

Corkin (2008: 131) further emphasizes this, as the Chinese have a tendency to operate at lower profit margins than other businesses, which makes it difficult to compete with them. In the end, this has resulted in Chinese companies becoming more appealing to the African market and, for instance, South African companies being able to compete. It is best to state that the market structure between China and African countries haven't been favorable to African investors but rather have given Chinese investor chance to dominate the market. The next section will be discussing the export and import relations between China and African states and how it is beneficiary to both parties.

#### **4.4 Export/Import**

Hua and Guillaumont Jeanneney. (2015:1-2) highlights in their work that China has increased trade towards Africa in particular since 2000 and since the first conference of Forum for China-Africa Cooperation (FOCAC) was held. Moreover, as a result of Chinese imports of raw material from Africa, this initially produced rapid economic growth for the African States in the short term. However, since African countries consume as many finished goods as China imports raw materials, this is negative in the long term. According to these scholars, the issue is that China's demand for raw materials and its related economic cooperation are factors that contribute to the appreciative real African exchange rates that in turn contribute to the economic well-being of China as they keep their currency low in African currencies and thus imports from China continue to flourish and the production of the Chinese industries are hampered. China aimed not to make Yuan too strong so as to rejuvenate export. This will give China the ability to export lot of raw materials from Africa.

Wei (2012: 673-674) highlights the growth of exports and imports and shows that bilateral trade between China and Africa amounted to \$123 billion in 2010 and that overall trade between Africa and China increased by 33% between 2002 and 2010. The primary destination for Chinese import is Nigeria, South Africa, Zambia and Egypt. This are top countries importing goods from china to Africa, and the export typically consists of electronics and other machinery. Like previous authors, Wei (2012:676) also points out that the rising demand for natural resources has led to an increasing number of companies settling on the continent and that 1600 Chinese companies have invested in it as of 2009. It is glaring that there are imbalances in the trade exchanges between China and Africa.



The trade criticism has increased this growth, Moeletsi Mbeki, political analysts and the brother of the former president of South Africa criticized the trade deals by stressing that China sells manufactured goods while Africa sells raw material to China and that it reproduces the old relationship between Africa and the colonial powers (Xaba, 2020).

Zafar (2007: 115-116) confirms the fact that most of China's imports are located in the export system of a limited number of resource economies deficient in product diversification. Finally, Zafar emphasizes that the dispersion of China's trade with Africa suggests that the geographical proximity is permeated by resource endowments as an explanatory variable for the trade flows and the direction China has taken.

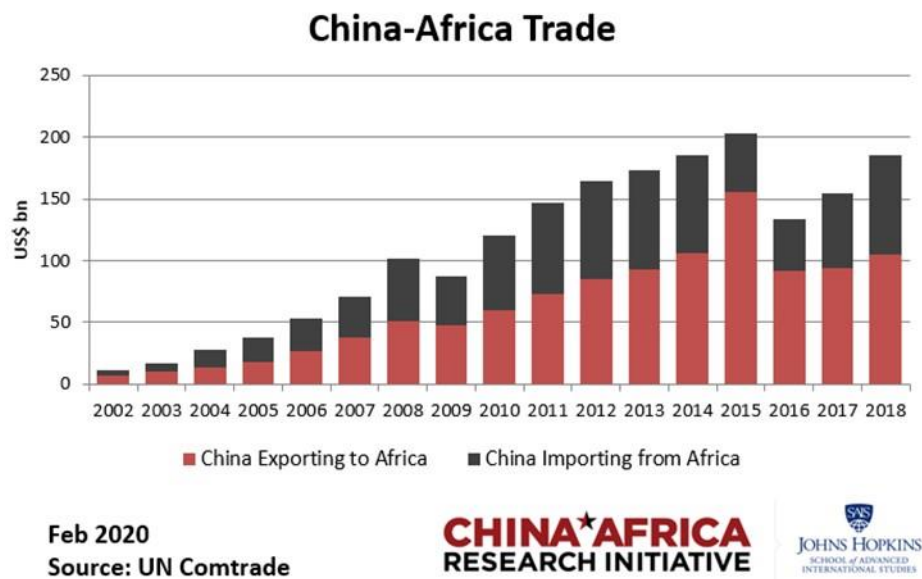


Figure 4: China-Africa Trade

(United Nations 2020.) Chinese Import/Export bilateral trade with Africa.  
<http://www.sais-cari.org/data-china-africa-trade>

