

Norwegian University
of Life Sciences

Master's Thesis 2019 30 ECTS
NORAGRIC

The Question of Sino-Imperialism

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Acknowledgements

First and foremost, I would like to thank my supervisor Darley Kjosavik as well as my former supervisor Paul Belesky for their advice and support throughout the process of writing my thesis. Them allowing me the freedom I needed to pursue my goals at my own pace proved to be invaluable throughout the many months I spent working on this topic.

I would also like to thank Elise Reid for her love, support, and critical eye. She inspired me to find motivation many a time, and I really could not have done this without her.

Then, I would like to thank my friends. Sam, for providing me with an insane amount of literature on Chinese political economy to sieve through, Matt for being the American I never knew I needed, and Daniel for giving me many an excuse to take a break and go do something else. Naturally, all the others who have given me advice and ideas during the process as well. You know who you are.

i. Abstract

This thesis has examined the contemporary Sino-African relationship in the light of the Chinese political economic structure. In a changing global political economic landscape, it has become necessary to look beyond classic discourses of North-South interaction defined by neo-imperial structures and neoliberal mechanisms. By investigating the Chinese political economic structure and its mechanisms, the specifics of the Sino-African interaction, taking neo-imperialism as a comparative frame, a new framework was created in search of a means to accurately delineate a South-South relationship in a modern, globalized international structure. It was shown that the Sino-African interaction is indeed not of a classic neo-imperial nature, although similarities can be observed. Instead, it is a sinicized, mutually beneficial process of cooperative interaction. Based on these factors and characteristics, the resulting framework has been dubbed Sino-imperialism, and is based on the embeddedness of the Chinese identity, the prevalence of the Chinese State, and the goal of realizing Xi Jinping's Chinese Dream.

ii. Introduction

Ever since the start of the post-World War II era, China has stood in solidarity with the many African liberation movements, actively engaging with leaders of the newly independent African countries (Lahtinen, 2018, p. 3). It was only recently, however, that China grew to becoming Africa's largest trading partner, following a shift in discourse on the African continent away from the western neoliberal structure. The Sino-African relationship, however, is based on a premise of mutual and cooperation in a distinctly non-western way. With this new relationship on the global theatre came attempts at explaining a non-western framework with a western approach. This led to, over the course of the last few decades, media outlets reporting many a time that China has gone to the African continent to find its riches and exploit its resources and its people, despite the 60-year history of the Sino-African relationship. Oft is the Chinese presence described by a neo-imperialist header, with western media outlets, and occasionally academia, questioning the relationship China has formed with the African nations. One would only have to open Google, or any other preferred search engine, and type in the key words China, Africa, and news, and will come across headlines such as "Friend or Foe?" and "Is China a brake on Africa's progress". Recently, however, a binary shift has occurred in this reporting. With pro-China reporting on the rise in recent years, China is more often than either described as Africa's best friend or as a predator preying on African land and its resources (Wu, 2019). The distinction is thus indeed a black and white one. Reality, however, is far more nuanced than this.

China's interaction with Africa is one defined by South-South relationship (Lahtinen, 2018, p. 3). Given the rather novel nature of this interaction within the global theatre, there is relatively little academic literature on the mechanisms of such a relationship and academia thus resorts to using language that they know: one based on previous interaction with the African continent. However, there is one glaring issue that this brings with it. Whereas the language to describe such interactions found its origin in North-South interaction based on neoliberal ideology, the global north interacting with the impoverished and 'backward' South, applying such language to an interaction that the Chinese maintain being South-South, would just not be appropriate (Lahtinen, 2018, p. 3). Classical denominative terms such as colonialist and imperialist, as well as their contemporary '*neo*' cousins, do not quite fit the bill in playing a descriptive role regarding this new Sino-African relationship.

Rather, in place of this distinctly western conceptualization of LEDC based relationships, we should be asking ourselves how a framework based on Sino-African relations

can explain this relationship instead. This is paramount in order both to prevent further inaccuracies and confusion, but also to make sense of an interaction between actors in a world in which the dynamics of power are changing rapidly. So, rather than looking at previous North-South interactions and relationships, it will be necessary to start from a null point and take into account cultural, political, and economic considerations in order to create a framework that can hold its ground in a world in which the global North, and especially the US, is slowly losing its hegemonic position.

Aim of Thesis and Methodology

This thesis will aim to investigate Sino-African relations from a position based around the Chinese political economy and its system of state capitalism. Based on this research, an attempt will be made to create a framework to adequately explain and make sense of such a South-South relationship. My research questions asks:

How can the contemporary Sino-African relations be explained through a framework based on the Chinese political economic system as well as its mechanisms and characteristics and to what extent does it differ from the neo-imperial discourse?

The thesis will be focused on this question and will thus follow a structure based on analysis of both the Chinese political economy and the contemporary Sino-African interaction. In addition, in order to understand the necessity of such a framework in the contemporary world, a comparative analysis will follow of the Chinese involvement on the African continent and the neoliberal North-South interaction of the latter half of the 20th century. The goal is to show why a neo-imperial framework is inadequate concerning Sino-African relations, and how a new, improved framework can better explicate this particular instance of South-South interaction. This framework will be called *Sino-Imperialism*.

The analysis for this thesis is qualitative in nature, utilizing document analysis as my key method, as exemplified by Bowen (2009). I utilize an extensive set of secondary sources to analyze the matters that are to be discussed in this thesis. It should be noted that I take extra precaution in choosing my sources in order for them to be a more or less equal spread of authors from within the discussed regions, and outside of them, as to prevent any regional or personal bias they might have regarding China, Africa, or the global north.

Thesis Outline

In this thesis there are 4 primary chapters in total. The first chapter is an introduction to the Chinese political economic system and outlines its key functions, mechanisms, and characteristics. Chapter 2 is an analysis of the neo-imperialist framework as well as how it affected African nations. Chapter 3 is an overview and analysis of the Sino-African interaction. Chapter 4 puts the previous chapters together in order to frame the Sino-African relationship in the light of the Chinese political economic system. Moreover, it shall be compared to the neo-imperialist framework in order to confirm that this new *Sino-imperial* framework would indeed be the better way to view the Sino-African interaction. This shall be followed up with a few closing remarks in the conclusion.

Chapter 1: The Chinese Political Economy

In order to grasp the Chinese political economic system and its state capitalism, Li and Shaw draw upon the notion of what various scholars have called the “civilization-state” (Li and Shaw, 2013, p. 93). Rather than applying the western notion of the nation-state as a unit of analysis, the notion of the civilization-state that China was, and in fact still is, more of an empire than a state. Tan (1996) even goes as far as describing it as “the last great multiethnic transcontinental empire left in the world.” Consequently, China still holds a unique historical tradition of governance that is often associated with empire-states, as well as having a unique state-society relationship and political culture (Li and Shaw, 2013, p. 93). As Pye (1990) puts it frankly, the story of modern China can be explained “as the effort by both Chinese and foreigners to squeeze a civilization into the arbitrary, constraining framework of the modern state, an institutional invention that came out of the fragmentation of the West's own civilization.” It would therefore be less than appropriate to apply the logic of the western framework of the nation-state in order to analyze and comprehend the evolution, development, and conservation of China and its ideals, as well issues such as democracy, nationalism and identity.

Pye also highlights the importance of China having been founded on the foundations of one of the world's great civilizations, as this has provided its political culture with both strength and durability (1990, p. 58). The obligation felt by Chinese rulers to preserve the unity of their civilization that the aforementioned foundations had ensured, has meant that there can be no room for compromises in the cultural attitudes about authority and power so characteristic of modern day China and has made an enduring and distinctive pattern of relations between the state and society (Pye, 1990, p. 58), which implies a constant appropriation development in the process of its territorial integrity culture as well as its national identity. Li and Shaw describe this as a “continuous sinicization process,” which entails the process of absorbing foreign concepts and ideas whilst at the same time forcefully mixing and embedding them into Chinese native practices (Li and Shaw, 2013, p. 93). External factors, therefore, did in fact play a significant role in shaping China's internal transformations. This process of continuous internalization of the external has been historically embedded in the social and political transformation China has gone through, transitioning from a Maoist socialist state to a Dengist capitalist state, as well as from a civilization-state to what seems like a modern-day nation-state (Li and Shaw, 2013, p. 93).

The dichotomy between the external and the internal is an interesting one, and one that requires further thought. Here, one can draw upon the works of Antonio Gramsci (1971), whose

conceptualization of hegemony and passive and active revolution has revolutionized the way in which we think about change, and more specifically the situation in modern capitalism where leading classes are willing to adopt change. This conceptualization of change, is something Gramsci calls '*transformismo*.' It refers to a particular strategy of politics which aims at accommodating opposing forces that may upset the status quo as well as threaten the hegemony of the elite. It is an embedded process of adaptation and reformation defined by its passivity. From this particular perspective, the Chinese party-state has undergone a similar process, one of political adaptation defined by an embedded (internal) reform process, in this case represented by the ever-present hand to guide the embed the disembedding (external) elements in the market reform with strong socio-cultural settings as well as political establishment (Li and Shaw, 2013, p. 93 and p. 108). By adapting such change steadily, the hegemonic actors attempted to neutralize and reduced the strength of the disembedding forces that such structural differentiation was bound to cause. This challenge to the reconciliation between the upholding of the Chinese political identity and economic rationality and market mechanisms (in simpler terms, the struggle between socialism and capitalism) is what highlights the importance and relevance of the Gramscian hegemony approach to this study, as it problematizes this struggle and brings to light the complexities of both systems. And in order to reach a satisfactory place for us to discuss the contemporary Chinese State Capitalism within the context of a civilization state, this struggle and its complexities are paramount.

According to Li and Shaw (2013), Chinese state capitalism needs to be understood from within a framework defined by change. Over the last century China has undergone several drastic and dramatic transformations, illustrated in figure 1.1, which can be found on the following page. These changes demonstrate the highly transformative nature of the socio-political change that China has experienced, transitioning from a classic imperial civilization state to a modern nation-state driven by market forces. The importance of viewing and conceptualizing China and its specific brand of state capitalism from the retrospective characteristics of its history, politics, and culture should therefore not be trivialized. Indeed, it very much shows that throughout China's history there has been a challenge-and-response dynamic in its socio-economic and political transformation, which in recent years has regularly been assisted by the robust hegemony of the Chinese state-party within the politically and

culturally defined norms and values (Li and Shaw, 2013, p. 95). This transformation process is thus one that is historically evolved, politically unique, as well as culturally specific.

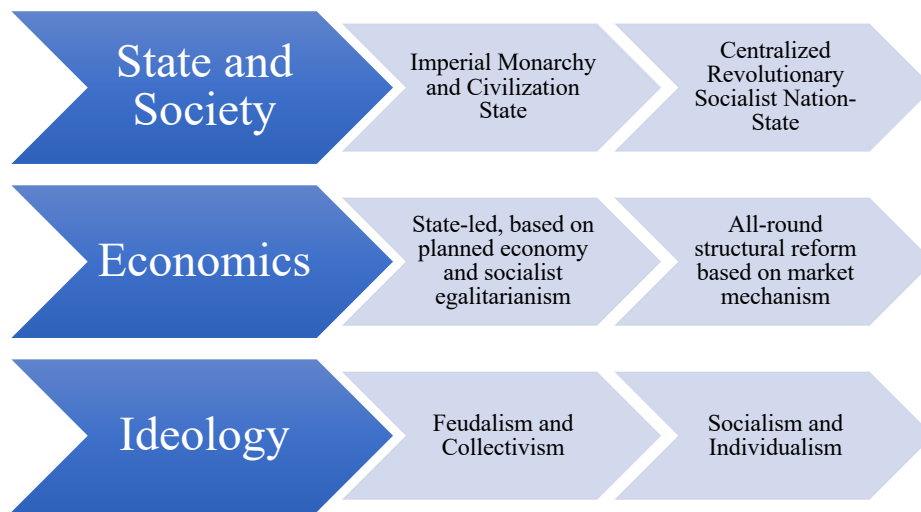


Figure 1.1 (Li and Shaw, 2013, p. 95)

1.1 State Capitalism: China's Answer to the West

How then, did the Chinese system of state capitalism develop over time? It very much started with the initial belief of the Chinese elite in the superiority of capitalist market forces following the successful reform and collapse of the socialist bloc of the states that were part of the former USSR (Li and Shaw, 2013, p. 96). This elite, led by Deng Xiaoping, thus began to reconceptualize and reinterpret the notion of socialism itself, in order to legitimize the incorporation of the market as an imperative part into the socialist economic discourse. This gave rise to a Chinese capitalist socialism based upon the Dengist understanding that, within China's material conditions at the time, socialism can really only appeal to the people with the basic goal of enriching the nation and its citizens, whilst social equality as well as the full realization of what it means to be human was very much in the back of the mind (Ogden, 1996, p. 656). It should be noted however, that the distinct national consciousness associated with socialism still serves a fundamental end rather than just having been an instrument of a ruling party. It was this idea of a 'Chinese Socialism' that kept the party-state elites from abandoning socialism completely in favor of a market-based system, as this would more than likely diminish or completely collapse their political and economic power (Li and Shaw, 2013, p. 96). Nor was there an appeal of a return to a pre-reform system, as the wealth brought about by the reform was just too tempting.

