辩论

Discussion Paper

EMBRACING THE DRAGON

AFRICAN POLICY RESPONSES FOR ENGAGING CHINA AND ENHANCING REGIONAL INTEGRATION

Elijah Nyaga Munyi

Stellenbosch | September 2011

2/2011

UNIVERSITEIT STELLENBOSCH UNIVERSITY

中國研究中心 CENTRE FOR CHINESE STUDIES STELLENBOSCH · SOUTH AFRICA

Abstract

Notwithstanding extensive analysis on the pros and cons of Chinese-African involvement, there has not been much in development of a collective African policy framework for economic engagement with China. This paper seeks to shift focus from the debate on the pros and cons of Chinese – Africa relations to arguing that time is auspicious for Africa to develop common policy measures to manage China and making provisional policy proposals on how to do that. The paper's argument is twofold; first, an incipient African disenchantment over China [as outlined in the post-FOCAC 2009 AU report] provides a prod to coalesce an African 'Chinese policy' to manage China-Africa relations. Secondly, if widely adopted, an African 'Chinese policy' would not only refine a coordinated continental response to China but would also enhance consolidate regional convergence in key policy areas in Africa. This paper proposes pragmatic policies for embracing China – beyond praise or criticism.

Keywords: Africa-China policy, regional integration, economic diplomacy

JEL Classification Numbers: 02, F2, D7

The author is a PhD Fellow at the Centre for Comparative Integration Studies (CCIS), Aalborg University in Denmark. He previously worked as a researcher at the Korea Institute for Development Strategy (KDS).

The paper has benefitted immensely from invaluable comments by Dr Sven Grimm, Director Centre for Chinese Studies, Stellenbosch University to whom the author is very grateful. The content of this paper reflects the personal opinion of the author.

CONTENTS

INTRODUCTION

With China determinedly asserting its role in economic relations with African countries, debate on the effect of the Chinese commercial expansion to Africa has been fierce and Chinese rebuttals predictable. With particular regard to China's development assistance and its burgeoning business with the continent, African countries have expressed a collective[1] hurray of appreciation for their expanded range of alternatives in supply of investment and aid. This appeal is predicated on China's role as a countervailing force to both Western conditionality and to the continent's reliance on Western sources for foreign investment and development assistance (Alden, 2008). On the other hand, some segments of the so called 'traditional donors' have erupted in dismay not only at their increasingly weakened position in influencing Africa through aid but also at China's audacity in ruffling the existing aid architecture. For most of Africa[2], Chinese development assistance and commercial aspirations offers a formidable foil to western (traditional) economies. By offering alternatives to aid-receiving countries, emerging donors, particularly China are introducing competitive pressures that constitute a serious challenge to the existing multilateral development regime (Woods, 2008). For Africa, this seems to be a good time. The pressure on traditional donors (and economies) presents an opportunity for increased independence and leverage for African external economic relations.

Incidentally, the criticism of China coming out of the sidelines of the Fourth Ministerial Forum on China-Africa Cooperation (FOCAC) held in Egypt in November 2009, may signal diminishing goodwill on Africa's part over China. This was the first major meeting between African countries and China since the outbreak of the global economic crisis and its eventual containment. At the meeting several high ranking African Ministers[3] censured China's style of economic relations with Africa. Africa's subtle dissatisfaction with the conduct of China-Africa relations was also expressed in the African Union's post-FOCAC report.[4]

As this paper proposes, rather than merely vacillating between excitement and loathing over China, Africa should 'tie down Gulliver' while the goodwill between the two is high. This paper proposes concrete supranational policy action plans for responding to China's growing economic engagement with Africa. Although there has been much elucidation on the pros and cons of Chinese African involvement, there has not been much in terms of development of a

---

[1] 'China Praised for African links'– The BBC http://news.bbc.co.uk/2/hi/8301826.stm (accessed 23rd April 2010)

"COMESA ministers highly praise China-Africa cooperation forum fruits" Xinhua November 17, 2006

[2] **"**Africa warns China: Money is not enough" http://www.atimes.com/atimes/China_Business/KL09Cb01.html

[3] Notable were the Nigerian and Libyan Foreign Ministers. The two countries strong leverage using oil resources grants them the political independence to criticize China but its unlikely that disaffection is limited to these two only. See the link above (footnote 2)

[4] Among other things the AU expressed dissatisfaction with and urged China to do were; (a) Simplify the lending procedures of its financial institutions, (b) advocate for and support African courses in ASEAN, G20 and other fora and (c) allow preferential entry of semi-finished African goods into the Chinese market and to allow greater technology transfer to firms in Africa. For more see Report of the AU Commission on Africa's Strategic Relationships (EX.CL/544 (XVI) January 2010.

collective policy framework for engaging China, with the notable exception of policy proposals made by Kaplinsky and Farooki (2009).

This paper seeks to contribute to enhancement of Afro-Chinese economic relations by shifting focus from the debate on the pros and cons of Chinese involvement in Africa to arguing that time is ripe for Africa to develop unified policy measures to manage China and making provisional policy proposals on how to do that. The key argument of the paper is twofold; first, a nascent disenchantment over China provides a veritable prod to coalesce an African 'Chinese policy' to manage China-Africa relations. Secondly, that if widely adopted, an African 'Chinese policy' would not only refine a coordinated continental response to China but would also help consolidate regional convergence in key policy areas.

The paper is divided into four main parts. The immediate section deals with two key ideational opportunities provided by the Chinese foray into Africa regarding policymaking. Although many positive outcomes of the Chinese involvement have been discussed, the ideational benefits to Africa's policymaking – as opposed to merely increased alternatives in capitalization and Foreign Direct Investment (FDI) – have not been duly captured. The following section deals with the justifications for a unified African policy. In doing so, the paper first questions the accuracy of the now putative notion of collective 'African' relations with China. The aggregation of African interests, threats and benefits from China is misleading. Chinese relations with African countries - in trade, investment and aid - are overwhelmingly bilateral and the paper argues that if not addressed early, this predominantly bilateral approach will likely stymie rather than aid regional integration processes. Further the paper addresses the rising pitfalls of the Chinese business practices at the national level in African countries and how increasingly robust Chinese involvement in the continent is ruffling local business communities. In spite of a seemingly widespread government approval of Chinese involvement, there is a growing vexation and alienation of local business entities. Is there a growing disconnect between governments and domestic business groups? Finally the paper will broach and discuss policy propositions for anticipating and regulating Africa-Chinese economic relations.