## **4.5 Foreign Aid to Africa**

China has expanded its international aid and targeted it for field development assistance, according to Xu, Zhang, Sun (2019: 2), and aid recipients in Africa are distributed over a number of different countries. In addition, China has become the largest foreign-directed aid state outside of the OECD countries' development assistance committee. Xu et al. (2019:18) address their findings and conclude that Chinese assistance is positively related to economic development, but it is also related to a rise in inequality and to China's investment in economic infrastructure projects. Moreover, China's foreign assistance is primarily targeted at infrastructure, with China and the African Union announcing a 48-year deal in 2015 to help improve African transport and shipping.

Lu, Huang, Muchiri (2017: 86-87) argue that the Chinese foreign aid policy is aimed at mitigating political risks and making it simpler for multinational corporations in the natural resource sector, as can be seen in part by the rise in foreign direct investment in the natural resource sector. Multinational firms are keen on negotiating the government's investment deals. They further point out that in countries with a large number of natural resources, the moderating negative effects of foreign aid between political risks and FDI are more pronounced. Finally, the scholars reinforce that China's foreign assistance has changed policy from being guided by political consideration of the Cold War and ideological means to be more business-focused. China primary aim for supporting Africa with foreign aids is to challenge for policy makers and dictate to them how to use the foreign aid and also protect their own interest in recipient countries.

In reality, Samy (2010: 86-87) argues that the danger of Chinese foreign aid is that governments are not transparent about how much aid they actually obtain from China, which can exacerbate the relationship between the government, the local community and other aid institutions. Samy also argues that civil society is increasingly afraid that the relationship between Africa and China will grow into a new colonial relationship due to the possibility that the relationship will deteriorate for the African states to develop. In addition, civil society is also highly critical of the lack of conditions resulting from Chinese assistance. In Samy's research, the only requirement recorded showed that there was a precondition for supply contractors to have to be Chinese (Samy, 2010).

According to Samy (2010: 86-87), the technique of connecting international aid inputs to a foreign country is a well-known mechanism and decreases productivity and competition. Finally, Samy points out that much of China's assistance to Africa comes from low-interest loans rather than grants, thereby raising the questioning from the international arena and from civil society in the fear that countries will borrow to the degree that a significant amount of debt is accumulated that the country itself is unable to repay (Samy, 2010).