The big question on their minds, however, was how to counter the challenge to their political power that would eventually come with the increase in economic marketization. This

is where the previously mentioned concept of *transformismo* comes into play. Breaking down the system of state socialism and instead replacing it with system revolving around state capitalism would allow to them to both become the managers of the newly created economy, but also grant them the possession and control of the means of production. This would hypothetically have allowed them to take advantage of their position of power and capitalize on the resulting economic benefits that come with the creation of such a new capitalist system. Li and Shaw add to this that they reinforced and maintained their political positions by resisting processes of political democratization by claiming the need to maintain social stability (Li and Shaw, 2013, p. 96). This very much constituted a change in the make-up of the Chinese State Party. Originally consisting of primarily communist members whose primary aim was to create a classless society of equality (Li and Shaw, 2013, p. 96), transformed then into a group of people who saw themselves as the harbingers of socialism, albeit in reality they were more interested in maintaining political power and the privileges that come with it.

However, they must have been doing something very right indeed. When looking back at the last 30 years, give or take, one can see that China has seen nothing but growth. GDP growth fluctuated between 4 percent at the lowest point in 1990 and 15 percent at the highest point in 1984 (World Bank (i), n.d.). The average annual GDP growth in the period 1980-2017 evens out at an astonishing 9.6 percent (World Bank (ii), n.d.). Over the course of these 30 or so years of economic growth, China also experienced the rise its new private sectors following processes of movement toward a liberalized market economy with efforts to make it more competitive by merging of the national economy more and more with the global economy, allowing for market-set prices and freedom of movement of materials and labor (Guo, 1995, p. 72). Guo further highlights the importance of the open-door policy of the post-Mao Chinese political economy (1995, p. 74). It has led to an increase in the aforementioned integration between the domestic and foreign economies, which has made the domestic economy significantly more dependent on external economic factors and conditions. The average of ratio of trade as a percentage of GDP between 1980 and 2017 is 36 percent, but if one would take the average since 2000 this average would increase to 48,7 percent (World Bank (ii), n.d.). This indeed signifies that a large section of the Chinese economy is dependent on trade.

Along with this drastic increase in trade also came the continuing expansion of share in the Chinese economy owned by *State-Owned Enterprises* (SOE) and the fall of the private sector (Li and Shaw, 2013, p. 97). As the name implies, a state-owned enterprise is an enterprise which falls under direct ownership of the state or a state institution; an enterprise in which all its assets are owned by the state, either centrally or provincial and local governments (Kyle and

Szamosszegi, 2011, p. 5). However, Kyle and Szamosszegi argue that it is not quite that black and white, they identify there being three different kinds of enterprise within the state-owned sector. First, there are the enterprises fully owned by the state. The state institution responsible for these holdings is the State-owned Assets and Supervision and Administration Commission (SASAC), with there being a SASAC representing state, provincial, municipal, and county governments respectively (Kyle and Szamosszegi, 2011, p. 1). Second, there are the state-owned enterprises that are majority owners of enterprises although not officially considered as such, even though they are basically controlled by their SOE proprietors (Kyle and Szamosszegi, 2011, p. 1). Lastly, Kyle and Szamosszegi identify a third group of entities which are indirectly owned and controlled by subsidiaries of the state-owned enterprises, based both in- and outside of China (2011, p. 1).

As was previously mentioned, centrally owned state-owned enterprises are managed by the so-called SASACs (some of them are highlighted in box 1.2). The SASACs are comparable to holding companies, as they hold the share of the state-owned enterprise which was previously directly held by the state itself. Although the SASACs were created in 2003 following Decree 378, it was only in 2009 that “assigned SASACs the legal liabilities and rights of investors holding SOE shares on behalf of the state and the responsibility of guiding and supervising further SOE reforms” (Deng et al, 2011, p. 11). Within the state hierarchy, it looks like the following (box 1.3, next page).

The SASAC reforms more or less corporatized the state-owned enterprises into entities that are a lot more like joint stock companies (Deng et al, 2011, p. 12), meaning that there were now shares that could grant ownership, as well as governance structures which have to follow regulation in accordance to corporate and securities law among other related institutional structures. These corporatizing reforms changed the workings of state-owned enterprises in a couple of ways. First, with the SOEs now having become legal entities with owners, there was the need for a clarification of the property rights of both the enterprises and their shareholders. Deng et al clarify:

Box 1.2: SASAC SOEs

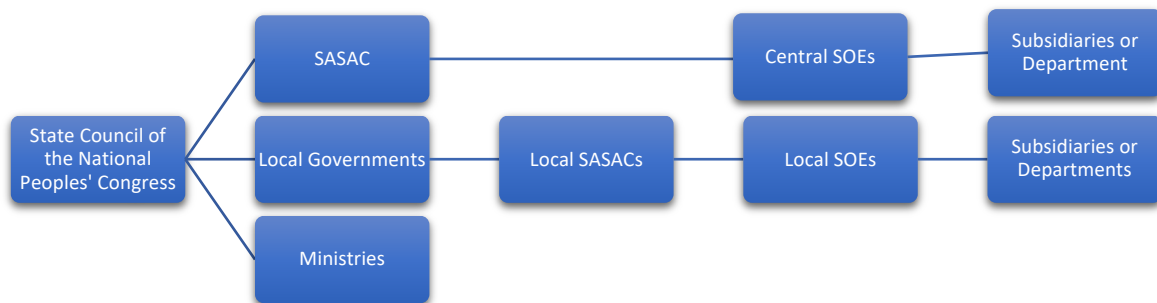
State-owned financial institutions are supervised by the:

China Banking Regulatory Commission (CBRC)

China Insurance Regulatory Commission (CIRC).

China Securities Regulatory Commission (CSRC).

Other entities are managed by other central government ministries such as the Ministry of Commerce, Ministry of Education, Ministry of Science and Technology, and other ministries (Kyle and Szamosszegi, 2011, p. 5).



Box 1.3 (Deng et al, 2011, p. 48)

“State assets formerly used by several SOEs had to be assigned to one SOE or divided cleanly among more than one. Because all shareholders in an SOE, including the SASACs, were thenceforth to have identical rights, the final ownership structure – the fractions of shares in each SOE owned by various ministries, government organs, and levels of government had to be clarified so these could be assigned to the corresponding SASACs.”

(Deng et al, 2011, p. 12)

Subsequently, a firm in China can only be described and/or classified as being ‘state-owned’ if the state, through one and naught but one SASAC or parent state-owned enterprise, is its sole proprietor or majority owner.

The second way the workings of the state-owned enterprise changed was the fact that the reforms gave the SASACs responsible for a SOE an increasingly powerful say over day-to-day actions and decisions. Affecting top management decisions, issue regulations and documents regarding development strategies, investment decisions, budgets, audits, risk management processes, and so forth, and defining and redefining the SOE’s primary business activity were all part the SASACs new ‘supervision and administration roles (Deng et al, 2011, p. 13). Last but not least, top SOE executives were from then on hired, renewed, and dismissed by the SASACs, and many of the top positions required approval from the organization department of the Chinese Communist Party, creating increased control by the party over SOEs by means of control of their top executives’ careers (Deng et al, 2011, p. 13 – 14). It stands clear that the Chinese party indeed holds a significant amount of power within the economic sector. It is interesting to state, however, that no one knows exactly how much.

This was not always a hard question to answer, as the Chinese economy was centrally planned and dominated by the state-owned enterprises (Kyle and Szamosszegi, 2011, p. 6). But now, following decades of restructuring and privatization, joint ventures and mergers involving these same enterprises, it has become much harder to answer the question regarding how much power the state party actually holds within the economic sector. This is the case despite the fact that China has detailed data on this subject ((Kyle and Szamosszegi, 2011, p. 6). It is unmistakable, however, despite the lack of transparency, that China's state-owned enterprises are indeed a major player within the Chinese economy. Lin and Milhaupt highlight that as of 2010, "total assets of the 120 national SOEs equaled 62% of China's GDP; total revenues were 42% of GDP. The same year total profits of the national SOEs were \$129 billion, more than two times the total profits of the 500 largest privately-owned enterprises" (2011, p. 5). Moreover, *The Economist* (January 21) has reported that Chinese SOEs account for 80% of the value of the Chinese stock market (as cited in Li and Shaw, 2013, p. 99). In order to therefore understand Chinese state capitalism, it is imperative to understand the system of the Chinese state-owned enterprises.

Li and Shaw argue that despite being the driving forces behind China's remarkable economic market growth, there is still a weighty debate surrounding the SOEs and the state-led development model. They stress that the expansion of SOEs is often at the cost of limiting the ability of private sectors and foreign companies to function to the full extent of their abilities (Li and Shaw, 2013, p. 99). One can also very much question the extent of the effect of Chinese SOEs on the global economy, how much the state-led competitive strength to outcompete other, often private, enterprises can be considered 'fair' within the global market. It creates questions of how "their overseas expansion cannot avoid creating anxieties from those nations where China seeks to invest, about their links to Chinese state ownership and state control" (Li and Shaw, 2013, p. 99). It is quite difficult to understand the operational governance of SOEs, primarily because of the lack of transparency previously mentioned surrounding many of China's SOEs. Lin and Milhaupt fittingly describe it as a "conceptual black box" (2011, p. 6).

Regardless of transparency, this idea of Chinese state capitalism can be understood and conceptualized as a collaboration between a liberal market economy and a centrally planned parameter or guideline. Hypothetically, this can thus create a mixture of the positive roles of the government and the advantages that private business creates. Truly, it is therefore unique in the sense that it is neither fully capitalist nor fully socialist. Rather, Li and Shaw describe it as a form of corporatism, a system wherein a strong alliance between the state, labor, and industry can be identified (Li and Shaw, 2013, p. 100).

1.2 State Capitalism: An Example of Sinicized Embeddedness

What makes the Chinese state capitalism stand out from other states practicing a similar system such as Norway, can be found within its historical development. The aforementioned idea of China having been, and according to some scholars, still is, in possession of many essential features of the aforementioned concept of a civilization state (Li and Shaw, 2013, p. 100). A historical ideological partiality towards Confucianism has ascribed the state a natural authority of sorts, whilst also taking for granted that it will serve as the guardian of the society and its people. The state and the power of said state is therefore expected to be unchallenged, absolute, and not relative. At the same time, the state has a much larger authority, legitimacy, and respect, given it is viewed by the Chinese people as a father figure (Asia Society, web), as a guardian, custodian and embodiment of their civilization with a duty to protect the state's integrity and unity (Li and Shaw, 2013, p. 100 – 101). The foundations of legitimacy of the Chinese state therefore lie deep within its 2000-year history and identity.

Following the move from Confucianist stability and harmony to orthodox Marxist and Maoist class struggle and political mobilization as an attempt to force economic development and socialist construction, a fissure gradually formed between the political role of the Communist party and the paternal and administrative role of the state (Li and Shaw, 2013, p. 101). The coexistence of these two identities makes one able to comprehend as to why China has been struggling with both the ability to adapt to the western framework of the nation-state as well as having been struggling inject the economic and political adaptation process from Confucianism to Maoist with distinct Chinese identity and characteristics, given its 2000-year history as a civilizational state. Understanding it as such can provide a framework of understanding as to how the Chinese developmental state and its unique market-state relations work and interact, and how this interaction can be observed within the so-called Chinese model.

“The China model” refers to the basic features of the Chinese political economic system since 1978. It is a system founded by Deng Xiaoping, and is defined by hybridity, with the economic system defined by the aforementioned SOEs and, to a degree, economic liberalism. It is defined by features such as goal- oriented experimentalism, locality competition and special economic zones (SEZs) (Wan, 2014, p. 2). This catching-up strategy, if you will, clearly resembles the East Asian experiences, which builds upon a strong authoritarian leadership as well as an elite bureaucracy pursuing policies aimed at development (Li and Shaw, 2013, p. 103). This pro-development attitude led to a state capable of shaping national consensus on modernization and sustaining overall political and macroeconomic stability in order to pursue

wide-ranging domestic reforms (Li and Shaw, 2013, p. 103). Li and Shaw highlight a number of unique features of this type of developmental state “which have fostered the dynamic aspects of China’s economic growth” (2013, p. 103).