CHINA- AFRICA ECONOMIC RELATIONS – IDEATIONAL BENEFITS

Much of the politics of newly revamped Afro-Chinese relations revolve around the extent to which China has diversified African sources of capitalization in foreign investment and Official Development Assistance beyond so called traditional donors. With regard to ODA, the relative opacity of Chinese aid infrastructure in comparison with established OECD[5] practices for instance, has been an issue of concern. One of these concerns regards China's perceived leniency in granting aid or grants to African nations. In spite of its growing ODA, China has not stamped its foot on the policy priorities of its debtors unlike the traditional practice of conditionality by traditional donors. For many years, the aid infrastructure of the OECD has had elements of 'conditionality' and Chinese aid is seen as having less conditionality. Aid

[5] In this paper, I use the OECD to cover what are considered the traditional donors.

conditionality is a set of requirements that donors demand of the recipient countries to induce certain desired economic or political reforms. Hilde Selbervik (1999) has argued that conditionality has an essentially coercive element since 'the donor is seeking to induce the recipient to pursue certain goals and adopt certain policies which the recipient would otherwise not have given equally high priorities'. In other words, although it is difficult to quantify the magnitude, there has been a sense that traditional donors' ODA skewed African policymaking from its own domestic priorities. Traditional ODA is thus seen as having the effect of constraining and constricting the 'policy-space' of African countries. The section below details two critical ways in which China is boosting the psychological resources of Africa's development by expanding domestic policy ownership and enhancing Africa's negotiation capabilities.

DILUTION OF CONDITIONALITY - DELINKING AID FROM DOMESTIC PRIORITIES

The loss of the power to prioritize their economic programmes based on their own vision has often meant that African countries have had to look for consent or approval of their programmes from donors. The notion of seeking approval has been very present in African policy-making where almost every major national economic policy decision has had to have the backing of major multilateral donors. For instance, since the 1990s African countries economic planning blueprints (the Poverty Reduction Strategy Papers, PRSPs) are closely managed and evaluated by the World Bank and the IMF. These institutions in fact proudly claim to have launched the PRS initiative[6]. This calls into question the level of policy ownership by African governments.

National development is not merely an increase in material resources but a growth in the collective psychological resources (confidence) of a country. An essential question in the psychology of national development is what type and quality of national psyche is relatively more amenable to generating and sustaining development, at both personal and societal levels (Bhola, 1990)? As Inkeles and Smith (1974) noted, two core psychological attributes are essential to development; (i) a basic threshold of individual responsibility and planning, and (ii) freedom from absolute submission to any received authority. In as far as it has stymied the development of these essential attributes, development assistance and received authority from traditional[7] donors has played an adverse role by crippling the psychological independence of African policymaking. Inordinate aid dependence has fueled a state-deficit syndrome in economic planning. As it has been argued by Whitfield and Maipose (2008), some governments have thus accepted their subordinate position and the inevitability of donor involvement in policymaking and thus given up on national ownership and responsibility.

China is breaking this psychological policy dependency. In terms of policy influence the most important contribution that China has brought into to Africa has been to increase the independence of African policy making and diminish the idea of development cooperation as a conduit of externally induced economic priorities. By expanding the sources of FDI and aid available to poorer countries, China, like other emerging donors, is expanding poorer nations'

[6] http://www.worldbank.org/ieg/prsp/

[7] In this paper 'traditional donors', largely refers to the founder member of the OECD.

alternatives in procuring capital. An increased range of alternatives (choice) has consequently diminished the value of traditional donors' assistance and boosted Africa's latent negotiation resources in its economic relations. The fact that China is not propositioning Africa to follow or imitate its development strategy is a reflection of Chinese flexibility on the heterodox nature of economic development. This is a departure from traditional donors' proclivity to instruct African policy makers on the right policy and the subsequent crippling 'search of approval' mentality which has permeated African policymaking for much of the last two decades. As Kabeberuka (2007) put it, it is instructive to note that China is not only expanding the policy choices but also the responsibility of African governments by increasing the '*premium put on the ability to choose* a set of optimal combinations' in policy.[8] Thus China is helping in boosting the two psychological essentials of a development mindset - the freedom and responsibility - of African states in economic policy making.

FROM STIPULATION TO NEGOTIATION - CHINESE ROLE IN ENHANCING ECONOMIC DIPLOMACY

Learning to be effective negotiators with other economies is going to be an essential policy skill for Africa's overall economic development. One of the key aspects of any negotiation is to be strategically 'armed' with an objective and some negotiation resources such as better knowledge or an indispensable link. However, as far as economic diplomacy goes, it has been persuasively argued that often, African countries lack the capacity to influence or set the agenda and pace of negotiations during bilateral or multilateral negotiations with other parties (Osakwe, 2004). The idea that African states have a marginal influence on the agenda suggests that usually, African countries have little time to even crystallize their objectives in commercial negotiations. The question to ask is why African countries often participate in negotiation processes where their objectives are not clearly evident. The answer might lie in African countries' diminished confidence (psychological state) about 'what they bring to the table' during a negotiation. Due to African countries sense of dependence on developed nations (particularly European Union countries), developed nations often use a strategic threat of suspending bilateral assistance programmes to enforce compliance of African states. There has thus been an axiomatic notion that any partnership/negotiation process involving an African country and an external party, the African country had very little to offer and thus the partner was only being generous in seeking the African country's partnership. As Oyejide and Njinken (2007) point out, African countries often go to the table with an erroneous believe that their best alternative to a negotiated Agreement (BATNA) would automatically be worse off than the status quo even when evidence points to the contrary.[9]

[8] Emphasis (italicization) mine.
[9] This is best illustrated by (Oyejide and Njinken, 2007) in "African Preparation for Trade Negotiations in the Context of the ACP-EU Cotonou Partnership Agreement" who for instance show that in the ongoing EPA negotiations between ACP and EU, African Least Developed Countries (LDCs) would have been best placed in keeping the status quo of their preferential treatment as LDCs. Yet, these LDCs too opted to enter the EPA negotiations and thus open themselves up for European goods which would be a worse of outcome than the existing arrangement.

By affirming the widespread demand for African commodities, China will increase some of African countries' strategic resources for negotiation and thus boost Africa's economic diplomacy. Africans can now see themselves as coming to the table to negotiate and not to be instructed. The premium on African resources represents a valuable negotiation resource. By empowering African economies and national agencies, China will therefore diminish an apathetic attitude to commercial negotiations by African countries and reduce African countries' disposition to concede too readily in economic negotiations.