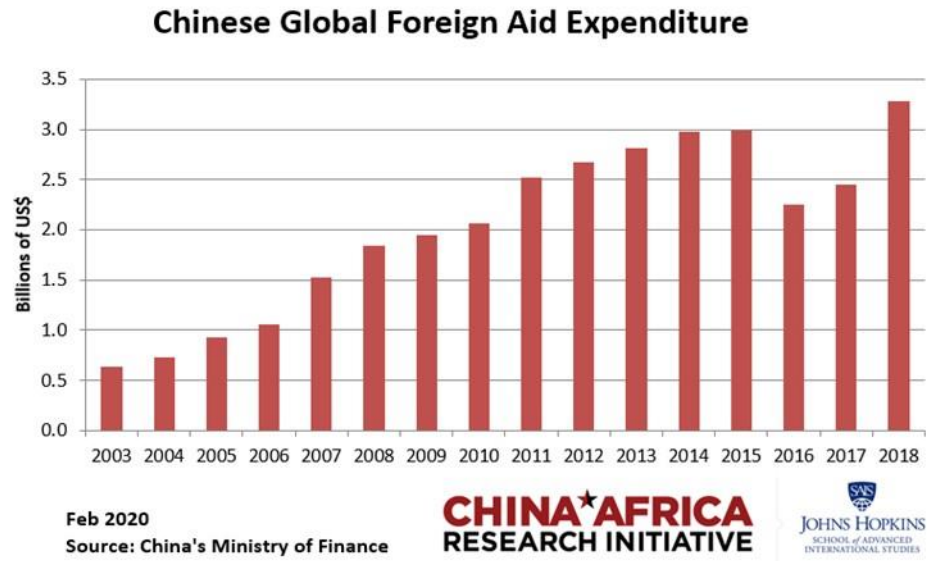


Figure 5: Chinese Global Foreign Aid Expenditure

(China's Ministry of Finance 2020) Chinese Foreign Aid. <http://www.sais-cari.org/data-chineseforeign-aid-to-africa>.

Morgan (2018: 210), stresses that China has increased its foreign aid in recent years, China supported more than \$14 billion in foreign aid and development finance between 2010-2012 and 50 percent of it went to Africa.

In his research, Morgan (2018: 310) further finds that China's assistance used to be more politically based and targeted at African states with similar ideological opinions. However, it has been less ideologically based and spread to the majority of Africa in recent years as China joined the UN. The findings also indicate that China still strategically targets "old allies" in its foreign assistance, the same allies they had in the Maoist period, which also indicates that historical and ideological considerations are to some degree dependent on the choices made by policy makers.

Sun (2014) claims that the bulk of Chinese investment can be classified as finance for growth and not aid, something that Chinese scholars understand, these two are constantly blurred by Chinese literature. In addition, this is the reason why a large number of long-term loans are issued by the Chinese. Sun also claims that China's assistance is proactive and acts as a policy instrument on the continent and, through individual and corporate development ventures, creates exposure to natural resources and local markets. The Tanzania-Zambia railway was one such prominent example, as China gained diplomatic recognition from 44 African countries.

After the sudden pull out of Anglo-American corporation, the Chinese companies took over the Zambian Copper mines. In this way, Western investors left announcing that running these mines did not have a positive impact on the economy. The acquisition of these closed mines is indicative that Chinese motivation goes beyond merely economic considerations. One thing to note is that State-owned enterprises (SOEs) are the most important source of capital for investment in China. Unlike the western capitalists who are mainly finance firms that solely focus on profits in the short term. Therefore, they are more than willing to high additional earnings for a long period. Businesses achieve their long-term goals by working together to crush competition. There has been documented evidence of collusion in Zambia among Chinese businesses. The Zambia situation is similar to the scenario in the Nigerian oil sector where China Offshore Oil Corporation (CNOOC) and China Petroleum and China Corporation have formed a collusion in the Nigerian oil and gas industry. This shows that State own enterprises in China are interested in making financial benefit by dominating the key sectors of African nation's economy (Okonkwo, 2018).

## **Chapter 5**

### **SUMMARY CONCLUSION**

This research work was set out to examine the economic effect of Chinese influence in Africa. The research further highlighted the extent to which China's economic activities in Africa and how it has led to tangible economic/developmental progress on the continent. Also, Chinese strategic interest on the African continent was analyzed. The research assessed how the relationship between China and Africa is viewed in terms of its global strategic competitiveness. The theoretical framework for this research work was dependency theory. The research method adopted was comparative analysis with statistics and systematic literature review was the research method adopted for this research work.

The second chapter of this research work reviewed literatures related to the research work. China's foray in African economy was discussed, the influx of Chinese FDI to African countries and the support to African countries from China was also examined. The research went further to discuss China relations with Zambia and Nigeria and the economic relations between China, Zambia and Nigeria were discussed. The chapter ended by discussing the downsides to China's investment and participation in African economies by looking at the social, trade, competitive, economy and moral effects of Chinese investment in Africa.