Firstly, it sees social and economic development as the primary objective of the state. This focus on development creates social stability as well as political predictability. At the same time, it will maintain a manageable equality in distribution as a means to prevent crisis between capitalist accumulation on the one hand, and class and/or sectoral exploitation on the other (Li and Shaw, 2013, p. 103). This is very much a long-term strategy aimed at fostering, guiding, and ensuring economic growth and technological modernization. Secondly, it offers internationally oriented national development goals and standards based on external referents which are highly non-ideological (Li and Shaw, 2013, p. 103). It highlights how the state is determined to play an increasingly active role in financial control over the economy despite hypothetical international pressure aimed at the increased liberalization of its financial sectors and SOEs.

Thirdly, an important feature of such a developmental state is that it initiates state-driven industrial policies. Li and Shaw highlight that “it recognizes and empowers bureaucratic elites capable of administering the system and decision-making without being subjected to political influence by various interest groups so that it can function professionally and independently. On the other hand, economic policy-making processes involve close government-business collaborations in order to correctly respond to market signals” (Li and Shaw, 2013, p. 103). Fourthly, key for such a system is its export-oriented economic growth is sustainable over the long term. This is achieved by an infrastructure framework of productive forces and labor markets targeting the global market, as well as designing the national education system in favor of serving the economic growth and foreign markets (Li and Shaw, 2013, p. 103).

Lastly, there is the belief that the free market apparatus occasionally needs explicit administrative guidance and a directed credit input system, as a way to prioritize some industries over others. Within these systems, public and private enterprise are encouraged to work together in order to pursue economic and social goals. It is very much a regulated system in which the government does not only plays the role of watchdog and regulator, but also assists the enterprises with various beneficial and often preferential policies. It is a give-and-take system in which the state channels FDI to target strategic businesses and the businesses assist the government to reach certain social and economic goals (Li and Shaw, 2013, p. 104).

1.3 Institutional Clientism

Following the brief introduction to state capitalism and the sinicization thereof, it has become clear that there is indeed a distinct interactive relationship between the state (at various levels) and private businesses. Wank (1999) describes this patronage-based relationship as ‘institutional clientism’, which implies the “transformation of institutionalized social relations from monopoly to marketization of the country’s resources, either through an official’s position or through clientist ties between private actors and office-holders” (Li and Shaw, 2013, p. 105).

Before moving on, the distinction between clientism and clientelism should be noted. Clientelism is traditionally described as the distribution of particular benefits to individuals or groups in exchange for political support (Gherghina and Volintiru, 2015, p. 115). It is therefore a system of patronage. On the other hand, clientism, a synonym for clientitis, deals with tendency of regarding the officials and people of a host country as clients. However, in this instance, I believe Wank very much means clientelism rather than clientism, as the two are often used synonymously (McKean, 2005). This makes the distinction between clientelism and clientism a difficult and confusing one. From the context of the Wank’s work, however, it is clear that by clientism, he means the system based on relations of patronage (Wank, 1999, p. 31).

It is very much a process of integration in which the policy-making process and the regulatory power of state institutions are merged with business activities and economic calculations, reflecting market commodification values (Li and Shaw, 2013, p. 105). Once again, it is a process taking place at various levels of the political structure. Such a system of institutional clientism involves a process of reconfiguration in which state politics are directed more towards goals of market competitiveness. However, this new market system is unable to function independently from the state and political system, as within these systems the heirlooms of the communist party-state still create and constrain many processes of cooperation and competition (Li and Shaw, 2013, p. 105). This can primarily be ascribed to the non-neutrality of institutions, as well as them being culturally and socially conditioned within the Sinicized system.

One can also argue that the system and its process is maintained through an institutional framework in line with a certain factor of social trust (Li and Shaw, 2013, p. 105). The new relationships of patronage created by the system very much promote state-market cooperation. Situations in which either only the state politicizes the market or vice versa are therefore avoided and the market itself has no objection to political authoritarianism as long as they work

with the market mechanisms and not against them. The emphasis of this clientism, as Wank calls it, is aimed at the conservation of social order and political stability and this has to be understood and integrated into market mechanisms and interactions (Li and Shaw, 2013, p. 105). Within such a patron-client relationship “power is embodied not only in the monetary gains derived from trade but also in position in network. Diffuse forms of social, symbolic, and cultural capital shape relative resources and outcomes in interpersonal bargaining” (Wank, 1999, p. 31). Within the Sinicized identity of enterprise, doing business is not only understood as market transactions working towards the maximum achievable utility, but also as a way to work towards cultivating personal and social relations (Li and Shaw, 2013, p. 106). Power is thus not only embodied in monetary gains derived from trade, but also in the position one holds in the network (Wank, 1999, p. 31). In Chinese, this is known as *Guanxi*. Given the cultural importance of language itself and thus the significance of having a separate term ascribed to a phenomenon, it means that this notion of *Guanxi* is indeed a very important part of the Chinese culture, and thus can only serve as an example of the Sinicized nature of the Chinese political economy and its mechanisms.

The characteristics of Wank’s institutional clientism listed above have provided China with two distinct advantages. Firstly, due to the nature of institutional clientism, market reform has not given rise to politically independent social forces and autonomous business interest groups which could have hypothetically challenged the Chinese state’s position of authority and its power. The state has created a situation in which the entrepreneurial classes still need to rely on the political and institutional environment to prosper and survive, despite the fact that the private economies are one of the primary sources of the government’s revenue. Moreover, the state is needed for protection in order to solve conflicts and/or disputes the entrepreneurial classes might have with other subordinate classes, as well as to reduce or eliminate their social vulnerabilities and instability (Li and Shaw, 2013, p. 106). Secondly, rather than reducing the embeddedness of organizational decision-making, the emergence of new private enterprises in reforming the socialist economy of China have made way for the development of new forms of embeddedness. It has shown how “the institutionalization of a symbiotic relationship between private business and government officialdom as the communist system transforms into a market economy” (Li and Shaw, 2013, p. 106).

1.4 Xi Jinping and his Chinese Dream

With Xi Jinping taking office in 2012 came the definitive amalgamation of the aforementioned three concepts. This new narrative builds upon the historical foundation of China as well as Deng's socialism with Chinese characteristics propagated by the government alongside a discourse propagating stability and loyalty as to foster their hegemonic legitimacy. Xi has called this narrative "the Chinese Dream", and serves as the mission statement, or even as a manifesto, for the CCP and the country's future (Wang, 2013, p. 1). Understanding the concept of the Chinese Dream is paramount to understanding Xi Jinping's administration and the future of China, both domestic and foreign.

According to Xi himself, the Chinese Dream encompasses the belief that realizing "the great rejuvenation of the Chinese nation is the greatest dream for the Chinese nation in modern history" (Xinhua, as quoted in Wang, 2013, p. 1). In this, the usage of the word rejuvenation is interesting. It illustrates the perspective many Chinese have on Chinese history and China's former glory. Many Chinese see this rejuvenation as regaining of status and power that was once lost, rather than obtaining something completely new. This shows the connection with China's history that is prevalent in the Chinese identity and is very much connected to the emphasis on the century of national humiliation (1839 – 1949) (Wang, 2013, p. 2, 9; Kaufman, 2010). Wang very much stresses its importance: "Many Chinese perceive this period as a time when their nation was attacked, bullied, and torn asunder by imperialists" (2013, p. 2). He also stresses the difficulty for people outside China to understand the special Chinese historical consciousness attached to this national experience (Wang, 2013, p. 3). Given the significant time that has passed since then, the question arises why China would want to cling to this experience, even as far as to incorporate it into national identity almost 80 years later. For this, Johan Galtung provides an answer with his "Chosenness – Myths – Trauma complex".

In his account, Galtung argues that key historical events define a group's identity and behavior in conflict situations (Wang, 2013, p. 3). These chosen traumas and chosen glories are then transferred to next generations through trans-generational transmissions of parent/teacher to child interactions and participation in ceremonies aimed at recalling past events. This leads to the incorporation of the memory of these events into identity and allows later generations to share in the suffering and/or glories of past generations (Wang, 2013, p. 3). Where glories become mythologized and thus boost self-esteem within the national identity, the trauma of past losses, failures, and humiliation oft become part of the national identity as a glue to binds the nation together (Wang, 2013, p. 3). The aforementioned Sinicized

embeddedness thus brings with it a strong sense of pride at their ancient civilization and achievements as part of the national identity. The century of hardships in the face of Western and Japanese incursion is therefore the exact opposite, bringing with it feelings of humiliation and defeat, but also a strong determination to restore its past power and glory. That is the Chinese Dream, a clever negotiation between collective identity and Xi's personal aspirations for his country.

In contemporary terms, the Xi's Chinese Dream envisions a multi-faceted China: A strong China (in economic, political, diplomatic, scientific, and military aspects), a civilized China (among which are counted equity and fairness, high morals, high culture), a harmonious China, and a beautiful China (Kuhn, 2013). In accordance to the path towards a strong China comes the need to move away from the "Tao Guang Yang Hui" (hide capabilities and keep a low profile) foreign policy set in place by Deng. Xi and his fellow policymakers have articulated a new foreign policy direction in line with the Chinese Dream, known as "Fen Fa You Wei", which roughly translates to 'striving for achievement' (Sørensen, 2015, p. 53). Where almost 20 years ago Chinese patriots were known for their naysaying – 'China can say no' – today they simply assert that 'China can' (Ferdinand, 2016, p. 948).

Chinese State Councilor Yang Jiechi has argued that this goal of achievement in the international sphere cannot be realized alone and he stresses that "the "Chinese dream" requires a peaceful and stable international and neighboring environment and China is committed to realizing the dream through peaceful development" (Yang, as quoted in Sørensen, 2015, p. 59). He further indicates that this makes the Chinese Dream immeasurably "linked with the dreams of other peoples around the world, China is committed to helping other countries, developing countries and neighboring countries in particular" (Yang, as quoted in Sørensen, 2015, p. 59). These statements very much indicate how Xi intends to promote the Chinese Dream internationally as a means to continue China's peaceful development strategy. Chinese foreign policy has very much been infused with a self-confidence spilling over from China's economic achievements during the past 2 decades (Ferdinand, 2016, p. 948). There are clear signs, according to Ferdinand, of a more confident and assertive, or even 'triumphalist', foreign policy (2016, p. 948).

Xi has been credited with launching various foreign policy models, three of which are especially noteworthy. The first is a new conceptualization of Great Power relations, which is supposed to have characterized China - US relations since Xi met Obama. Second, there is the issue of relations with states around China's borders, such as the South-China sea conflict (Ferdinand, 2016, p. 949). But the one with the most long-term significance is the third: The

One Belt, One Road initiative (OBOR), an initiative focused on creating an economic belt following the old Silk Road (connecting China with the Netherlands and Germany over land) as well as a maritime version (connecting China with the Netherlands and Germany through south-east Asia, Bangladesh, India, the Persian Gulf and the Mediterranean) (appendix 1.1) (Ferdinand, 2016, p. 950). The two projects together encompass a number of overlapping elements: upgraded and developed transcontinental railway routes, highways, port facilities and energy pipelines and would involve over 60 countries with a combined population of over 4 billion people, whose markets would account for over a third of the global gross domestic product (Ferdinand, 2016, p. 950). The One Belt, One Road initiative will be discussed in further detail in relation to Africa in Chapter Three.

Chapter 2: The Legacy of Neo-Imperialism

Over the last decade or so, many questions have been raised over the nature of the Chinese presence on the African continent. More often than not the terms neo-colonialism or neo-imperialism make up the key part of those questions (examples: Lumumba-Kasongo, 2011; Mead, 2018). But, despite the definition of the Latin prefix, these terms bring with them a set of definitions and implications that do not quite fit the bill of international political economy of the 21st century, as the classical phenomena of the game (interdependence, mutuality, and dependence) have been taking different forms of expression. Having looked at the workings of the Chinese Political Economy and its mechanisms it becomes possible to view the Chinese presence in a different light; one that challenges our usual western-centric view of China and its international operations. The goal is not to find quantitatively neo-imperialist or neo-colonialist causal relations between China and Africa from the lens of traditional colonial discourse, but it is rather to identify and explain the major characteristics and trends of these relations taking into account the cultural and historical legacies and motivations of a non-western country such as China. It would therefore not be misplaced to hypothetically argue for the existence and presence of a new kind of imperialism, one that will take into account the aforementioned. For lack of a better word, this will be known as *sino-imperialism*. However, for such a new framework to arise, it is necessary to delineate the terms imperialism and colonialism within the context of Africa, both their former and contemporary ideological versions, as to provide a framework to compare the Chinese framework to.