JUSTIFICATIONS FOR A UNIFIED AFRICAN CHINA POLICY

Economic Relations: The Pitfalls of Aggregation

One of the paradoxical outcomes of 2006 China-Africa FOCAC Summit[10] was its role in cementing the idea of aggregated Afro-Chinese economic partnership as though African countries were engaging China as one political entity with unified interests. Although African leaders gathered in large numbers in Beijing at that summit, it was also clear that each African country had gone there seeking its own interests rather than pursuing an aggregated continental objective. Yet this summit cemented an erroneous putative view of Africa as a unified block in its external relations. Any aggregate talk of Sino-Africa relations without any actual collective continental projects is deceptive for a number of reasons.

[10] FOCAC stands for the Forum for China-Africa Cooperation. The 2006 was the highest profile meeting between China and African leaders in the past decade.

Table I: Country Specific Distribution of Africa- Chinese Economic Relations (2007/2008)

FDI			TRADE			ODA	
Country	Amount in million USD	%	Country	Amount in million USD	%	Country	amount
Total	15743.1	100	Total	56.00	100		?
S.A	454.41	28.8	Angola	20.60	24	Angola	?
Nigeria	390.35	24.7	S.A	7.93	17	Sudan	?
Algeria	145.92	9.2	Sudan	5.55	8	Tanzania	?
Zambia	119.34	7.5	Egypt	--	6	Zambia	?
Niger	100.83	6.3	Nigeria	0.48	7	Ethiopia	?
Libya	42.26	2.6	Libya	2.55			
Angola	41.19	2.6	Zambia	0.50			
			Congo	3.40			
Total		81.7			60-65[11]		

Source: (Investments and trade) http://hzs2.mofcom.gov.cn/accessory/20080928/ 1222502733006.pdf World Investment Report 2008 – Country Fact sheet, UNCTAD; World Bank, Development Data, published September 24, 2008. http://www.devdata.worldbank.org; Ministry of Commerce of PRC. (ODA) Davies, Penny: China and the End of Poverty in Africa: Towards Mutual Benefit pg. 56/57

One, it conceals the lopsided nature of African-Chinese economic relations. For instance at the 2009 annual UNECA African economic conference last year (2009) some African scholars made the following two observations:

> 'the Bilateral Africa-China trade is fairly balanced in recent times: Africa enjoyed a small trade surplus with China 2004-2006 ($2 billion per yr)[12].
>
> 'Africa's TOT [terms of trade] in relation to China improved by 80% to 90% b/w 2001-2006, due to rising world prices for oil and minerals exported to China in the face of stagnant or falling prices of manufactured goods imported from China'.[13]

---

[11] Tralac "Africa-China trading relationship – Update 2009" The major African trading partners with China for 2008 were Angola (24 %); South Africa (17 %); Sudan (8 %); Nigeria (7 %) and Egypt (6 %) in terms of total trade. Trade with these countries represents 62 % of China‟s total trade with Africa. http://www.tralac.org/cause_data/images/1694/Africa-China09.pdf

[12] Olu Ojakaiye/Ademola Oyejide/Francis Mwega et al. 2009. "China Africa Economic Relations: Insights for AERC Scoping Studies." I italicize this to emphasize the aggregated notion of Africa as having a trade surplus with China.

[13] Olu Ojakaiye/Ademola Oyejide/Francis Mwega et al. 2009. "China Africa Economic Relations: Insights for AERC Scoping Studies."

Such broad aggregations hide the huge trade imbalances that most African countries have with China. The danger of aggregated perception of Sino-African relations is that while Chinese commercial interests are disproportionately centered on a few resource rich countries, a broad aggregation hides the specific economic effects of Chinese firms' engagement in each individual African country. Although China may be principally only benefiting a few countries, an aggregated view gives the impression and false comfort of unified continental benefits.

Table 2: Country Specific trade deficit with China

Country	**Trade deficit with China**
Egypt	US$ 4.5 billion
South Africa	US$ 2.1 billion
Kenya	US$ 892.5 million
Cameroon	US$ 75 million
Nigeria	US$ 52 milion
Mauritius	US$ 34 million
Zimbabwe	US$ 189 million

Sources: (Kenya) Embassy of Kenya Beijing http://www.kenyaembassy.cn/content/content.aspx?kid=64

(Nigeria) - Nigeria–China Business Council http://www.apanews.net/public/spip.php?article114258

(Cameroon) INS 2006 (Khan and Baye, 2008)

http://www.aercafrica.org/documents/asian_drivers_working_papers/Cameroon-China.pdf

(Zimbabwe) http://en.wikipedia.org/wiki/People's_Republic_of_China_%E2%80%93_Zimbabwe_relations

(South Africa) COSATU http://www.mbendi.com/land/as/cj/p0065.htm

This is of course to the disadvantage of resource-low countries in Africa as outlined above in table 1 which shows the country specific distribution of Chinese economic relations in trade, aid and investment. As table 1 shows, out of 53 African states, only seven countries represent more than 80% of Chinese investment in Africa. Similarly seven countries represent more than 65% of trade with African countries.

The notion of aggregate African trade surplus is therefore very restricted and indeed misleading as a number of African countries suffer huge trade deficits with China as table 2 above shows. Since continued reference to aggregate terms shows Africa as having a trade surplus, there is little realization and likely less urgency among African countries with lesser trade and huge deficits with China to more exigently seek an address of this imbalance.

Secondly, although cloaked in generous language[14], the Chinese refusal to disclose specific figures for its development assistance to individual African countries is in fact a strategic decision precipitated by a fear that giving specific figures on each country would raise accusations of favouritism among African countries and thus potentially raise the demands or grievances of some African countries. Thus, the so called 53-country aid strategy reflects China's sensitivity against favouritism (Davies, 2007). In essence, China is afraid of African countries solidarity in coalescing around fixing standards for its aid frameworks.

Crafting an African 'China Policy' would therefore compel individual states to examine the effect of China on their economy and lay a more emphatic claim to reciprocal relations as far as aggregated Afro-Chinese relations are concerned. To do this, an African 'China Policy' would essentially compel an intra-African aggregation of states' interests and desired responses to China. This way any Afro-Chinese talk would have agreeable economic components for each country or region. Additionally, in development cooperation, African supra-national institutions (such as the African Development Bank or the African Union) would then have a standardized framework for dealing with China in developing partnership programmes with veritable regional or even continental dimensions rather than having China deal exclusively with African countries bilaterally or as just a conglomeration of countries with parallel visions. An African 'China policy' would give each African country a veritable platform to claim for nationally desired outcomes as well as to concede to the continental 'aggregated' objectives. Such an agreement would also obviate or at least mitigate what Kaplinsky (2009) has called the 'wars of incentives'.

African states could find inspiration for crafting a common China policy from their experiences with the ongoing Economic Partnership Agreements with the European Union. Although there are differences between each state's trade with the EU, some regions, such as the East African Community (EAC) reached common regional trade treaties with the EU. Such agreements are tough to reach. But when attained, they not only lock in a unified mode of commercial interaction with a third party but also contribute to regional convergence.