The third chapter was intended to reply to the first hypothesis set out in this study work. The main element was the discussion of the advantage of Africa in China's economic cooperation. In response, the topics addressed were Chinese investment in African opportunities in the energy sector, resource mining, aid trade and investment, foreign direct investment, opportunities and potential for African business growth. Recent success stories of Chinese economic cooperation with Africa were addressed in the final section of the chapter.

The fourth chapter of this research work discussed Sino African relations and neo imperialistic form of dependency between African states and China. The key themes highlighted in this topic to establish the neo imperialistic form of dependency between African states and China were foreign direct investment from China and its tendency to trigger neo imperialistic form of dependency. Also, the impact of multinational corporation, trade policies, export/import foreign aid to Africa and their impact in harnessing neo imperialistic dependency were discussed. Based on the findings, the next section will conclude based on the findings.

This research works finds out that China's engagement in Africa is triggered by political interest. As argued by Pannell (2008:707), the Chinese are dependent on political support, and the increasing involvement on the continent has led to success in turning African states towards their will and increased support in the UN when it comes to Taiwan and the politics of 'one China.' Schoeman (2007: 81-82) argues in agreement, writing that China has further strengthened its influence on the continent since the end of the Cold War, gained more political support and used foreign aid as a tool for political support. This research finds that this strategy is a way for China to

serve its own interests by appealing to weak states with assistance in order to serve its own political interests.



## REFERENCES

- Ademola, O. T., Bankole, A.S., and Adewuyi, A. O. 2009. China–Africa Trade Relations: *Insights from AERC Scoping Studies*, European Journal of Development Research, 21(4):485–505. DOI: 10.1057/ejdr.2009.28. Accessed 12 Mar. 2020.
- African Economic Outlook, (2019). *Zambia economic outlook*, viewed 06 June 2019, from <https://www.afdb.org/en/countries/southern-africa/zambia/zambia-economic-outlook/>
- Akinterinwa, B. T. (2016). Africa today’s conference on Nigeria-China relations and implications for Nigeria’s foreign policy concentric. *This Day May*, 8.
- Akpan, N. E. (2019). Energy Diplomacy in International Politics: A Focus on Iran and China.
- Alden, C., and Davies, M. 2006. Chinese multinational corporations in Africa. *Africa Institute of South Africa*. [http://www.cctr.ust.hk/materials/conference/china-africa/papers/Chris\\_Alden\\_Chinese\\_Multinational\\_Corporations.pdf](http://www.cctr.ust.hk/materials/conference/china-africa/papers/Chris_Alden_Chinese_Multinational_Corporations.pdf). Accessed: 10 Apr. 2020.
- Aliyu, A. K., Modu, B., & Tan, C. W. (2018). A review of renewable energy development in Africa: A focus in South Africa, Egypt and Nigeria. *Renewable and Sustainable Energy Reviews*, 81, 2502-2518.

- Arenas, G., Engel, J., Kotschwar, B., & Maliszewska, M. (2018). *Supporting Lesotho's economic diversification and trade integration: structural transformation through greater export competitiveness*. World Bank.
- Asongu, S. A. (2016). Sino-African Relations: A Review and Reconciliation of Dominant Schools of Thought. *Politics & Policy*, 44(2), 351–383. doi:10.1111/polp.12152
- Blair, D. (2007). Why China is Trying to Colonise Africa. *The Telegraph* 31 August 2007.
- Brautigam, Deborah, and Kevin P. Gallagher. (2014). Bartering Globalization: China's Commodity-backed Finance in Africa and Latin America. *Global Policy* 5: 346–52.
- Broadman, H. 2010. What are Chinese and Indian firms doing in Africa? *International Trade Forum*. (2):16–17.  
<https://search.ebscohost.com/login.aspx?direct=true&db=buh&AN=56689008&site=ehost-live>.
- Campbell, A. (2016). Rising a Friendly Elephant-How African Nations Can Make the Best of Economic Partnership with China. *Vand. J. Transnat'l L.*, 49, 499.
- Carmody, P. (2017). *The new scramble for Africa*. John Wiley & Sons.