The ideological basis of imperialism lies in a set of doctrines that have shaped empires or imperial systems that organized different societal groups of people in various periods around centralized and authoritarian bases. Despite some notable differences, imperial systems of governance did indeed have common features, some of which included hierarchical political control from the top to bottom (or simply control through domination), centralized institutions of power, and an unclear or defined territoriality (Lumumba-Kasongo, 2011, p. 244). Lumumba-Kasongo calls upon Vladimir Lenin's works, who has also defined imperialism as the highest stage of capitalism (Nkrumah, 1966, p. 37), on how advanced capitalist industrial nations exported financial capital to colonized countries to exploit their resources and its leading to colossal social inequality as to lead the reader to a definition of imperialism:

“A policy, practice, or advocacy of extending the power and dominion of a nation especially by direct territorial acquisitions or by gaining indirect control over the political or economic life of other areas: the extension or imposition of power, authority, or influence.”

(Lumumba-Kasongo, 2011, p. 244)

Although the methods and strategies within imperialist systems might change, the ever-present systems of control and the quality thereof remain a key element.

Within this outline of imperialism, one can also find the basis for conceptualization of neo-imperialism. By taking what is known and applying it to the contemporary sphere of international relations, neo-imperialism can be seen as the uneven power relationships in relations between countries within clear categories of winners versus losers in a capitalist world economy that is the structural result of social, political, and economic implications (Lumumba-Kasongo, 2011, p. 245). Within the international capitalist theatre, there is a division between the powerful and the less powerful nations. The most powerful nations generally control the direction of the global system in order to further their own economic, political, or otherwise hegemonic agenda. Within the system, the structurally weaker states (or, those which have historically inherited vulnerability of their political and economic structures within the world system (Lumumba-Kasongo, 2011, p. 245)), are most often the ones the most powerful states take advantage of. This is often done through economic and political advantages and positions in the world. The system of neo-imperialism uses new practices of exploitation in which the outcome more often than not is a new state of dependency, creating a cycle of lasting inequality (Lumumba-Kasongo, 2011, p. 245; Blaney, 1996, p. 482). International inequality following the end of colonial rule has been, and still is, at the foundation of this perpetual economic dependence of the formerly colonized countries (Friedman and Wayne, 1977, p. 401).

In the Africa of the past few decades this inequality and dependence can be observed through the imbalance of trade balances, large foreign investments, substantial foreign debts, and the exploitation of many African nation's natural resources (Lumumba-Kasongo, 2011, p. 245). Kwame Nkrumah has famously used the following words to describe the aforementioned: “Her soil is rich, yet the products that come from above and below continue to enrich, not Africans pre-dominantly, but groups and people who operate to Africa's impoverishment” (Nkrumah, 1966, p. 1). He describes this form of dependence as a form of neo-colonialism, rather than classic colonialism, representing imperialism in its final and mayhap even its worst possible stage (Nkrumah, 1966, p. ix), and “for those who practice it, it means power without

responsibility, and for those who suffer it, it is exploitation without redress” (Shafiqur Rahaman, 2017, p. 9). Nkrumah’s statement would represent to the reader that neo-colonialism is a part or sub-system of neo-imperialism. And yes, the terms do indeed imply a system of domination and control respectively. While as a hypothetical system of neo-imperialism fails to provide political space and opportunity for the exploited nation states or social class to grow through a system of domination without necessarily having physical control, neo-colonialism implies some new methods of physical and institutional control (Lumumba-Kasongo, 2011, p. 247). This implies that although (neo-)colonialism can be thought of as an (neo-)imperialist system, (neo-)imperialism does not always have to be (neo-)colonialist.

The way in which neo-colonialism differs from classical colonialism can be found in two primary ways. The first is policy. The powerful nations had to find a way through which they could still keep up their influence and power structures, albeit through other means. The neo-colonialist structure refers more to the economic and political policies through which a nation-state or non-governmental organisation indirectly maintains or extends its influences over a region or people (Lumumba-Kasongo, 2011, p. 246). The other way in which neo-colonialism differs from classical colonialism lies in the question of autonomy. In a colonial system, the colonizing country controls the government of the colonized state, and has the final say in the enforcement and making of laws, whereas in a neocolonial system the country is politically independent and is therefore (technically) able to make and enforce its own laws. It is the control through indirect means (Shafiqur Rahaman, 2017, p. 9).

2.1 Mechanisms and Effects of Neo-Imperialism

As was mentioned before, it was primarily through economic and political policies by which the influence was to be maintained. Following the decolonization of the African continent many countries found themselves in a situation between limbo and newfound independence. For many of the former colonizers, the decolonization did not mean that they would have to stop investing in these, often counted among the less economically developed (LEDCs), countries. However, the investors were now capable and aware of the opportunities of the global free market; of fledgling countries without real foreign and economic policy. They were thus able to invest in the LEDCs from which they would get most profit following one or multiple investments (Shafiqur Rahaman, 2017, p. 10). Nkrumah referred to the state of half-independence following the period of decolonization and economic exploitation as ‘meaningless independence’ (Mwakikagile, 2009, p. 60). Eventually, over the course of the

latter half of the twentieth century, outright economic exploitation was replaced with neoliberal economic policies and multilateral organizations forcing discourse on these infant economies and governments. Let us take a look at these a bit more in-depth from both an economic and a political standpoint.

To understand contemporary neo-imperialism from both an economic and a political standpoint, one will need to have a basic grasp on dependency theory. Dependency theory encompasses the idea that “the condition of underdevelopment is precisely the result of the incorporation of the Third World economies into the capitalist world system” (Randall and Theobald, 1998, p. 120), and thus implies a situation in which a certain nation or area relies on another for either support, survival, or growth, or more to all of the above (Emeh, 2013, p. 116). Following the rise of neo-liberalism, which, like dependency theory, questions the efficacy of structuralism and the associated nationalist economic strategies, this is exactly what happened on the African continent (Randall and Theobald, 1998, p. 153). In neo-liberal thinking, all countries should adopt the same neo-liberal economic approach. Todaro (as quoted in Randall and Theobald, 1998, p. 153) explicates: “Contrary to the claims of the dependence theorists, the neoclassical counterrevolutionaries argue that the Third World (many don't even accept this terminology) is underdeveloped not because of the predatory activities of the First World and the international agencies that it controls but rather because of the heavy hand of the state and the corruption, inefficiency and lack of economic incentives that permeate the economies of developing nations.”

Following a period of escalation of international indebtedness during the 1970s, caused by a rise in international oil prices and rising interest rates, as well as a number of avoidable factors, such as corruption and the nature of development policies during that time, with had a heavy emphasis on state intervention, capital formation and investment in industry. All of which encouraged borrowing (Randall and Theobald, 1998, p. 157). The International Monetary Fund and World Bank created reform packages which were meant to help with what they saw as multiple structural impediments to growth of African economies (as well as other economies around the world who found themselves in similar situations) (Englebert and Dunn, 2013, p. 236). These reform packages become known as the Structural Adjustment Programs (SAPs). In exchange for committing to adopt these reforms, African countries and their governments became eligible for structural adjustment loans (SALs). These loans, provided to them in baskets of foreign currencies, could be used by the recipient countries in any way they wanted. However, due to the policy parameters established by the implementation of the structural adjustment programs, the scope of how the recipient countries could use their loans

was severely limited to the preferred neoliberal spending of the World Bank and IMF (Englebert and Dunn, 2013, p. 236). In a nutshell, “the underlying idea of the SAPs and SALs was to assist the adoption of reforms by African governments by making sure of the availability of cash, in order to rescue them from a position of immediate bankruptcy. In return, the African governments would adopt the policy steps which the World Bank and IMF deemed as necessary for preventing a return to the state of near-bankruptcy” (Hoekman, 2017b, p. 3).

Among the policies and conditions of the loans associated with the structural adjustment program packages, there was a divide and difference between a SAP package provided by the World Bank, and a SAP package received from the IMF (Hoekman, 2017b, p. 3). The SAP package introduced by the World Bank was the first to be implemented among African countries enforcing a number of neoliberal policy objectives such as the privatization of industries (including essentialities such as healthcare and water), cutting government spending, increased liberalization of capital markets, implement market-based pricing, higher interest rates, and the liberalization of trade in general (Ismi, 2004, p. 8). The second of such SAP packages was introduced by the International Monetary Fund, a few years after the World Bank introduced theirs. A typical IMF program consisted of a standardized set of policies aimed at reducing current account deficits (Hoekman, 2017b, p. 3). Among these, one could ordinarily find policies aimed at the reduction of the money supply as well as fiscal austerity measures aimed at the reduction of “excessive demand” in the domestic economic sphere (Ismi, 2004, p. 9). In addition, one could also commonly find policies concerning themselves with demands for strict anti-inflationary monetary policy, increasing levels of trade liberalization, privatization of public enterprises, dismantling of foreign exchange controls, more flexible labor markets, and reducing the size of the public sector (Ismi, 2004, p. 9 – 10).

2.1.1 Economic Outcomes of Neo-Imperialism

As was previously shown, the structural adjustment programs consist predominantly of neoliberal economic policies such as increased liberalization of the economy and its various markets, and fiscal and monetary policy measures. Despite all of the good intentions and policy reform that was supposed to have taken place, most of the African continent remained mired in economic crisis (Hoekman, 2017b, p. 7). It was both the negligence of African governments to correctly implement the proposed policies as well as the failure of the Bretton Woods institutions to properly uphold the conditionality of the structural adjustment program reform packages that brought about one of the most substantial changes in the African economy,

namely a significant increase in foreign indebtedness (Hoekman, 2017b, p. 7). It goes without saying, however, that after borrowing funds, an actor will go into debt. But it also goes without saying that said actor should also be able to pay off the accrued debt within a relatively acceptable timeframe. This was not the case.

In order to understand the full extent of the effects that the SAPs have had on the economy of many African countries, one can turn to the work of Joseph Rono (2002), in which he identifies a number of effects that the structural adjustment programs have had on the Kenyan economy, among them “inflationary pressures, the marginalization of the poor in the distribution of educational and health benefits and a reduction in employment” (Rono, 2002, p. 84). He stresses especially the failure of reduction of the budget deficit, where instead the servicing of domestic debt had created an unsustainable strain on the domestic budget, with Kenyan debt increasing by 362 percent (KSh (Kenyan Shilling) 36.7 billion to KSh 169.4 billion) during the mid-1990s. As a direct result, interest payment on domestic debt alone added up to over 14 percent of the total government spending (Rono, 2002, p. 86). Following this increase in debt, a shift in spending in order to cover interest rates was the natural next step for a government to take. Claiming a disproportionate share of government spending, interest rate payments shifted development spending to the repayment of loans and exacerbated the government deficit (Hoekman, 2017b, p. 8). Moreover, the shift diminished Kenyan private investment and supply of loanable funds, of which the price also increased in general (Rono, 2002, p. 87). A similar situation can be observed in Ghana (Hoekman, 2017b, p. 8).

Having discussed some of the more general effects on budgeting, it is now time to turn to the effects of the more neoliberal policies that were to be implemented, such a liberalization of the economy and the privatization of state-run enterprises. When concerning newer, infant economies, which were many in post-colonial sub-Saharan Africa, there is a substantial number of other factors to account for vis-à-vis the increased liberalization of a government’s trade policy. Usually, it is often deemed the better option for infant economies to have more neutral policies with no anti-export bias (Nash, 2005, p. 34). However, “in the early stages of development, import substitutes should be protected, in order for the economy to be able to develop its infrastructure, management skills, human capital, and efficient production techniques that would eventually allow them to compete on the global export market” (Hoekman, 2017b, p. 8). It is very much akin to a ‘learn while doing’ approach. However, following the implementation of the structural adjustment programs and its policies ascribing overly-rapid liberalization, it is much more analogous to a ‘run before learning to walk’ approach.

Taking Kenya once again as an example, there are a number of sectors which have been significantly impacted by this aforementioned ‘running before learning to walk’ approach. One can observe the effects of such overly-rapid liberalization in decreasing employment growth rate following the years after the structural adjustment programs have been implemented. Moreover, the premature opening of the African economies to the global economy, and thus global competition, led to many small to medium-sized enterprises unable to compete and their foreclosure, despite active government efforts (Parsons, 2010, p. 46). Likewise, the increased privatization of formerly state-led enterprises has caused significant layoffs (Parsons, 2010, p. 46), contributing to the already rising unemployment as a result of the waged employment growth rates having been far below the population growth rate (Rono, 2002, p. 88). In fact, the waged employment growth rate has seen a decline, decreasing from 4.2 percent in the 1970s, to 3.6 percent in the 1980s, and to 1.9 percent in the early 1990s (Rono, 2002, p. 88).