Edging Out Domestic Business – Rising Discontent

The discontent about continued stiff competition by Chinese firms resulting in edging out African firms in domestic tenders, local import trade and major business sub-sectors is slowly rising as demonstrated by these few recent examples from East, West and Southern Africa below in box 1. While most governments have been lauding China – and readily awarding construction tenders to Chinese firms –, many locally owned businesses are strongly feeling the pressure from Chinese competition.

[14] For the language and justifications used by China about this, see Penny Davies" "China and the End of Poverty in Africa" (2007) pp 49-50.

Box 1. Displacement of Domestic African Business by Chinese Firms[15]

"China Quietly Usurps African Textile Market" (Ghana – Textiles)

"Africa is going through a double whammy, as China has penetrated deeply into the African textile market, seriously dislocating the domestic textile companies in Africa. While Africa was hoping to cash in on the concessions being extended by both the US and the EU to promote its exports to both the countries, it is now facing a dilemma because of deluge of Chinese textiles. What China seems to be losing in the US market, appears to be made up in the African market. In Ghana, the textile industry continues to face challenges, amid growing competition from cheap imports from China. The Director General of Nigeria Textile Manufacturing Association (NTMA), Jolaoso Olarewaju, said between 1996 and 2006, the number of employees on the association's employment data had reduced from 250,000 to less than 30,000"

Originally published in The Stitch Times: January 2010

"China‟s march in Kenya upsets local firms" (Kenya – Construction)

"A report by 14 universities in Africa under the aegis of the African Economic Research Consortium (AERC) released two months ago warned that increasing investment, foreign aid and diplomatic ties with China would hurt Kenya. Fears have been raised about threats to engineering talent and skills and the collapse of local construction companies due to invasion of Chinese construction firms, says the report. The researchers feel that Chinese firms are undercutting local companies and that the latter may collapse. They estimate that more than 50 per cent of construction activities in Nairobi, both private and state-sponsored, have been captured by Chinese construction firms usually preferred for projects ranging from roads, water systems, power generation and hospitals. Increasingly, the structure of employment is changing, with an increasing proportion of foreign employees in Chinese enterprises, says the report by the University of Nairobi Institute for Development Studies."

Originally published in The Daily Nation: January 23rd 2010

"Cosatu lambasts 'Chinese tsunami'" (South Africa - Textiles)

ANGER is mounting in Africa, particularly in SA, about what the Congress of South African Trade Unions (Cosatu) calls a "tsunami of cheap Chinese goods" stifling local industries and wiping out jobs. SA's textile union estimates 800 manufacturing units and 60000 jobs have disappeared in SA since 2001 because of unfair competition from China.

Originally published in the Johannesburg BusinessDay: January 21 2010

[15] China Quietly Usurps African Textile Market - http://www.articlesnatch.com/Article/China-Quietly-Usurps-African-Textile-Market/927128

The hidden cost of Chinese efficiency is twofold. One, Chinese domination of business will become *politically* unsustainable if not checked in time. Already there have been sporadic clashes in several African countries targeted at Chinese traders and investors.

Secondly, if proper competition policies are not adopted and enforced, African countries will lose out on their abilities to catch-up on technological transfers from Chinese companies. A unified policy will help African countries' businesses to anticipate and prepare for China's formidable entry into business in Africa.[16]

EFFICIENCY VS BACKLASH – CHINA'S ECONOMIC SUCCESS STIRS DOMESTIC POLITICS

In the long-run African countries cannot remain entirely unswayed by the effects and exigencies of domestic politics on trade policy.[17] Although it seems that African countries do widely accept the ineluctable utility of competition in global business, the sudden flood of Chinese firms will likely lead to a political backlash that will be politically difficult to ignore as demonstrated at the recent FOCAC meeting. Rising frustration over China's ambiguous or doggy position on its effect on Africa's political economy may have finally been vented over at the Fourth Ministerial Forum on China-Africa Cooperation (FOCAC) held in Egypt in November 2009.

This nascent disenchantment was similarly expressed (though in a muted manner) by the post-FOCAC AU Report ((EX.CL/544 (XVI) of January 2010. On the sidelines of the forum – the first major meeting between China and African countries since the 2008 economic crisis – African leadership might have signalled the end of a blanket embrace of China. At the meeting several high ranking African Ministers censured China's style of economic relations with Africa reminding China that its ambiguous disregard for domestic political ramification of its economic foray into African stats was not sustainable.[18] As evidence for political backlash against the Chinese, there have been sporadic politically motivated attacks on Chinese in Cameroon as well deadly attacks in Ethiopia[19]. In Zambia, popular opposition to China has been particularly recognizable and has played a prominent role in national elective politics. Although most

---

[16] for more recent examples of the local business responses to Chinese competition see 'Africa: concerns over Chinese investment and working conditions' on http://www.ips.org/africa/2008/06/africa-concerns-over-chinese-investment-and-working-conditions/ and 'China: Outsmarting the West in African Markets' http://www.ips.org/africa/2010/07/china-outsmarting-the-west-in-african-markets/

[17] The political economy trade policy is often tolerated even when it‟s not economically efficient. For example as a 1980s Cato Institute paper indicated European Agricultural Policy costs European consumers some $20 billion per year, for every $20,000 per year job protected in Swedish shipyards, Swedish taxpayers pay an estimated $50,000 annual subsidy. When Japanese consumers pay eight times the world price for beef, Japanese farmers are not eight times better off. See, J. Michael Fingers „The Political Economy of Trade Policy‟ Cato Journal Vol. 3, pp 1

[18] See 'Africa warns China: Money is not enough'
http://www.atimes.com/atimes/China_Business/KL09Cb01.html

[19] http://www2.chinadaily.com.cn/world/2009-07/08/content_8398201.htm
http://news.bbc.co.uk/2/hi/africa/6588055.stm

African government have been able to withstand most of the backlash so far, this kind of backlash will become more attractive in populist democratic elections and thus more difficult to ignore or manage suitably with ad hoc solutions. This is a big task that would also have to be addressed by an African China policy, in the self-interest of both Africa and China.

When the backlash against Chinese competition is taken up by trade unions (as in South Africa) and possibly supported by local manufacturers and industrialists (as in Ghana and Kenya), arguments for Chinese efficiency will increasingly become politically untenable. A sudden economic backlash could be injurious to both Chinese investors and even local manufacturers since (even in the event of sudden nationalistic consumption patterns), the domestic industries' capabilities in price and quality may be so badly eroded as to be unable to be credible substitute manufacturers of previously Chinese supplied commodities. An African policy therefore needs to ensure that governments suitably prepare both the consumer and the producer for the growing Chinese presence.