Chang, A., (2006). 'From "Brothers" to "Partners": China, Africa Build Strategic Ties' in Special Supplement for the Forum on China-Africa Cooperation, *China Daily*, and 3.11.2006.

China Africa Research Initiative (2017). Chinese Foreign Aid (2017). Available online: <http://www.sais-cari.org/datachinese-foreign-aid-to-africa> (accessed on 13 December 2020).

China Africa Research Initiative. 2020. *Chinese Investment in Africa*. <http://www.sais-cari.org/chinese-investment-in-africa>. Accessed: 16 Apr. 2020.

China's Information Office of the State Council (2011). White Paper on China's Foreign Aid. Available online: <https://www.eu-china.net/upload/pdf/nachrichten/2011-04-21Chinas-ForeignAid-WhitePaper.pdf> (accessed on 15 December 2020).

Corkin. L. 2008. Competition or Collaboration? *Chinese & South African Transnational Companies in Africa*, *Review of African Political Economy*, 35(115):128-133. DOI: 10.1080/03056240802021443.

*CQ Researcher*, (2005). 'Emerging China: Can the United States Successfully Compete?' Vol. 15, No. 40:957-80. [www.theqreseracher.com](http://www.theqreseracher.com).

Dynamic, B., (2015), *What lies ahead for China-Zambia relations*, April 10, viewed 11 June 2019, from <https://zambiareports.com/2015/04/10/what-lies-ahead-for-china-zambia-relations/>

- Eberling, G. G. (2017). *China's bilateral relations with its principal oil suppliers*.  
Lexington Books.
- Egbula, M. and Zheng, Q. (2011). *China and Nigeria: A powerful south-south alliance*. West African Challenges No 5. Nov2011.
- Eisenman, J. 2012. China–Africa Trade Patterns: causes and consequences. *Journal of Contemporary China*. 21(77): 793-810. <https://www-tandfonline-com.proxy.lnu.se/doi/full/10.1080/10670564.2012.684964>.
- Fan, S., (2007). ‘How can China’s rapid growth benefit African poor through rural and agricultural development?’, *Entwicklung and Landlicher Raum*, 4/2007.
- Farooq, M. S., Yuan, T., Zhu, J., & Feroze, N. (2018). Kenya and the 21st Century Maritime Silk Road: Implications for China-Africa Relations. *China Quarterly of International Strategic Studies*, 4(03), 401-418.
- Ferdinand, P. (2016). Westward ho—the China dream and ‘one belt, one road’: Chinese foreign policy under Xi Jinping. *International Affairs*, 92(4), 941-957.
- Foelker, E. (2020). China and Natural Gas: The Importance of Natural Gas to China concerning the South and the East China Sea Conflicts.
- Gallagher, Kevin P., Rohini Kamal, Yongzhong Wang, and Yanning Chen (2016). Fueling Growth and Financing Risk. The Benefits and Risks of China’s

Development Financing in the Global Energy Sector. GEGI Working Paper No. 002. Boston: Boston University.

Guillaumont Jeanneney, S. and Hua, P. 2015. China's African Financial Engagement, Real Exchange Rates and Trade between China and Africa. *Journal of African Economies*, 24(1):1–25. <https://academic-oup-com.proxy.lnu.se/jae/article/24/1/1/2962079>.

Haugen, Ø. H. 2011. Chinese Exports to Africa: Competition, Complementarity and Cooperation between Micro-Level Actors. *Forum for Development Studies*. 38(2):157-176. <https://www-tandfonline-com.proxy.lnu.se/doi/full/10.1080/08039410.2011.572286>.

He, Wenping, (2003). *China-Africa Relations Facing the 21<sup>st</sup> Century*. Bureau of International Cooperation, Hongkong Maco and Taiwan Academic Affairs Office Chinese Academy of Social Sciences.

Hinga, J., & Yiguan, Q. (2013). China-Africa Cooperation. An Outstanding Relationship Built on Mutual Respect and Common Benefits: A Review. *International Research Journal of Social Sciences*, 2(9), 26-32.