This rise in both unemployment, as well as an increase in underemployment in agricultural and informal sectors (Rono, 2002, p. 88), can also be seen as having a direct connection to the estimated rising prevalence of absolute poverty (Rono, 2002, p. 88, 94-95). In a previous work studying the effects of structural adjustment programs on African nations, I outline this connection:

“Although the Kenyan government was committed on reducing and eventually eradicating poverty in the country when the country gained its independence, it has experienced difficulties in the implementation of its plans. Instead of a reduction, absolute poverty has been on a gradual rise since the 1980s. This is especially the case in rural areas, where poverty has increased from 40.2 percent of the population in 1982 to 46.4 percent in 1992. Within urban areas, the incidence of absolute poverty was estimated to be around 29.3 percent in the same year. That makes up for an estimated total of 11 million Kenyans living in absolute poverty.”

(Hoekman, 2017b, p. 9)

As a direct result of the structural adjustment programs, not only has there been an increase in absolute poverty, but I have identified spatial disparity between rural and urban areas to be negatively affected as well (Hoekman, 2017b, p. 9). Usually, the structural adjustment hypothesis would pose that by an increased price liberalization and a devaluation of currency, the urban/rural dichotomy will adjust in terms of trade, with the rural areas being favored (Konadu-Agyemang, 2000, p. 480). The SAP hypothesis would then expect the income of rural residents to increase, reducing poverty in these rural areas. However, it did not. In fact,

the opposite seemed to have happened instead. Combined with the excessive devaluation of currency and the increasing wholesale price of foodstuffs, most income which was generated by the structural adjustment programs has reduced the purchasing power of rural income drastically (Konadu-Agyemang, 2000, p. 480). In addition, the residents living in the rural areas who are dependent on subsistence agriculture to survive have not seen any of the benefits from the SAPs, and if there were any, it did not trickle down to this group of people (Stewart, 1995).

2.1.2 Political Outcomes of Neo-Imperialism

Long before the World Bank and the International Monetary Fund even set foot on the African continent, the hegemonic political foundation in many African countries was one based on the system of neopatrimonialism (Englebert and Dunn, 2013, p. 237). In fact, the entirety of the institutional development of the state was dependent on and ruled by a power structure based on the neopatrimonialism system. Many African heads of state were not comfortable with the possibility of losing their power, and therefore worked towards securing the loyalty of their peers. At the same time, they limited the development of ministries, bureaucracies, and judiciaries, as institutional interests often worked against their personal best interests (Englebert and Dunn, 2013, p. 139). By constantly rotating personnel every few years as well as keeping the personnel devoid of resources to properly carry out their job, they managed to regulate, control, and subdue the potentiality of any counter-hegemonic forces from arising, keeping their position of power secure (Englebert and Dunn, 2013, p. 139). As I have mentioned before in a previous work, such a system can be very effective at building and sustaining the power of a head of state, but is also significantly detrimental for development, “inhibiting the capacity of state institutions necessary for a state to build a foundation for further development” (Hoekman, 2017b, p. 4 – 5).

When the structural adjustment program packages were being distributed and assigned, it became apparent that, from a political point of view, the policies within the packages shared the property of undermining this inherent hegemonic foundation of neopatrimonialism (Hoekman, 2017b, p. 5). It should be mentioned however, that this was not one of the predetermined goals identified by either the International Monetary Fund or the World Bank and was rather an unforeseen byproduct. Little if any political analysis had gone into the elaboration of the SAPs before implementation occurred (Englebert and Dunn, 2013, p. 237). Following the neoliberal framework, the primary objective was to shrink the size and power of the state and its distortions, creating an opportunity for both political and market forces to run

their course. It did not, however, aim to completely restructure the African state. But, as has now become clear, it did. With the implementation of the SAPs came a challenge to the way African politics and governments used to function, which led to governments finding themselves in a rather odd place. These governments were willing to agree to conditions that were harsh or sometimes even politically suicidal in order to collect the money associated with accepting these conditions (Englebert and Dunn, 2013, p. 237). However, after receiving the money, they were much less enthusiastic about actually implementing the associated and required policies. This half-implementation of the SAP packages led to a condition which is now known as ‘partial reform syndrome’ (Van de Walle, 2001, p. 60 – 63).

Van de Walle, having analyzed over two decades of constant economic restructuring in Africa following the implementation of the SAP packages, argues in his *African Economies and the Politics of Permanent Crisis* for the existence of a certain reform pattern for the region as a whole. A reform defined by its partial nature (Van de Walle, 2001, p. 88-89). He argues:

“In sum, the economic policy status quo is not protected by well-organized societal interests that effectively prevent governments from carrying out reform ... [t]he key obstacle to growth oriented economic policies is much more likely to have been the small number of senior state decision makers who have found it difficult to reconcile reform with their understanding of their own material interests.”

(Van de Walle, as cited in Rakner, 2003, p. 34).

The last section Van de Walle mentions is especially interesting, regarding the difficulty certain individuals might have with reconciling reform with their understanding of material interests, as this can clearly be understood as a remnant of neopatrimonialism and the embedded power structures and hegemony that it left in its wake. Heads of state who lead small coalition governments fortify their positions of power by distributing private goods rather than by good governance and the implementation of effective public policy (Hoekman, 2017b, p. 5 – 6). However, at the same time, it can be argued that the World Bank and IMF have in fact supported the partial reform syndrome. The donor – government relationships were defined by the inability of the institutions to apply the conditionality instruments in a way that fosters both future-fit growth and sets proper boundaries (Rakner et al, 1999, p. 8). Particularly when it has become clear that governments efforts to economic and political reform have severely declined.

In a previous work regarding structural adjustment, I highlighted how the Bretton Woods institutions continued to allocate funds to failing or failed programs, as well as to

governments, which already proved unable or unwilling to implement the reforms (Hoekman, 2017b, p. 6). I split the reasoning behind this in two. It was either because of political motivation (e.g. providing support to valuable albeit corrupt Cold War allies), or it was of an ideological nature (e.g. determinedly clinging to an adherence to economic policy despite evident failures) (Hoekman, 2017b, p.6). Because of internal pressures, related to the motivation outlined before, bank representatives were customarily unwilling to think of the program as having failed, despite being confronted with the shortcomings of the implementations. Instead, many tended to increase the time frame of the loans, negotiate reduced conditions, and provide additional funds as to make the ‘burden of adjustment’ just that little bit easier (Englebert and Dunn, 2013, p. 237). It went as far as suspended countries having been issued new loans not long after said suspension, despite previous noncompliance. As a result, some countries ended up with a significant number of successive structural adjustment loans as part of their SAP package (Hoekman, 2017b, p. 6). By means of example, Senegal had fifteen loans issued to them in quick succession (Van de Walle, 2001, p. 2). It would not have been misplaced to argue that some African states had become addicted to structural adjustment: “They were eager for the flow of funds that came in, and repeatedly committed to reforms with no real interest in implementing them, in order to get their short-term aid-fix” (Hutchful, as referenced in Englebert and Dunn, 2013, p. 238).

2.2 Significance of Neo-Imperialism

Following this brief exposition of the SAPs, one can see this form of neoliberalism described through the application of the structural adjustment programs as being closely linked to with the external imposition of such policies by powerful global actors. In this expanded international economic arena, wealthy countries, most likely from the global north, coerce the reform of markets and its trade upon the less economically developed countries of the global south in pursuit of self-serving economic, political and military agendas. This strategy, now more broadly known as the ‘Washington Consensus’, very much reiterates and conveys a message of a neo-colonial agenda promoted by institutions such as the World Bank and the International Monetary Fund and imposed on a vulnerable global south. A relationship based on unequal power relations, impeded development, and a less-than-ideal incorporation in the global economy was the result. The very nature and mechanisms of the neoliberal structural adjustment programs have reflected and reproduced the deeply unequal and coercive relationship between on the one hand, the rich, and on the other, the poor countries. The

implementation of self-destructive economic and political policies such as the aforementioned liberalization of trade and investment and the privatization of enterprises that have resulted in overly-rapid deindustrialization, and vulnerability to (speculative) financial flows. More than anything else, it has pushed many African countries backwards in development, rather than forward, towards an almost colonial era-esque structure of commodity exports, locking them into a state of enduring weakness as well as a state of dependency on the global north.

Chapter 3: China and Africa

Having looked at both the classical conceptualization and application of neo-imperialist practices and its mechanisms on the African continent as well as the structure and makeup of the Chinese political economic system, it is now possible to shift the lens to Sino – African interactions to see how it differs from the archaic north-south neoliberal interaction and how the framework of neo-imperialism simply does not suffice. It is a relationship that is certainly not new, with contemporary China connecting with African nations shortly after the People’s Republic of China was established, advocating shared historical experiences based on a shared identity of being victims of colonization by the capitalists and imperialists (Lahtinen, 2018, p. 3). Mao Zedong frequently received organizations and officials from Africa, and he expressed his support and sympathy for the African people’s fights against imperialism and colonialism. China supported the many liberation movements as a part of the front pushing back against the US and Soviet hegemonies (Lahtinen, 2018, p. 3). China saw similarities between itself and the African nations, seeing itself as “standing side by side with African countries under the banner of South-South solidarity” (Lahtinen, 2018, p. 3). Therefore, rather than the unequal relationship that could be observed in the North-South relationship, this so-called South-South relationship found its origin in an interaction based on equality and solidarity. However, it has been over 50 years since then and the global landscape has changed significantly. In this chapter, the contemporary Sino-African relationship shall be outlined from both a political and economic perspective. Firstly, however, it is indeed necessary to look at how this relationship has developed over time.

As mentioned before, China stood in solidarity with the many African liberation movements, actively engaging with leaders of 29 newly independent African countries during the 1955 Afro-Asia Conference to discuss colonialism, cooperation on economic and cultural fronts, and their nations’ role in a world that was still dominated by the superpowers that were the US and the former Soviet Union. In the following year, China established its first diplomatic connections in the continent (Lahtinen, 2018, p. 3). During this time period, China was primarily involved supporting independence movements and anti-colonial activities, and later also backing socialist regimes in line with Mao Zedong’s political and economic agenda (Hoekman, 2017a, p. 15). Beijing simply lacked the resources to have anything resembling an economic impact, and therefore stuck with ideological and geopolitical motives (Dent, 2010,

p. 6). Following Mao's death in 1976, China's discourse changed to fit the more pragmatic dialogue of de facto leader Deng Xiaopeng (Cao, 2013, p. 62).

The reforms initiated by Deng in the latter half of the 1970s shifted the focus to domestic economic development, going from a command economy to a market economy (Lahtinen, 2018, p. 5). As was previously mentioned in Chapter 1, the Chinese economic system was reconceptualized in order to be able to legitimize the incorporation of the market in what was still a very socialist economic discourse. Deng's 'Socialism with Chinese Characteristics' opened China up to the rest of the world, welcoming foreign investment and the global market, which would propel China to being one of the fastest-growing economies in the world (Lahtinen, 2018, p. 5). The Tianenmen Square protests in 1989 ended China's relationship with many western nations for a couple of years, with China being boycotted and censured by many of these western nations (Lahtinen, 2018, p. 5). As a result, China turned to the African continent to restoring its old relations and begin new projects. Sino-African trade ensued to increase rapidly, from \$10.5 billion in the early 2000s to \$166 billion in 2011. In 2012, China surpassed the EU and United States as Africa's largest trading partner (Ighobor, 2013, p. 7).

During the 1990s, working up to being Africa's largest trading partner, there was gradual increase in trade and investment flows between Africa and China, as a result of China's rapid industrialization (Dent, 2010, p. 6). At the inaugural Forum on China-Africa Cooperation in 2000, then-president Jiang Zemin gave a speech from which four primary elements related to Chinese thinking can be identified (Dent, 2010, p. 6):

- The contemporary world order is unjust and defined by inequity. Developing countries remain very much disadvantaged, and "globalization currently presents more challenges and risks than opportunities to the vast number of developing countries" (Mawdsley, 2007, p. 413).
- The right to national self-determination and a rejection of the right of other countries to meddle in internal affairs of nation-states.
- The promotion of greater South-South economic cooperation through investment, agreements, joint ventures, banking, and so on. Moreover, where possible China would eschew the structural dependencies on the rich western nations that many African nations developed.
- Finally, China stressed a commitment to peaceful multilateral solutions, endorsing peaceful negotiation of international disputes, nuclear non-proliferation, and the control of the illicit trade of arms (Mawdsley, 2007, p. 413).

It should be noted, however, that a striking feature of these attractive set of principles is the undeniable lack of mention of human rights.