Chinese FDI, Employment and Technology – Compelling Linkages in Domestic Economies

In recent years African countries have been very active in courting FDI. Yet, although essential, the simple fact of increasing FDI is not sufficient for the requisite long-term and substantive job creation needed in most African countries. African countries should look at FDI and trade in a broader long-term, developmental perspective. Chinese aid, trade and FDI should not only be aimed at increasing government income (through licenses or privatization for instance), but at improving the long-term productive capabilities of a wide section of the populace. This can only be effected better by ensuring that the Chinese economic activities have wider linkages in the local economy in terms of employment, technology transfer and skills enhancement. The often more experienced managerial skill and more advanced technology of the Chinese business should be tapped into early by inaugurating a policy that facilitates this transfer. Chinese FDI should not be left to fortify itself in FDI "enclaves" that have few linkages with the rest of the economy. Linkages with local enterprises would be instrumental in enhancing broader productivity growth of domestic firms.

Chinese Buy-outs and Acquisitions – The Next Headache

In addition, governments and businesses in Africa should get prepared for the next phase of the Chinese investment in Africa. Chinese FDI stocks are still comparatively limited in Africa (van der Lugt et al. 2011), and a next phase is likely going to be buyouts (either partial or whole) and Mergers and Acquisitions of profitable African companies, as has already been seen in some countries (e.g. South Africa). Brand building is the aim of the 12th Five Year Plan in China and brand buying can be seen as a shortcut to enhancing Chinese local presence. A case in point is the purchase of 20% stake in Standard Bank, South Africa's largest bank by the Industrial and Commercial Bank of China (ICBC). Although Chinese business in Africa is not necessarily supported by the Chinese State, for some companies, this acquisition is backed by the Chinese State with ample financial support as part of the Chinese "go-out" *(zou chu qu)* policy[20].

On this, several questions arise. Under what conditions will African government allow takeovers and acquisitions? Would African governments set aside some strategic companies that would be protected from potential acquisitions? If so what will be the selection criteria for such 'strategic' companies? Should African governments initiate preemptive negotiations for agreements with Chinese companies to obviate domestic anxiety about these takeovers? The argument here is not that African state must have stringent regulatory controls on FDI or financial flows or nationalization. The argument is that African states should reflect on the lessons from other developing countries (South Korea, China, India, Malaysia and others) and how they handle economic liberalization in FDI, finance and ownership of business. Particularly with regard to East Asian development, FDI was mostly seen as a way of technology transfer to local manufacturers. FDI was a means to 'catch-up' and had an express 'developmental' purpose. The argument therefore is that as much as possible, whether regionally or nationally there should be a deliberate strategic orientation[21] for FDI in general and for Chinese FDI in particular.

Therefore clear partnership mechanisms for creating dynamic learning and fostering competitiveness for domestic firms should be conceived and embraced within an African "Chinese Policy". Since such mechanisms (such as compulsory requirements on employment and training of domestic staff), may not necessarily be benign to Chinese FDI, such investors could resist their implementation and thus the need for a unified front by African countries. While many countries may have the ideas and intent of creating such linkages, pinning down the Chinese to adopt such domestic industry augmenting measures would require the combined muscle of the entire continent. Additionally for African countries to agree on such measures would not be easy as these measures would spell out and regulate some aspects of intra-Africa competition on FDI. However, if agreed, they would constitute a giant leap in intra-Africa convergence in policy. Thus an African "Chinese policy" provides a means of not only managing China but forging intra-African convergence on key policy areas such as competition and basic standards in FDI as van der Lugt et al. (2011) have argued.

POLICY ACTION PLAN FOR ENGAGING CHINA

REBALANCING WIN-WIN: FROM 'CADFUND' TO AN AFDB TRUST-FUND

As part of its *zou chu qu* policy China already has the China-Africa Development Fund (CADFund) which is a USD$1 billion facility provided by the China Development Bank whose objective is to support Chinese companies who wish to invest in Africa. According to the Chinese this fund is meant to 'to build up "bridge linking" and "connection" of the economic

[20] Specific to Africa, China has the China-Africa Development Fund (CADFund) a USD$1 billion facility provided by the China Development Bank whose objective is to support Chinese companies who wish to invest in Africa

[21] For an example of South Korea's and Taiwan's strategic guidance of FDI see, Elizabeth Thurbon and Linda Weiss's 'Investing in Openness: The Evolution of FDI strategy in South Korea and Taiwan.'

and trade cooperation between China and Africa, enhance the self-development capability of Africa as well as to promote mutually beneficial and win-win between China and Africa by market-oriented operation'.[22] While this fund has potential to immensely benefit Africa in terms of enhancing FDI, for all intents and purposes, this fund is China-centric and primarily intended to achieve the interests of Chinese firms with little input of African partners as has been shown by Deborah Brautigum and Tang Xiaoyang in their work on African-Chinese Special Economic Zones. African countries cannot determine their interests and priorities since the fund is fully administered by the Chinese Development Bank. This leaves China's much hyped 'win-win' intentions a little unbalanced. While the Chinese 'win' is assured, the African 'win' is only tentative. In addition, this is a fund aimed at assisting the Chinese private sector as opposed to African public or private sector.

A two-step approach should be taken to ensure a more balanced win-win-situation. First, as an exigent measure for developing projects with a veritable African (continental) ownership funded by the Chinese, African countries should establish a special trust fund administered by the AfDB. This would ensure that all African countries who are members of the AfDB would have a fair shot in promoting their interest with regard to Chinese FDI. Second, as a counterpart of to the CADFund, African countries should set up a fund at the African Development Bank to deal with collective economic issues regarding China. Primary to the use of this fund would be the collective promotion of African economic interests in China. The set-up of such a fund would also goad the establishment of a minimal formal agreement on what such 'collective African economic' issues would comprise. Once agreed the fund would go into funding such collective projects with a veritable regional or continental dimension. Similarly the fund could be used by individual countries in either enhancing its economic interests in China or mitigating injurious effects of Chinese commercial activities in the country.

A Chinese targeted trust fund, administered by the AfDB would have two benefits. One it would facilitate convergence of the continent in determination of minimal collective interest with regard to China. Secondly, African countries, through such a fund, would have greater financial capabilities over how to embrace China. This could include- facilitating further entry of Chinese firms into targeted sectors in any give country, helping domestic firms to readjust to the Chinese onslaught with cheaper imports or even helping promote a given country's exports in China.