Jha, R. (2018). *Facets of India's Economy and Her Society Volume II: Current State and Future Prospects*. Springer.

- Johnston, A. I. (2019). China in a World of Orders: Rethinking Compliance and Challenge in Beijing's International Relations. *International Security*, 44(2), 9–60. doi:10.1162/isec\_a\_00360
- Jonker, K., & Robinson, B. (2018). Integrated Organic Growth: The Cases of Cameroon and Mauritius. In *China's Impact on the African Renaissance* (pp. 217-262). Palgrave Macmillan, Singapore.
- Jyhjong, Hwang, Deborah Bräutigam, and Janet Eom (2016). How Chinese Money is Transforming Africa: It's Not What You Think. CARI Policy Brief 11. Baltimore: Johns Hopkins University.
- Kemp, G. (2012). *The East Moves West: India, China, and Asia's Growing Presence in the Middle East*. Brookings Institution Press.
- King, K. (2019). African Students in China: Changing Characteristics, Contexts and Challenges. In *Education, Skills and International Cooperation* (pp. 296-343). Springer, Cham.
- Kolstad, I. and Wiig, A. 2011. Better the Devil You Know? Chinese Foreign Direct Investment in Africa. *Journal of African Business*, 12(1):31–50. <https://www-tandfonline-com.proxy.lnu.se/doi/full/10.1080/1536710X.2011.555259>.
- Kolstad, Ivar, and Arne Wiig. (2011). Better the Devil You Know? Chinese Foreign Direct Investment in Africa. *Journal of African Business* 12: 31–50.

- Lahtinen, A. (2018). *China's diplomacy and economic activities in Africa: Relations on the move*. Springer.
- Lambard, L., (2007), 'Africa's China Card', *The African Economy*, May-June.
- Layne, C. (2018). The US–Chinese power shift and the end of the Pax Americana. *International Affairs*, 94(1), 89-111.
- Lu, J., Huang, X and Muchiri, M. 2017. Political Risk and Chinese Outward Foreign Direct Investment to Africa: The Role of Foreign Aid. *Africa Journal of Management*, 3(1):82-98, DOI: 10.1080/23322373.2016.1275941.
- Lubinda, C. & Jian, C., (2018). 'China-Zambian economic relations: Current developments, challenges and prospects for regional integrations', *International Journal of Economics* VI(1), 206–223.
- Mabera, F. (2021). China's Evolving Approach to the African Peace and Security Agenda: Rationale, Trends and Implications. In *Africa-China Cooperation* (pp. 135-161). Palgrave Macmillan, Cham.
- Mann. P.S., (2009). *Introductory Statistics*, 7<sup>th</sup> Edition. John Wiley and Sons inc. P.3.  
Retrieved from  
<https://docs.google.com/viewer?a=v&pid=sites&srcid=ZGVmYXVsdGRvbWFpbnxyY2hzdGF0MTIxfGd4OjdkMzA1MDQ1ZGM0YjMyOTg>

- Mazire, T. (2020). *Chinese investments in Africa: addressing and analysing labour, skills and technology transfer challenges* (Master's thesis, Faculty of Law).
- Mbamalu, M. (2015). Dangote, Chinese firm. *The Guardian*, 27.
- Melber, H. (1964). The New Kid in the Block: China and the Scramble for Africa's Resources – An Introductory Review”, in H. Melber (ed) *China in Africa*, Sweden: Nordiska Afrikainstitutet: Stockholm. *Morning Post Lagos*: 6-9.
- Ming, Wang. (2010). Empirical Study on African Energy Resources and China's Outflow Foreign Direct Investment 2002–2007. *International Journal of Business Research* 10: 195–201.
- Moody's Analytics, (2019). *Zambia- economic indicators*, viewed 11 June 2019, from <https://www.economy.com/zambia/indicators>
- Moonsamy, N. (2019). Visions of China: Political Friendship and Animosities in Southern African Science Fiction. *Journal of Southern African Studies*, 45(3), 543-557.
- Morgan, P. 2018. Ideology and Rationality: *Chinese Aid in Africa Revisited*, *Asian Perspective*, 42(2):207-238. <https://muse.jhu.edu/article/713819>.
- Mwamba, E., (2018). *Zambia-China, An intricate relationship*, viewed 12 April 2019, from <https://www.lusakatimes.com> › Columns.