Further forums were convened in 2003 and in 2006, where president Hu Jintao outlined the foundational arguments and mechanisms of China's Africa Policy document to 43 African leaders and heads of state (Dent, 2010, p. 6). This, not coincidentally, overlapped with China's designation of 2006 being the 'Year of Africa' and the adoption of China's white papers on Sino-African relations, laying out a set of fundamental principles that stress China's contemporary policy with regard the African continent (Dent, 2010, p. 6). These principles, listed below, can trace a significant lineage back to the aforementioned 1955 Bandung Conference, such as the respect of African national self-determination and peaceful coexistence (Aning and Lecoutre, 2008, p. 40 – 41). Dent (2013, p. 6 – 7) highlights the following principles:

- *Sincerity, friendship, and equality*, meaning China adhering to the principles of coexistence and respecting African countries' independent choice of development paths.
- *Mutual benefit, reciprocity and common prosperity*, meaning China supporting the economic development of African countries, as well as being cooperation in various forms, for the benefit of both parties.
- *Mutual support and close coordination*, meaning a commitment from China to realize a strengthened cooperation with Africa in multilateral systems as well as appealing to the international community to play a more active part to questions regarding peace and development in Africa.
- *Mutual learning and common paths of development*, meaning a strengthened exchange and cooperation in various social fields. In addition, it refers to increased support for African countries to enhance capacity building and cooperation to work towards a more future-fit and sustainable development.

As well as the aforementioned, the 2006 Africa policy document also outlined plans for considerable increases in investment, aid, and trade with African nations. Some of the key objectives of these plans include increasing Sino-African trade to \$100 billion per year by 2010, cancelling debts to some of the most heavily indebted nations, establish a series of Sino-African trade and economic zones, and providing a substantial increase of preferential loans and credits (Dent, 2010, p. 7). To an extent, this policy document can be seen as the start of the so-called Beijing Consensus, often considered a counter-paradigm to the Washington Consensus (Dent, 2010, p. 14).

Sino-African relations were further developed in 2015, at the sixth Forum on China-Africa Cooperation. The theme, “Africa–China Progressing Together: Win–Win Cooperation for Common Development”, set the premise for what was to be discussed and planned throughout the summit. Xi Jinping, current President of the People’s Republic of China, announced that China would roll out various cooperation plans with Africa in the three years to follow. These programs cover many key areas, including infrastructure, agricultural modernization, industrialization, green development, financial services, trade and investment facilitation, public health, poverty reduction and public welfare, and peace and security (Lahtinen, 2018, p. 21). By announcing these programs, Xi reiterated China’s commitment to the development of African nations. China was to play “a constructive role in promoting a political settlement of Africa’s hot-spot issues and in helping to unlock its “bottlenecks” in infrastructure, skilled personnel, and access to funds” (Lahtinen, 2018, p. 21). Xi declared that China was ready to be involved and take part in Africa’s future growth, and stressed China’s commitment to aid African growth through African solutions to African problems. This was very much received as a breath of fresh air among the African officials. Jacob Zuma, South-Africa’s former president, especially praised Xi’s efforts for taking China’s relationship with Africa to, what Zuma states to be, “its highest level ever” (Lahtinen, 2018, p. 21 – 22). This is a far-fetch from just 3 years prior, where Zuma and many other African leaders and officials were worried about the rapidly increasing trade with China, as well as its unsustainable nature (Lahtinen, 2018, p. 22).

3.1 China in Africa: Soft Power and its Mechanisms

All political and often also economic life is about power. Mao Zedong once explained power as ‘growing out of the barrel of a gun’ (Lahtinen, 2018, p. 33). However, this conceptualization of power stands in stark contrast to the classic Chinese belief that soft power is stronger than hard power. It used to be described as the “dripping of water which can penetrate a stone” (滴水穿石). In other words, persistence will achieve a difficult or unlikely objective eventually or how gentler means can overcome those which are hard and forceful. In the contemporary world, China has made soft power a part of the nation’s foreign policy, as it aims to create a positive image of China both at home and abroad, and this includes Africa. Contemporary Sino-African policy is very much defined by this Chinese identity and its image, and its position as a global power, and this includes the use of soft power. The Confucian foundation combined with the structure of the Chinese Dream serve the Chinese policy goals both domestically and outside

of their borders. China has extended its arm of soft power to the African continent to gain minds and hearts there and thus gain access to African nations and their markets. Using a set of soft power tools such as trade and investment, diplomacy, and aid, the ultimate Chinese goal is to achieve the aforementioned principles of the Bandung conference. These principles are held up by the government alongside a discourse propagating stability and loyalty as to foster legitimacy of the Communist Party of China. Within the Chinese Dream, as was mentioned in Chapter 1, “China is committed to helping other countries, developing countries and neighboring countries in particular” (Yang, as quoted in Sørensen, 2015, p. 59).

3.1.1 Trade

China’s economic relation with Africa, defined by the constantly reiterated mutually beneficial economic cooperation, is the one of the hallmarks of Sino-African relations. In 2009, China became Africa largest trading partner. In 2013, Sino-African trade reached \$210 billion, rising to \$300 billion over the 2 years that followed. Chinese foreign direct investment flows to sub-Saharan Africa increased by almost 50 percent between 2003 and 2012. In 2013 they rose to \$3.5 billion. In line with respective comparative advantage and economic structures of most African economies and China, African countries primarily import manufactured goods and exports primary commodities and raw materials. 75 percent of the exports to China (primarily raw materials, such as oil, metals, and mineral fuels) came from Angola, the Democratic Republic of the Congo, Equatorial Guinea, the Republic of Congo, and South Africa. At the same time, over 80 percent of total imports from China (primarily, machinery, manufactured goods, and chemicals) were headed to Angola, Benin, Ghana, Liberia, Nigeria, and South Africa (Lahtinen, 2018, p. 41).

The Chinese state government has instituted various processes to improve the quality and quantity of Sino-African trade relations with the ultimate goal of improving both economic and political linkages with the sub-Saharan continent (Morgan, 2018). China has been offering tariff-free access to the Chinese market for the least developed African nations since 2003, as well as making efforts to rebalance its imports through the expansion of manufactures from African markets. Morgan (2018) gives the example of China opening an African Products Exhibition Center in China’s light manufactures focused trading hub in Yiwu City in the Zhejiang Province. Moreover, China has shown initiative to improve the quality of products they export to African markets, as well as to shut down violations of intellectual property and counterfeiting (Morgan, 2018). Morgan (2018) mentions Chinese authorities initiating a

crackdown procedure on poor quality and counterfeit products as well as the Chinese government announcing intentions to increase manpower involved in the monitoring of the quality of Chinese goods meant for export.

3.1.2 Investment

Although Sino-African trade has indeed seen a drastic increase over the last 2 decades and there being no signs about it slowing down in the near future (Hoekman, 2017a, p. 15), it is the aforementioned investment that is particularly interesting. Chinese state-owned enterprises are investing heavily in oil, minerals, and infrastructure, and are undertaking many large-scale projects in infrastructural construction, chemicals, and mining (Lahtinen, 2018, p. 41). Because of the difficulty regarding the classification state-owned enterprises regarding their being owned by the state or not in some cases, distinguishing between government action and corporate investment is oft naught more but a blurry distinction. Whereas corporation from the centrally planned economy are clearly state-owned, with all the characteristics and mechanisms associated with SOEs, it is less easy to distinguish whether a Chinese firm is publicly or privately owned, either because they might be owned by subsidiaries or simply controlled by an unlisted, yet state-owned parent company. In addition, lack of transparency and the fact that there likely will be significant state influence over private firms because of clientelist links to state agencies and enterprises also play a significant role in the non-distinction between public and private. Such companies will enjoy preferential treatment in return for a symbiotic relationship with the state in which the entrepreneurial classes need to rely on the political and institutional environment to prosper and survive. Particular credit lines, tax breaks, favorable interpretations of regulations and priority in the allocations of important contracts are all part of this symbiotic relationship through which the Chinese state could reiterate its policy and its power (Lahtinen, 2018, p. 42). This heavy investment thus makes this possible outside of China's borders.

In Zambia, for example, Chinese investment consists of a hierarchy of investment and capital of varying grade, resourcefulness, and connection to the Chinese state (Lee, 2017, p. 4). At the top of this hierarchy is the investment done by the Chinese state-owned enterprises and policy banks. The former, as mentioned in Chapter One are under direct control of the SASAC, while the latter operates under the Chinese Export-Import Bank (China EXIM Bank) as well as the China Development Bank. The Chinese state government operates a system of concessionary/preferential loans through its China Exim Bank to secure business deals whereas

the China Development Bank functions through handing out commercial loans and making equity investments through the China-Africa Development Fund (Lee, 2017, p. 4; Lahtinen, 2018, p. 42). Below this in the hierarchy, there are the provincial SOEs and private enterprises, and then on the bottom rung, one will find entrepreneurial or family firms. In the whole of sub-Saharan Africa, state-controlled enterprises account for about 55 percent of the total amount of Chinese investment (Lee, 2017, p. 4). However, this does not account for all the Chinese firms that are counted as private, although might still be under direct or indirect control of the Chinese state party.

According to Chinese data, there were almost 3000 investment approvals in 50 African countries from 2000 to 2015 (Morgan and Zheng, 2017). Around 17 percent of those were made by Central State-Owned Enterprises, with the remainder being a mix of regional SOEs as well as privately-run firms (Morgan, 2018). Whereas the smaller scale private firms dominate in the manufacturing and services industries, the larger SOEs dominate investment in the resource and infrastructure sectors. In general, SOEs are much more likely to make larger investments than private firms are. In Kampala for example, Warmerdam and Van Dijk found that the majority of SOEs invested over \$10 million, whereas only 29 percent of the private firms invested more than \$1 million (Warmerdam and Van Dijk, 2013, p. 291 – 292).

3.1.3 Aid

One of the most prevalent and effective applications of Chinese soft power is done through aid and development assistance. Chinese state officials have reiterated over and over again the win-win nature of Sino-African cooperation. As early as the 1950s, China has sent numerous of engineers, doctors, and technicians to Africa to provide aid and development assistance (Lahtinen, 2018, p. 37). This was in line with their anti-colonial discourse and supported newly independent African nations in their fight against their former imperial powers and the anti-colonial struggles. Since the new millennium, China's development aid to African nations has grown considerably. Having portrayed itself as the 'largest developing country', officials have claimed that it spends more than half of its foreign aid in 51 African nations (Lahtinen, 2018, p. 38). In these white papers there are 3 primary modalities to be observed in which Chinese foreign aid can be categorized: grants (aid gratis, free money), zero-interest loans, and concessional loans (Grimm et al, 2011, p. 9 – 11). There are eight primary instruments which can be counted under the concessional loans category. These include complete (turnkey) projects, goods and materials, human resource development cooperation, technical cooperation,

overseas volunteer programs, Chinese medical teams working on site (for development reasons rather than for humanitarian aid) emergency humanitarian aid (oft through UN organizations), and debt relief (Grimm et al, 2011, p. 9 – 11). Most of this aid was placed under the authority of the State council. Specifically, under the authority of the ministry of commerce (MOFCOM). However, although being the primary public institution involved, they are most certainly not the only one. All of the technical ministries have (development) aid departments, which in total adds up to about 30 separate institutional bodies. Then, there are also the provincial bodies, some of which have sufficient funds and resources to open offices abroad (Chaponnière, 2009, p. 60). This makes (development) aid spending significantly more ineffective due to the lack of organization and centrality of interest. However, a lot of this

Aid is delivered to African nations with hardly any actual financial transfer (Chaponnière, 2009, p. 61). After having submitted a request to the Exim Bank, the African government faces evaluation by MOFCOM and then has to sign a framework agreement. In this agreement there are a number of projects to be completed which, when completed, are then paid for by the Exim Bank. The payments of interest and principal are made by the African government directly to the Exim bank. By handling finance procedures is this particular method, problems of corruption are significantly limited. Chaponnière further underlines the innovative nature of Exim bank by highlighting the infrastructure development finance package (Chaponnière, 2009, p. 61). In such a package, he writes, “the Chinese government mandates a Chinese construction company to build infrastructure projects which are financed by Exim Bank. Simultaneously, the African government offers a Chinese mining or oil company the right to mine natural resources (either by offering equity stakes in a national company or mining licenses)” (Chaponnière, 2009, p. 61). The revenue of these operations will first reimburse the state for the investment and later on with other loans, often infrastructure related. Exim bank hedges the country sovereign risk with the implementation of this scheme (Chaponnière, 2009, p. 62).

3.2 One Belt, One Road: A Culmination of Sino-African interaction

In 2013, Xi Jinping announced his One Belt, One Road initiative. It is set to propel China’s economic development through a vast network of ports, pipelines, and railways, incorporating around 60 countries in Asia and Europe, Oceania, and Africa. In recent years, the Chinese government has begun encouraging Chinese enterprises to invest in infrastructure projects abroad (Lahtinen, 2018, p. 23). Through this new network, China’s SOEs and financial markets

would be able to gain access to new markets and thus foster the economic growth of the domestic economy. However, as well being of an economic nature, it also carries vast geopolitical intentions. As was mentioned before, the one belt one road initiative would connect China with the Netherlands and Germany both over land and across the ocean (appendix 1.1). The ‘maritime silk route’ especially will connect Africa to Eurasia, linking China’s coast to Europe through the South China Sea and the Indian Ocean in one route, and another proposed route would link the Chinese coast with the South China Sea and the South Pacific (Lahtinen, 2018, p. 23). Wang Yi, China’s foreign minister, has said that China, “as a good friend of Africa, is willing to make efforts to help [its] African friends realize the dream” (Lahtinen, 2018, p. 23).