Supporting Self-help: targeting Capacity Enhancement for African Firms and Workers

From an African perspective, a broad strategic orientation for Chinese FDI should be to reignite – not stymie – African industrialization. African countries have a lot to learn from the Chinese trade and FDI policy of the 1980s both in terms of contents, pace and sequencing. One of the most pressing challenges for any developing countries is how to stem unemployment. FDI is thus seen as key in alleviating unemployment. However, as jobs trickle in, the utility of FDI should similarly be focused on improvement of workers skills and technological transfer to local companies.

[22] China Africa Development Fund- http://www.cadfund.com/en/Column.asp?ColumnId=51

In China for instance, it was not until after 1990 that wholly foreign owned enterprises were permitted in areas outside of Special Economic Zones (Tseng and Zebregs, 2002). Before then most FDI consisted of Equity Joint Ventures or Cooperative joint venture companies. The motivation for this requirement was simply to enhance local entrepreneurs' business skills as well as technological transfer to Chinese companies. To the Chinese, international joint ventures presented an ideal form for securing rapid access to capital, technology and export markets within an economy in transition (Dolles and Wimking, 2005).

African governments should take queue and implement a similar policy with intent of enhancing technological transfer to domestic firms. Since African countries have, by this time, a good idea of the main target industries for Chinese FDI in their countries, focus should shift from mere volume of FDI to the effect of the FDI in employment creation and technological transfer. In addition, a vigilant policy on joint ventures[23] would propitiate domestic firms into a state where foreign competition will be more readily acceptable. In anticipating external competition domestic companies will have an option of getting into a joint venture or going it alone. The idea is not to simply copy East Asian policy measures for growth and development, but at the minimum to have a deliberate conscious strategic orientation for Chinese FDI.

[23] This policy suggestion is made within an understanding the GATS article XVI stipulations and limitations. Article XVI makes reference to (i) prohibiting measures which restrict or require specific types of legal entity or joint venture, and (ii) prohibiting measures which require maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment. However since as of 2006 (post WTO entry) China still did require a minimum of 25% of the capital must from the foreign partner(s), this suggests that if pursued collectively, African states could find a way of using joint ventures. http://www.chinadaily.com.cn/bizchina/2006-04/17/content_569167.htm

How to go about it: Four urgent matters in negotiations with China

1 Set Standards on Equity Joint-Ventures

Set clear minimum requirements on equity joint ventures and cooperative joint ventures for Chinese companies investing in certain strategic target sectors for enhancement of technology transfer. This will have the incidental effect of precipitating governments to ponder the question of the relevance of and aspirations for any given strategic industries. An inspiration could be found in how the Nigerian government has partnered with Chinese companies in developing mostly Chinese-funded Special Economic Zones in these countries. Nigerian government agencies have substantial ownership of shares (40%) in the development. As Brautigum and Xiaoyang (2011) show in their study of Chinese funded development of Special Economic Zones in Africa, the intensity of local personnel involvement in any grand FDI project such as the SEZs is predicated on the percentage of local share (ownership). The higher the African share of funding, the greater the participation of high level African personnel. In the Nigerian Lekki and Ogun SEZs, Nigerian participation is robust both in funding and top personnel.

2 Make Unambiguous Stipulations on Curbing Foreign Workers

Enact strict limits on the number of foreign workers that each Chinese company can bring into African countries. This should be particularly pertinent for unskilled workers in construction or mining jobs. This would have the effect of not only raising local employment (in cases where the Chinese had brought their own workers), but also exposing and improving working relations between the Chinese and local workers. Again, As Brautigum and Xiaoyang (2011) show, different countries have already developed national guidelines on the ratio of Chinese workers to local workers to be licensed for Chinese funded projects. In Egypt; one Chinese for seven Egyptians, in Nigeria at least 40% of the workers should be Nigerian. Countries without even tentative guidelines such as Zambia and Mauritius have been swamped by a surge in Chinese workers. The next step should be to rationalize and possibly converge these guidelines on regional or continental levels.

3 Push China to Consider Voluntary Export Restraint (VER)

Across the continent the textiles industry has been worst hit by the influx of cheaper Chinese textiles. This hit has lead to major losses in manufacturing jobs for most African countries. Similarly African manufacturing has been hit by Chinese competition abroad. Kenya, Lesotho and Swaziland, all saw their exports of clothing under the African Growth and Opportunities Act (AGOA) preferences drop sharply when the end of the Multi-Fiber Agreement (MFA) allowed Chinese garments unlimited entry into the US market (Kaplinsky et al 2007). Under the WTO regulations, African countries have little recourse, one of which would be to seek a voluntary export restraint on the part of Chinese manufactured textiles.

For almost all major industrial economies today [more recently Japan, Korea, Taiwan and now China and Bangladesh], the textiles industry has been an important massive employer of semi-skilled labor and a launching pad to industrial sophistication both in knowledge and technology. Due to the assured demand for clothing, the textile industry is one that can still be salvaged in African countries. The longevity of the Multi-Fiber Agreement (MFA) which is today known as the Agreement on Textiles and Clothing is evidence that if well negotiated African countries could still salvage their textiles manufacturing industry by negotiating either a voluntary export restrains or re-negotiating on export quotas.

It is instructive that South Africa was able to negotiate a Voluntary Export Restraint (VER) for textiles with China in 2006. African countries could tap into South Africa's experiences and angle for a continental extension of that VER. A VER by China could also potentially have the incidental and propitious effect of encouraging Chinese firms to actually set their factories in Africa in order to circumvent the VER. This would in turn increase FDI, technology transfer and employment in African countries.

4 Issue a Calibrated Convergence Policy on Reduction of Aid Dependency

The average amount of aid to Sub-Saharan Africa as a percentage of the total national income is actually low at 4%. Still, aid dependency should be an immensely valid issue of concern to African countries because to a certain extent, the level of aid dependency does influence the level of national ownership of the entire policy making agenda. In addition, as shown below, in spite of the low continental average many African countries still do rely on aid for substantial portions (in excess of 10%) of their national income.

Table 3: Aid as a Percentage of Gross National Income in Select African countries

Country	Aid (as % of GNI)	Country	Aid (as % of GNI)
Burundi	47.9%	Burkina Faso	13.8%
Sierra Leone	32.7%	Mali	13.8%
Mozambique	24.4%	DR Congo	13.1%
Malawi	20.6%	Niger	12.8%
Tanzania	17.4%	Madagascar	12.2%
Uganda	14.8%	Zambia/CAR	10.4%

Source: World Development Indicators, 2007

Admittedly, aid is not necessary debt but concern has been raised that Chinese aid might have an effect of exacerbating African countries debt[24] and aid dependency. As old debts are being cleared, there is growing concern among traditional donors of the possible future debt burden on African countries, given the heavy concessionary loans being provided by China (Kaplinsky, 2009). The fear is that China could re-indebt poor African nations by lending loosely and unconditionally. In fact the US, the G7 and other traditional creditors have been vociferous trying to tie China down under traditional lending practices.[25]

It might seem like a far cry, but just as the EU has set up caps on the percentage of fiscal deficits in its member Euro-zone states, in a bid to reduce aid dependency in Africa (as well as manage China's lending) African states should set up a policy on the maximum limits for aid as a percentage of the GNI – provisionally below 10% and possibly a further 1-2 % annual reduction for those countries already below 10%.