Mwanawina, I., (2008). *China-Africa economic relations: The case of Zambia*, viewed 11 June 2019, from <https://aercafrica.org/wp-content/uploads/2018/06/1Zambia.Pdf>

Nagar, D., & Mutasa, C. (Eds.). (2017). *Africa and the World: Bilateral and Multilateral International Diplomacy*. Springer.

Ogunbadejo and Oye (1976). Nigeria and the great powers: The impact of the civil war on Nigerian foreign relations. *African Affairs*, 75: 14-32.

Onogwu (2019), D. J. Analyzing Nigeria–China trade: Composition, Challenges, and Prospects. *About AADN*, 20.

Paradza, T. (2011). The General Agreement on Trade in Services (GATS) and energy services liberalisation in the Southern African Development Community (SADC): issues and prospects.

Patey, L. (2017). Learning in Africa: China's overseas oil investments in Sudan and South Sudan. *Journal of Contemporary China*, 26(107), 756-768.

Paul, J. (2016). The Rise of China: What, When, Where, and Why? *The International Trade Journal*, 30(3), 207–222. doi:10.1080/08853908.2016.1155513

Pigato, Miria, and Wenxia Tang. (2015). *China and Africa: Expanding Economic Ties in an Evolving Global Context*. Working Paper No. 95161. Washington World Bank.

- Porter, B. D. (1984). *The USSR in third world conflicts: Soviet arms and diplomacy in local wars 1945-1980*. Cambridge University Press: Cambridge. 109-10.
- Qiang, Z., (2007). *China-Africa relations since the introduction of FOCAC*, China Institute of Contemporary International Relations, Beijing.
- Raess, D., Ren, W., & Wagner, P. (2017). Chinese commercially-oriented financial flows and UN voting realignment. *Unpublished manuscript*.
- Rian, Drogendijk, and Katarina Blomkvist. (2013). Drivers and Motives for Chinese Outward Foreign Direct Investments in Africa. *Journal of African Business* 14: 75–84.
- Rice, X. (2011). China’s Economic Invasion of Africa. *The Guardian*, 6.
- Rounds, Z., & Huang, H. (2017). We are not so different: A comparative study of employment relations at Chinese and American firms in Kenya. *China-Africa Research Initiative Working Paper Series*, 10.
- Samy, Y. 2010. China's Aid Policies in Africa: Opportunities and Challenges, *The Round Table*, 99(406):75-90, DOI: 10.1080/00358530903513756.
- Sanfilippo, Marco. (2010). Chinese FDI to Africa: What Is the Nexus with Foreign Economic Cooperation? *African Development Review* 22: 599–614.

Sautman, B.V., 2007, 'Friends and Interests: China's Distinctive Links with Africa. Center on China's Transnational Relations'. Working Paper No.12. Hong Kong University of Science and Technology.

Siddiqi, M., 2007, 'African Markets Pack a Punch', *African Business*, February.

Sogge, D., 2002, *Give and Take: What's the Matter with Foreign Aid?* New York: Zed.

Stephenson, C. (2008). In *Encyclopedia of Violence, Peace, & Conflict* (Second Edition). Pp.1054-1070.

Sun, Y. 2014. *China's Aid to Africa: Monster or Messiah?*  
<https://www.brookings.edu/opinions/chinas-aid-to-africa-monster-or-messiah/>.

Sutton, B. 2010. A bad good deal: The challenges of Chinese foreign direct investment in Africa. *African Law and Development*.  
[http://www.jurisafrica.org/html/pdf\\_the\\_challenges\\_of\\_chinese\\_investment\\_in\\_africa\\_1.pdf](http://www.jurisafrica.org/html/pdf_the_challenges_of_chinese_investment_in_africa_1.pdf).