Chinese preparatory efforts have already begun to show in investment targets where various locations are seemingly being primed for the maritime silk route. China has planned to build a \$3.8 billion railroad linking Nairobi to Mombasa (Lahtinen, 2018, p. 23). Nairobi, which is very much inland, is on the maritime silk route. Eventually, this railroad project will link Nairobi with the capitals of Uganda, Burundi, Rwanda, and South Sudan, creating a means for China to gain access to all of these inland markets. China is further involved in infrastructure and development plans in Djibouti, Mozambique, Madagascar, and the Seychelles, where they are developing ports (Lahtinen, 2018, p. 23). Government officials in Tanzania have recently approved a \$10 billion Chinese-built mega-port as well as a special economic zone backed by a sovereign wealth fund from Oman. Located about 60 kilometers north of the capital Dar es Salaam, Bagamoyo is now expected to become the biggest port in Africa once completed, handling 20 times more cargo than the Dar es Salaam port (Van Mead, 2018). Comparisons have been made to Shenzhen, the world’s third-busiest container port by traffic. Having been designated as China’s first special economic zone in 1979, it, too, was naught but a small fishing town. Now it is one of the world’s largest cities as well as a hi-tech hub (Van Mead, 2018). In comparison, Bagamoyo is situated in a very opportune location and could become an industrial gateway not only for Tanzania but half a dozen landlocked African countries (appendix 3.1, 3.2, 3.3).

It goes without saying that there both voices of concern and optimism surrounding the Bagamoyo project. In a 150-page document, various goals and mechanisms as well as a number of pitfalls and challenges are outlined through which the Bagamoyo Special Economic Zone can reach its fullest potential (Mchome et al. 2013). Among the challenges, the most notable are listed as being all necessary on-site infrastructures, including roads, power supply, water supply, are non-existent or inadequate and will have to be constructed during the

transformation of the SEZ area, and the relocation of informal settlements and industries, which make up the bulk of the current land usage (appendix 3.3) (Mchome et al. 2013). Further projects envisaged in the Bagamoyo SEZ include industrial, trade, and technological parks, development of the tourism industry, development of real estate and logistics centers, financial institutions, and the construction of a new airport (Mchome et al. 2013). When fully developed, the Bagamoyo SEZ is set to become an important industrial and economic gateway for the sub-Saharan continent and, with the implementation of the One Belt One Road initiative, the Eurasian and African continents as a whole.

However, some have also voiced concerns about the initiative being not just a web of roads and pathways from China to Europe, or an economic project to solidify China's place in the global economy. Rather, some have argued that it is also a geopolitical project, a strategic characteristic of China's foreign policy aimed at making African nations (among LEDCs on other continents) increasingly more dependent on China (Shen, 2016). This would create a system of dependency similar albeit different in nature to the systematic western dependency China has so faithfully denounced since the 1950s. Rather than economic zones aimed at increased trade and development, the special economic zones could be the foundation for a transitional development into becoming Chinese enclaves on a different continent. Would it then be appropriate to classify China as just another neo-imperialist power aimed at taking advantage of less developed nations for their own gain? We will turn to this question in the following chapter.

Chapter 4: The Question of Sino-Imperialism

At first glance, after having looked at the mechanisms of classic neo-imperialism, Chinese state capitalism, as well as the Sino-African relationship, it very much seems that China is indeed on a different path than classically western neo-imperialism. However, as was described previously, there is a certain factor of dependency to be observed, both in the present and the future of this Sino-African relationship. The ultimate goal of this thesis was to create a framework from which one would be able to view and explain this relationship, and now that the preparatory research has been completed, it is time to turn to a more comparative method of study. Firstly, in this chapter an attempt will be made to see how the Chinese political economy and its state capitalism can be applied to the Sino-African relationship, taking key concepts and observing how they are reflected in the Chinese strategy in Africa. Secondly, the results of this will be taken and compared to a more classical approach to neo-imperialist tendencies and relations as were the case in most of the twentieth century on the African continent. Lastly, using the previous two discussions of this chapter, a new framework regarding Sino-African relations will be outlined and justified.

4.1 Chinese Political Economy and Sino-African Relations

As was shown in chapter 1, the Chinese political economy functions on a mechanism of close market – state interaction built on a foundation of a strong civilizational identity. State capitalism is reinforced through the existence of the Chinese state-owned enterprises and the close integrative process of policy-making and the state with business activities and the market. This system is very much based upon a ‘China model’ defined by hybridity and economic liberalism. The resilient and tough Chinese identity is reinforced through its policy, historical events acting as a glue that binds the country together to an extent which is foreign to many, and Xi Jinping’s Chinese Dream create a nationalistic pressure for China strong determination to restore its past power and glory as well as to perform well on both the national and international stages. It is indeed a clever negotiation between national identity and a state’s aspirations for the future. How the African continent fits into the Chinese picture is through a shared identity finding its foundation in both China and African nations having been or being part of the developing world. China saw similarities between itself and the African nations, standing with them under the banner of South-South solidarity. A shared identity based on feelings of antagonism towards the western (neo-)colonial powers strengthened this relationship even further. Naturally, this has created a strong basis for interaction to continue

throughout the 20th and now into the 21st century, and now that China has experienced significant growth over the course of the last three decades, it is clear that China wants to continue this interaction into the future. However, this is purely reasoning, and does not actually elaborate into how the Chinese political economy is reflected in the Sino-African relations.

There are various characteristics through which the Chinese political economic system shines through in how China interacts with and conducts itself in sub-Saharan Africa. First, the presence of Chinese SOEs on the continent is significant. Given the enterprises are state-owned, this brings with it a couple of implications:

1. The Chinese state is always present, in both private and state-owned enterprises. What this means for the African nations is that they, their markets and governments, and their people are always interacting with the Chinese state, be it directly or indirectly. This makes it an unsurmountable necessity for an African state to be subject to a state capitalist system such as the Chinese and creates an economic and political environment in which such a system is more easily viewed as favorable. Especially when it is maintained by one of, if not your primary, trading partner. It is attractive even more so following decades of neoliberal restructuring, where it offers up palpable economic prototypes after Western prescriptions have very much run hollow (Taylor, 2014, p. 344).

The acceptance of a Chinese state capitalist system therefore acts in a Gramscian way. Whereas at first it acted as a counterhegemonic force, working against the neoliberal structure, it is now much more prevalent on the African continent. Just like the Chinese system of socialism transforming into a system of state capitalism, the Gramscian concept of *transformismo* also shows its workings in the Sino-African context, contesting the western neoliberal system with a China influenced structure of state capitalist ideas and mechanisms. It could thus be argued that with the acceptance of state capitalism comes the entry into a larger, hegemony. A South-South relationship based on a shared history and close state-market interactions is the result. Just like China's national identity is.

2. The presence of Chinese state-owned enterprises has brought with it an extensive set of special economic zones, which has allowed SOEs to incorporate their investments within the broader framework of Sino-African cooperation. This gives them increased visibility with African governments and improves alignment with national development policies. What it also brings with it, however, is the state capitalist system through the

re-territorialization of the Chinese state abroad through these special economic zones. These are not only governed and applied by the central government as a uniform bloc, but it also involves numerous regional governmental entities as well SOEs as independent actors (Dannenberg, Kim, and Schiller, 2013, p.5). The Chinese special economic zones in Africa are therefore not only institutional enclaves but also areas of trans-national governance, without having to challenge the legitimacy of local governments.

3. China has very much stressed the relationship based on mutual benefits and support, and equality. Through the Chinese state-owned enterprises heavily investing in Africa, a connection is formed from the Chinese market to the markets of African nations. With the implementation of the One Belt One Road initiative and its Maritime Silk Road, this connection is only set to become more and more interconnected when time goes on. As was shown, China has either made plans or has already begun construction on various infrastructure project such as ports and railways in order to facilitate the eventual economic trade route that will connect China to a large part of the world. For China, this means an interconnected network of trade and politics, one that is capable of achieving the Chinese Dream, evangelizing the belief that China's development is linked with the dreams of other peoples around the world, especially those of developing countries.

In a way, it is possible to view the presence of the Chinese state-owned enterprises on the African continent as an extension of the Chinese political economy. As long as they are not significantly obstructed in any way, they are able to act as if in China. In many cases, the aid given to African nations in projects rather than hard cash, gives these enterprises the operational freedom similar to what they would have had in China. For China and its SOEs this creates a civilizational network of limitless possibility, being able to do business and function within various markets at the same time, oft without having to worry about anything else than finishing the project. With the backing of the Chinese state, it is the ideal way for Chinese enterprises to go abroad and invest in new markets. It very much creates an atmosphere of an 'extended China', especially through the creation of special economic zones. A civilization that crosses continents but preaches South-South interaction through cooperation and mutual benefit. It is Chinese state capitalism across borders. With the implementation of the One Belt One Road initiative, it is bound to grow even further with the eventual goal of a strong and prosperous China with a trade network that spans half the world. Global state capitalism.

4.2 The Sino-African interaction and neo-imperialism

Neo-imperialist or neo-colonialist relations are not abstract concepts. Openly hidden within their conceptualization are the relations of control, domination, distrust, and manipulation. Given its position of power within the global system, China would indeed very much be able to act as a neo-imperial power on the African continent. However, based on the records and documentation available, there is little to no concrete evidence to support the notion that China's ultimate goal is to gain political control of Africa. Or any other hidden agenda for that matter. However, that does not mean that there are no comparisons to be made whatsoever. There are indeed a number of overlapping characteristics between the Sino-African interaction and the North-South neo-imperial interaction of the latter half of the 20th century.

Firstly, the prevalence of dependency. Although China preaches mutual beneficial cooperation, there is still a growing risk that African nations will develop a dependency on China as a consumer of raw materials, importer of cheap commodities, and also as a provider of investment and foreign loans. China therefore has to make sure that this does not develop into a negative dependency because at the moment, despite the textile industry in many African nations having been affected significantly by cheap Chinese imports (Lumumba-Kasongo, 2011, p. 260), it does not seem like the dependency on China is necessarily a bad one. And with the implementation of the One Belt One Road initiative in the near future, one can expect more independent economic growth for these African nations. Primarily due to the increase in accessible markets. Despite the dependency, it is mutually beneficial to keep this interaction going, albeit admittedly better for China than for African nations.

Secondly, a common claim in favor of defining the Sino-African interaction as neo-imperialist in nature is that Chinese loans and aid for the development of African infrastructure serve an indirect means of control over the African states, an approach previously used by Western colonial powers as a means of indirect rule over their (former) colonies. However, this is simply not very probable, as one of the primary characteristics of this aid is its unconditional nature. Moreover, the aid provided is primarily done in a non-financial manner, which stands in stark contrast to the structural adjustment loans it is being compared to. Not only does it limit corruption, but because the aid projects are in the hands of Chinese enterprises, it is impossible for African governments to redirect the money to other projects or measures. This optimizes the effectivity of aid and limits the need for strict supervision on where hypothetical financial aid ends up. However, it also be argued that most enterprises engaging in investment or other market activities are explicitly state-owned, and thus act on behalf of the Chinese state.

The argument of non-interference by aid is therefore negated substantially, as state-owned enterprises might still exert their influence over African governments. Given the lack of transparency it is problematic to know whether this is actually the case.

Thirdly, rather than the hands-on system of active interference previously practiced by the former imperial powers, China practices non-interference backed up by their stance of “standing side by side with African countries under the banner of South-South solidarity” (Lahtinen, 2018, p. 3). There are no strings attached to Chinese assistance in Africa. Xi Jinping sums up this stance as the ‘five-no approach’: no interference in African countries’ pursuit of development paths that fit their national conditions; no interference in African countries’ internal affairs; no imposition of our will on African countries; no attachment of political strings to assistance to Africa; and no seeking of selfish political gains in investment and financing cooperation with Africa” (Xi, as quoted in Martinez, 2018). While this does indeed seem good on paper, one would have to question how far this non-interference actually goes. Due to the lack of transparency, there is no effective way to verify this strategy. The ‘five-no’ approach is indeed an explicit rejection of imperialist strategic thinking.

Accusations of Chinese imperialism on the African continent are not supported by facts. The development model that China makes use of isn’t based on colonial exploitation, but rather on mutual benefit and cooperation. However, it does not mean that they share some similarities and China is indeed at risk of becoming a power that comes close to being imperial or colonialist in nature. With the advent of the One Belt One Road initiative, it is easy to envisage a scenario in which African countries become nothing more than a client state of China. Explicit imperial characteristics, however, are lacking in such a degree that it would be false to define the Sino-African interaction as being imperial or colonial in nature.