At the face value such a policy would deter countries from reckless 'over borrowing' from China. More fundamentally however, if such a policy were adopted it would open the door for enhanced regional convergence in African fiscal policy. Such a policy would open up each economy to enhanced scrutiny from a supranational monitoring institution (the AU or AfDB perhaps) to ensure compliance to healthy fiscal environment in African economies. At a time when economies are ever closely intertwined, such a policy would be step towards Africa's regionalisation aspiration. An attempt at regionalisation of fiscal policy is already happening in Africa with various distinct schemes for regionalisation by different regional economic blocs.[26] Mitigation against escalation of debt due to Chinese lending could accelerate this fiscal convergence. However, there is little in way of vigilant scrutiny or penalties for defaulting. The entry of Chinese aid into the fray should enhance this convergence.

CONCLUSION

Whether with the European Union, Japan, the United States or China, the conduct of African foreign economic relations is characterised by two distinct hurdles: One, is the issue of giving content to the ideal of a collective and unified 'African' policy. While the idea of a collective 'African' polity is often taken as putative, the content of what a unified 'African' policy for engaging any of these major economies is non-existent. While most major economies/regions have something of a unified set of principles to guide their economic relations with Africa, for

---

[24] Debt is only a proportion of aid that mainly arises from bilateral or multilateral lending as opposed to grants. The OECD reports that in 2009 net ODA rose 0.7% in real terms and while grants grew by 4.6% bilateral lending grew by 20.6%. As lending is growing faster than grants this implies that the question of debt sustainability is still very relevant for African countries.
http://www.oecd.org/document/11/0,3343,en_2649_34487_44981579_1_1_1_1,00.html

[25] For more on the debate on Chinese aid and the G7efforts at trying down China see Ngaire Woods paper, "Whose aid, Whose Influence? Emerging Donors and the Silent Revolution in Development Assistance".

[26] SADC for instance has some of the more ambitious standards for fiscal convergence where by it has set the regional targets for inflation stability (6–9 percent range.), budget deficits ratio to GDP (± 3 percent range.), ratio of public and publicly guaranteed debt to GDP (no larger than 40%) and the balance and structure of the Current Account (no larger than 6 percent).

most part African states do not have an equivalent unified and cogent guideline to pursue their objective and strategies with regard to other economies. The second hurdle concerns the issue of how African states can develop and execute an effective economic policy for engaging such economies as China. This paper starts from the premise that growing Chinese-African economic relations gives a basis for addressing these hurdles with regard to China.

Much of the debate on the rapidly developing economic relations between Africa and China so far has tended to focus on the pros and cons of these economic ties. As this paper proposes however, rather than merely vacillating between excitement and loathing of China, Africa should embrace China with policy in order to reap constructively from Chinese-African economic ties. In moving beyond the pro vs. con debate, the paper thus seeks to provide policy proposals for a collective African framework for engaging China.

From recent experiences of Africa-Chinese economic relations, it's becoming more patent that individual African countries are faced with similar sets of opportunities and threats. On threats, African countries are first and foremost faced with a huge economic power (China) which raises problems of power asymmetry in any economic negotiations and agreement. Similarly, they all face problems arising from ferocious competition from Chinese firms which tends to thin out domestic industry, huge trade deficits with China, unwanted surges in Chinese labour as well as the dim prospect of 'racing to the bottom' in competition for Chinese investment. This commonality of threats, the paper argues should precipitate considerations for a united front to craft an African-Chinese policy to guide economic relations with China. These shared problems would guide African states in giving content to an African Chinese policy. Moreover, an initiative for an African-Chinese policy should be done while African-Chinese relations are still in an environment of mutual accommodation. As was evidenced from nascent disenchantment over China at the 2009 China-Africa Cooperation (FOCAC) meeting, the good will between Africa and China is not infinite.

Some policy proposals discussed in this paper include; One, the set-up of a Chinese targeted fund (apart from China's CADFund) for among other things use by African countries in mitigation of disenfranchisement of domestic business due to the Chinese entry. Such a fund would also be useful in funding the development of a collective institutional framework for dealing with China. The fund would also be aimed fostering minimum veritable intra-Africa agreements on collective interests with regard to China. Also discussed is a viability of negotiating a Voluntary Export Restrain (VER) for China exports to Africa- especially for certain massively affected subsectors such as textiles. Thirdly the paper discusses a set of policies that would be aimed at ensuring that Chinese FDI, technology, and managerial skills have linkages to the local economy and finally an intra-Africa policy on placing caps on loans (debt) as a percentage of the national income. This would ensure that African countries do not borrow recklessly from China and thus obviate any sharp increases in African countries debt as a result of 'generous' Chinese aid. African policies for embracing China would not only be useful in Africa's continental economic diplomacy with China, but would also fundamentally enhance regional policy convergence within Africa. Thus the entry of China does present opportunities for regional convergence.

BIBLIOGRAPHY

Accenture. (2005), 'China Spreads its Wings; Chinese Companies Go Global'. Accenture. Accessed 10th July 2011. http://www.accenture.com/SiteCollectionDocuments/PDF/6341_chn_spreads_wings_final8.pdf

Ainsworth, M.D Slater., (1990), 'Object Relations, Dependency, and Attachment: A Theoretical Review of the Infant-Mother Relationship'. Johns Hopkins University. *Child Development,* 1969, *40,* 969-1025

African Union Commission., (2010), Report of the AU Commission on Africa's Strategic Relationships (EX.CL/544 (XVI). AU Executive Council, Addis Ababa. Accessed 6th July 2011, http://www.ccpau.org/Portals/0/xyiznwsk/Rep.%20Strat.%20Partnership.pdf

Ajakaye Olu, et al. (2009) 'China Africa Economic Relations; Insights from AERC Scoping Studies'. African Economic Research Consortium (AERC). UNECA Conference. Addis Ababa.

Alden, C., (2008), 'Africa Turns East: The Role of Political Regimes in Shaping Responses to China'. Shanghai Institutes for International Studies. Shanghai.