Tang, K., Li, Z., Li, W., & Chen, L. (2017). China's silk road and global health. *The Lancet*, 390(10112), 2595-2601.

Taylor, I. (2007). Governance in Africa and Sino-African Relations: Contradictions or Confluence? *Politics*, 27(3), 139–146.

Taylor, I. (2007). Sino-African Relations and the Problem of Human Rights. *African Affairs*, 107(426), 63–87. doi:10.1093/afraf/adm056

The “three World theory”, (1974). "formulated by Mao Zedong puts China and undeveloped countries into the third world, while the superpowers and their allies belong to the first and second world, respectively." In *His successor, Deng Xiaoping elaborated this view in his speech at the UN in 1974*.

Thies, C. (2013). *The United States, Israel, and the Search for International Order: Socializing States. Role Theory and International Relations*. Routledge. P.12.

Tralac (2014). Trade and Law Centre, Africa–China Trade. Available online: <http://www.tralac.org/resources/ourresources/4795-Africa--China-trade.html> (accessed on 11 December 2020).

Umejei, Emeka. (2015). China’s Engagement with Nigeria: Opportunity or Opportunist? *African East Asian Affairs: The China Monitor* 3–4: 54–78.

Vuthika, H. (2014). *China’s Soft Power in Clmv: Characteristics, Motivations, And Challenges* (Doctoral Dissertation, Royal University of Phnom Penh).

Wang, Bijun, Rui Mao, and Qin Gou. (2014). Overseas Impacts of China’s Outward Direct Investment. *Asian Economic Policy Review* 9: 227–49.

Wang, J.Y., 2007, ‘What Drives China’s Growing Role in Africa?’ IMF Working Paper.

- Wausi, R. (2019). Effects of the External Environment on the Sustainability of Interactive Media Design Startups in the Kenyan Creative Industry.
- Wei, L. 2012 China's Soft Power in Africa: Is Economic Power Sufficient? *Asian Perspective*, 36(4):667. <https://search-ebshost-com.nwulib.nwu.ac.za/login.aspx?direct=true&db=edsjsr&AN=edsjsr.42704810&site=eds-live>.
- Xu, Z., Zhang, Y. and Sun, Y. 2019. *Will Foreign Aid Foster Economic Development? Grid Panel Data Evidence from China's Aid to Africa, Emerging Markets Finance and Trade*. DOI: 10.1080/1540496X.2019.169618.
- Yongjian, J., (2005). "China's economic development: New opportunities for the Sino-African relations." In *a speech delivered at African Institute of South Africa, Seminar, 17 May 2005*.
- Yupei, H. (2019). China-Africa Joint Endeavor on the Digital Silk Road: Opportunities, Challenges and Approaches. *China Int'l Stud.*, 78, 13.
- Zafar, A. 2007. The Growing Relationship between China and Sub-Saharan Africa: Macroeconomic, Trade, Investment, and Aid Links. *World Bank Research Observer*, 22(1):103–130. <https://academic-oup-com.nwulib.nwu.ac.za/wbro/issue>.
- Zambia Economy, (2019). *Economy- overview*, viewed 11 June 2019, from [https://theodora.com/wfbcurrent/zambia/zambia\\_economy.html](https://theodora.com/wfbcurrent/zambia/zambia_economy.html).

Zhang, D. (2018). The concept of 'community of common destiny in China's diplomacy: Meaning, motives and implications. *Asia & the Pacific Policy Studies*, 5(2), 196-207.

Zhao, S. (2020). Rhetoric and Reality of China's Global Leadership in COVID-19: Implications for the US-led World Order and Liberal Globalization. *Journal of Contemporary China*, 1-16.

Zouache, A. 2018. Institutions and the colonization of Africa: some lessons from French colonial economics. *Journal of Institutional Economics*. Cambridge University Press, 14(2):373–391. DOI: 10.1017/S1744137416000.