4.3 Sino-Imperialism

The issue with trying to research a relationship such as the Sino-African one is that no international relations theory is capable of holistically explaining the untraditional nature of relationship between China and Africa. The nature of this interaction is not fixed in nature and cannot be cataloged under the dualistic, unidimensional, or unilinear banner of the world system defined by North-South interaction. Instead, it is necessary to view an interaction such as this within their historical, national and global contexts. Going back to the 1950s, this relationship stands on a foundation of a shared identity of being victims of colonization by the capitalists and imperialists, stressing an interaction based on cooperation, mutual benefit, and

equality. It was a counter to the neoliberal discourse of the late 20th century, promoting greater South-South economic cooperation through investment, agreements, joint ventures, banking. Therefore, what is needed is an explanatory framework that reflects this relationship and its history.

The framework I propose is based around the idea of a *Sino-imperialism*. As the Sino-African interaction can clearly not be considered as outright imperialism or even neo-imperialism, there are indeed some characteristics which share some small similarities. This does make it imperial-esque, albeit also the logical next step of the conceptualization of how rich and poor nations will interact. It is an interaction based on a shared imperial or colonial history; an interaction that is based more on mutual understanding as well as a rejection of the North-South interaction and its neoliberal mechanisms. In a way it can indeed be considered as a neo-neo-imperial interaction, but this would imply building on the previous imperial mechanisms, and this is simply not the case. Therefore, the only way forward was to frame this concept as being a sinicized imperial system, one that rejects the neoliberal mechanisms and instead applying it to the Chinese identity, its state capitalist system, and South-South standards and goals.

As part of the conceptual framework of Sino-imperialism, there are a number of primary characteristics that play an essential role in how to understand it. Firstly, is arguably the most important driver of the Sino-imperial concept, namely advancing and realizing Xi Jinping's Chinese Dream. Realizing the great rejuvenation of the Chinese nation is key in understanding China's foreign policy and it was mentioned that in order to achieve this goal a peaceful and stable international and neighboring environment is required, and thus makes it connected with "the dreams of other peoples around the world" (Yang, as quoted in Sørensen, 2015, p. 59). For China, this means an interconnected network of trade and politics such as the one proposed in the One Belt One Road initiative, one that is capable of achieving the Chinese Dream. At the same time however, increasing the linkages and interconnectedness requires infrastructure and growth, and resources are needed for both. In order to meet the increased need for resources, China has turned to Africa for the extraction of its resources.

Secondly, the Chinese identity should be taken into account in the conceptualization of the Sino-imperial framework. Rather than striving to be, or finding identity in being, an imperial power, the Chinese identity has revolved around the concept of being a civilization, where it is rather analogous to a geological formation in which the nation-state represents nothing more than the thin layer of soil on top. There is a deep, entrenched history associated with the Chinese people, rather than the state itself. This sinicized embeddedness is able to

cross borders and through the advent of special economic zones in many African nations it has created an atmosphere of an 'extended China'. Rather than by means of outright colonialism, China spreads through unforced identity-making. These spaces act as areas of trans-national governance, applying the state capitalist system through the re-territorialization of the Chinese state abroad through these special economic zones, without the need for challenging legitimacy of African governments.

Lastly, paramount to the Sino-African interaction is the Chinese state itself. Given its prevalence in many aspects of its political economic system, it is self-evident that it plays a rather huge role in Sino-African relations, both public and private. The close-knit nature of the public and private spheres in the state capitalist political economic system means that the Chinese State Party can hypothetically exert their power and control the political economy both at home and abroad through a system of institutional clientism and advantageous mechanisms such as tax breaks, favorable interpretations of regulations and priority in the allocations of important contracts. However, due to the lack of transparency, it is difficult to know to what extent the state is involved overall. But it would be safe to say that it is most likely that the state is heavily involved in the more significant dealings with African nations and their markets.

Conclusion

In this thesis I have presented the Sino-African relationship, and how this interaction can be explained through a framework based on the Chinese political economic system as well as its mechanisms and characteristics. It followed a structure based on analysis of both the Chinese political economy and the contemporary Sino-African interaction. Over the course of this thesis I have provided an in-depth discussion of the Chinese political economy, its state capitalist mechanisms, and how the state's power is reinforced through a system of institutional clientism. It was shown that state-owned enterprises play a large role in this system, and function as actors that hover between the public and private spheres. It was shown that while they can be private in name, it is still possible for the government to play a large role in determining the goals and scope of these enterprises. Moreover, it was shown how the Chinese identity has become embedded in the state capitalist political economic system; originating from a strong historical identity and having now developed into what has become known as the China Model and eventually the Chinese Dream. Then, as per comparative concept, neo-imperialism and its mechanisms and effects were discussed before moving on the Sino-African interaction itself. Various characteristics of this interaction were highlighted, and it was shown that this is an interaction in which the foundation of mutual benefit and cooperation is indeed stressed.

Following the review of the aforementioned, it became clear that the delineation of the Sino-African interaction as being neo-imperial in nature simply did not suffice. An attempt was therefore made to see how the Chinese political economy is reflected in the Sino-African interaction, as well as a comparison, comparing this interaction to neo-imperialism as to prove why it was not a suitable descriptor. Instead, I proposed a *Sino-imperial* framework based on the historical, national and global contexts of the Sino-African relationship. This framework refutes, although also learns, from the neo-imperial framework based on neoliberalism, and applies it to the Sino-African interaction. It is based on a combination of mechanisms, those associated with the realization of the Chinese dream, those associated with the Chinese identity and the civilization state, and lastly, those associated with the prevalence of the Chinese state.

Given the rather novel nature of this South-South interaction within the global theatre, it is hard to say how it will play out in the future. However, I believe that this new framework through which to view the Chinese interaction in Africa, and possibly outside of it, will assist in making sense of China's actions and the future of the One Belt One Road initiative. It will shed light on the motivations behind projects and other undertakings China will initiate on the African continent. These types of South-South interaction are still young and are thus subject

to change. Interactions such as these will become more and more prevalent with many nations previously thought of as the global South slowly make their way into the realms of prosperity and find themselves in situations in which they are able to look outward to invest. More of these interactions will develop and when that time comes, a second look will have to be taken at how international relations theory can be improved in order to encompass contemporary interaction. Moving forward, I believe that this framework is a good starting point to start from in a world of rapidly changing international relations in which archaic concepts simply do not apply anymore.

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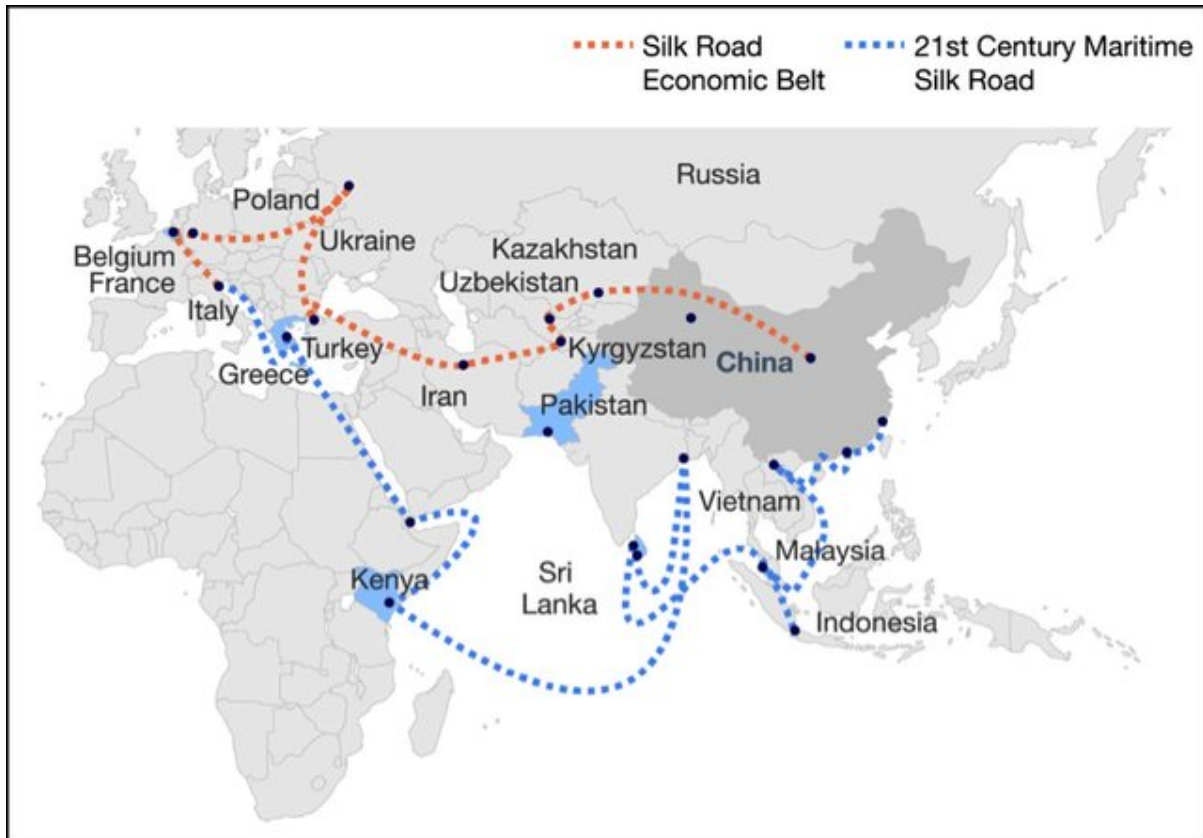
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Appendices

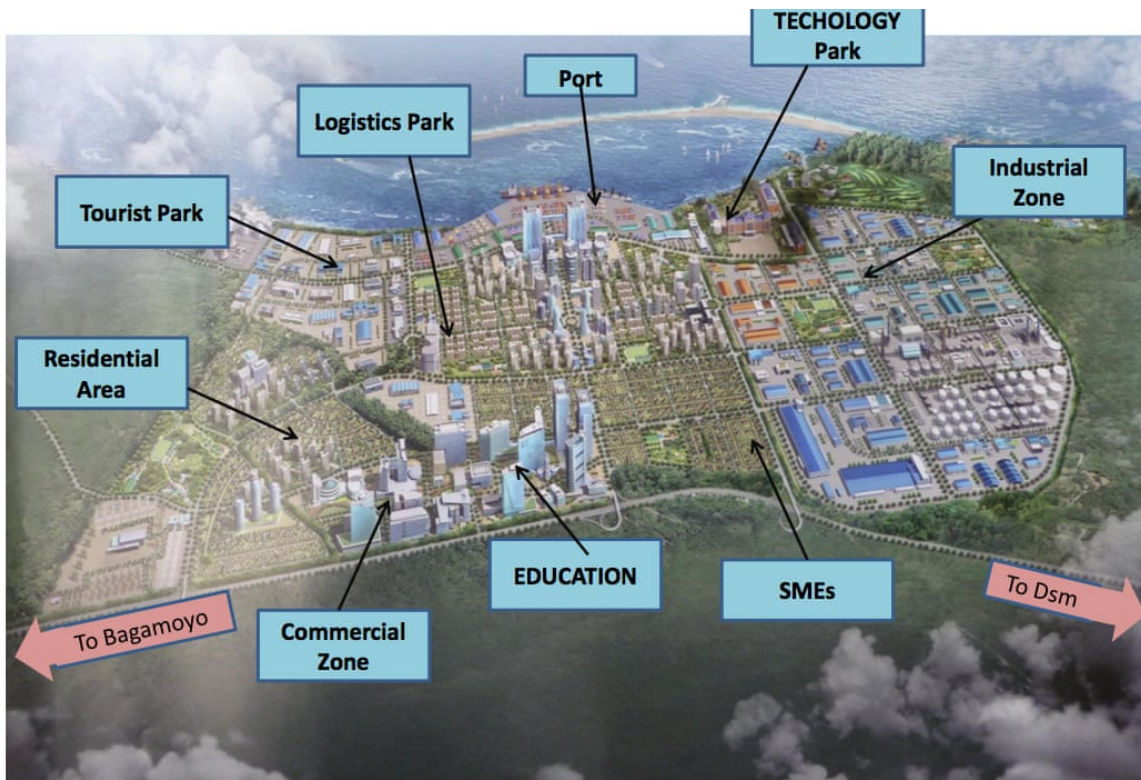
Appendix 1.1 (Liu, Zhang, Chen, Zhou & Miao, 2018)



Appendix 3.1



Appendix 3.2 (Van Mead, 2018)



Appendix 3.3 (Mchome et al. 2013)



Appendix 3.4 (Mchome et al. 2013)