Ancharaz, V.D. (2008), 'David V. Goliath: Mauritius Facing up to China. A Draft Scoping Study'. University of Mauritius, Reduit MU.

Bayne, N. and S. Woolcock, eds. (2007). *The New Economic Diplomacy: Decision-Making and Negotiation in International Economic Relations.* Ashgate Publishing Company, Hampshire

Berger, B. and Wissenbach Uwe. (2007), 'EU-China- Africa Trilateral Development Cooperation; Common Challenges and New Directions'. Deutsches Institut für Entwicklungspolitik, Bonn.

Bhola H.S. (1990), 'The Psychology of Development and the Psychology of Literacy. *Psychology and Developing Societies*. 53-65

Brautigam, D. and Xiaoyang, T., (2011), 'African Shenzen: China's Special Economic Zones in Africa. *Journal of Modern African Studies*, 49, 1 (2011), pp. 27-54. Cambridge University Press.

Chifamba, T.T., (2007), 'Multilateral Trade Negotiations: How sensibly must African countries and trade negotiators stand? - Some lessons from WTO experience'. African Capacity Building Foundation. Harare.

Cook, S. and Lam W. (2008), 'The Financial Crisis and China: What are the Implications for Low Income Countries?' Institute of Development Studies, University of Sussex.

Dollar, D. (2008), 'Lesson from China for Africa'. *Policy Research Working Paper 4531*. World Bank.

Dolles, H. and Wilmking, Niklas., (2005), 'International Joint Ventures in China After the WTO Accession; Will trust Relations Change?' Working Paper, Deutsches Institut für Japanstudien. Tokyo.

Kabeberuka, D., (2007), 'The African Economy: Fifty Years after Independence' *2007 Joseph Mubiru Memorial Lecture*. African Development Bank. Accessed 1st August 2011 http://bou.spsvrtplsite.bou.or.ug/export/sites/default/bou/boudownloads/speeches/Joseph_Mubiru_lectures/2011/All/15th_Joseph_Mubiru_Memorial_Lecture.pdf

Kaplinsky, R., (2008), 'China and the Terms of Trade: The Challenge to Development Strategy in SSA'. The Open University, United Kingdom.

Kaplinsky, R. and Farooki Masuma., (2009), 'Africa's Cooperation with New and Emerging Development Partners. Options for Africa's Development.' Office of Special Advisor on Africa, United Nations, New York.

Khan, S.A., and Baye F.M., (2008), 'China-Africa Economic Relations: The Case of Cameroon' African Economic Research Consortium. Accessed 28th July 2011. http://www.aercafrica.org/documents/asian_drivers_working_papers/Cameroon-China.pdf

Korniyenko, Y. and Sakatsume,T., (2009), 'Chinese Investment in the Transition Countries'. European Bank for Reconstruction and Development

Lönnqvist, L., (2008), 'China's Aid to Africa: Implications for Civil Society". *INTRAC. Policy Briefing Paper 17*. Accessed 2nd August 2011. http://www.intrac.org/data/files/resources/423/Briefing-Paper-17-Chinas-Aid-to-Africa.pdf

Mullainathan,S., (2004), 'Psychology and Development Economics'. MIT and NBER. Accessed 21st July 2011. http://www.economics.harvard.edu/faculty/mullainathan/files/PsychDev.pdf

Munyi, E. (2007), 'The Logic of Regional Integration in African Regionalism', unpublished M.A Thesis, Yonsei University, Seoul, South Korea.

Naudé,W.A., (2005), 'Evolutionary Psychology and Development Economics'. UNU-WIDER. Accessed on 27th July 2011 http://www.rrojasdatabank.info/unurp05/Naude.pdf

Office of Fair Trading. (2009), 'Governments in Markets; Why Competition Matters'- A Guide for Policymakers. OFT . Accessed on 1st August 2011. http://www.oft.gov.uk/shared_oft/business_leaflets/general/OFT1113.pdf

Osakwe, P.N., (2004), 'African Research Networking in Trade Policy and Multilateral Negotiations'. UNECA

Oyejide, A. and Njinken, D., (2007), 'African Preparation for Trade Negotiations in the Context of the ACP-EU Cotonou Partnership Agreement'. UNECA, Addis Ababa.

Penny D., (2007), 'China and the End of Poverty in Africa: Towards Mutual Benefit?' Diakonia and Eurodad. Accessed on 2nd August 2011, http://www.eurodad.org/uploadedFiles/Whats_New/Reports/Kinarapport_A4.pdf

Rennkamp B., (2010). 'Special Issue on Innovation for Sustainability' African Journal of Science Technology, Innovation & Development. Volume 2 Number 1, 2010. Adonis and Abby Publishers Ltd. London

Seelbervik, H., (1999), 'Aid Conditionality: The Role of Bilateral Donor- A case Study of Norwegian/Tanzanian Aid Relationship'. A report submitted to the Norwegian Ministry of Foreign Affairs. Accessed on August 2nd 2011, http://www.oecd.org/dataoecd/8/58/35178610.pdf

Thurbon, E. and Weiss, L., (2006), 'Investing in Openness: The Evolution of FDI Strategy in South Korea and Taiwan'. *New Political Economy*, Vol.11. No.1 March 2006. Routledge. Accessed 16th July 2011
http://efinance.org.cn/cn/PHDS/Investing%20in%20openness%20the%20evolution%20of%20FDI%20Strategy%20in%20South%20Korea%20and%20Taiwan.pdf

Tseng, W. and Zebregs Harms., (2002), 'Foreign Direct Investments in China. Some Lessons for Other Countries'. IMF. Accessed on 23rd July 2011,
http://www.imf.org/external/pubs/ft/pdp/2002/pdp03.pdf

Whitfield, L. and Maipose, G., (2008), 'Managing Aid Dependence: How African Governments Lost Ownership and how they can regain it'. University College Oxford.

Weijian, Li, et.al., (2010), *Toward a New Decade: Research on the Sustainable Development of FOCAC*. Report of Shanghai Institute for International Studies. Shanghai:

Wissenbach, U., (2008), 'The Renaissance or the End of Geopolitics? Towards Trilateral Cooperation in Africa. Shanghai Institutes for International Studies. Shanghai. Accessed on 2nd August 2011, http://www.siis.org.cn/Sh_Yj_Cms/Mgz/200802/2008928113740SY6K.PDF

Editorial Team
Sven Grimm
Matthew McDonald

Design & Layout
Centre for Chinese Studies

Contact Us

Centre for Chinese Studies
Stellenbosch University
T: +27 21 808 2840
F: +27 21 808 2841
E: ccsinfo@sun.ac.za
W: www.sun.ac.za/ccs