

Chinese Expansion and Assertiveness in Africa: Effects on Economic Growth

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DOI [10.56201/ijebm.v10.no2.2024.pg146.162](https://doi.org/10.56201/ijebm.v10.no2.2024.pg146.162)

Abstract

This paper examined the effects of Chinese expansion and assertiveness in Africa, with the main objective of determining whether they lead to economic growth on the continent or not. The study relied on secondary data, using qualitative approach with case-descriptions to illustrate how Chinese expansion and assertiveness have affected African economic growth. The theoretical framework adopted for this paper was the Dependency theory, that examines the socio-political and economic relationships that exist between the developed and developing nations. The findings revealed, amongst others, that China is Africa's largest trade partner and at the same time the largest creditor, that China is attracted to Africa because of its natural resources and export markets, that Chinese-African economic relationship can be assessed based on trade relations, foreign direct investment, loans granting and infrastructural development and that there are both positive and negative effects from Chinese expansion and assertiveness in Africa. Some of the recommendations are that African countries need to develop their own policies regarding foreign support in order to identify strategic goals upfront, before entering into relationships with foreign nations, managerial skill transfer as well as technology transfer are very critical elements for African countries when dealing the Chinese and must be embedded in agreements, there must be clear agreements with regard to duration and timelines of contracts with the overall intention to hand over to nationals of beneficiary countries for management and that lack of transparency, corruption and nepotism should be reduced to the barest minimum.

Key Words: China, Chinese trade, FDI, infrastructure, Africa

1. Introduction

It is widely acknowledged in economic literature that the contemporary international system is characterised by high level of interdependence, especially in this era of globalisation (Osondu-Oti, 2016). It is virtually impossible for any state, in modern times, to embark on any policy of economic impenetrability on her own. With the emergence of globalisation, it is common now to talk about an international economy or international economic relations that cuts across all

continents of the world. Thus, within the international economic system, the comparative strengths of countries become visible (Osondu-Oti, 2016). Historically, countries referred to as Third World or developing countries (for example, African countries), were producers of raw materials, which they traded with the developed countries (mostly their colonial masters), to procure their manufactured goods. Nowadays, emerging economies such as China, India, Russia, Brazil, etc. are joining the train of developed economies to source raw materials from Africa in exchange for new technologies and manufactured goods.

The place of China in the social, economic and political lives of African nations have come into focus in recent times. Quite a number of studies, analyses, interpretations and predictions have been produced by scholars, institutions and politicians. In more recent times, the devastating effects of the global Covid-19 pandemic that originated from China, still continue to ravage the entire world. This further made the Chinese connection more critical, thus worthy of serious analysis. Discussing the Chinese expansion and assertiveness in Africa and the effects on economic growth exposes the multi-dimensional nature of this relationship, as research has thrown up disparate findings on the subject.

While some argue in favour of continuous trade and financial relationships between African countries and China because of perceived gains in terms of favourable loan deals and infrastructural development opportunities, others contend that the relationship generate further underdevelopment and de-industrialisation of Africa. They gave examples of perceived Chinese poor human rights records, production and distribution of substandard goods, illegal mining activities and rendering support to autocratic regimes in Africa. Such activities enumerated above constitute roadblocks to Africa's search for sustainable development. Out of the fifty-four independent nations in Africa, China maintains official diplomatic relations with all, except Burkina Faso, Sao Tome and Principe, Gambia and Eswatini, all which maintain official relations with Taiwan (Taipei) (Hofstedt, 2009). Interestingly, the emergence of China in Africa complicated the supremacy battle between the E.U. and USA over the 'ownership' of Africa (Campbell, 2008). In terms of trade, China's trade with Africa has blossomed and this is an indication of the enormity of the Chinese economy. It is worthy of note that China's soft power approach is closely tied towards trade, investment, aid, grants, loans and debt relief (Liang, 2012).

The increasing dominance of China in the global economy over the years has become a phenomenon that both developed and developing countries are having to contend with. China has experienced a meteoric rise from a poor, developing country, to becoming the world's second-largest economy. In 1990, China's nominal Gross Domestic Product (GDP) rose from 6 percent of the United States' GDP to 66 percent by 2018 (World Bank, 2019). Her dramatic rise in economic power has strengthened her position on the world stage as a great power. Though China continues to position itself as a developing country, it is clear to many critics that it has moved into a position of great strength in both its relationship with her neighbours and on the world stage.

From China's trade war with the United States, to the scrutiny of China's investment in Africa. China has become a force to be reckoned with. In fact, it is often said that "when China sneezes, the world catches a cold" (Kingsly & Henri, 2020, 1). In their study, Alden and Alves (2009) recognised the Chinese concern for Africa, as China offers significant resources in foreign

assistance towards African states. China has even gone ahead to start negotiations towards a regional economic free trade with the Southern African Customs Union. China's three decades of unbroken growth have transformed her from an economic backwater to the world's second largest economy. This has fuelled an ever-expanding demand for energy and new markets offered by the emerging economies of Africa (Downs, 2004).

The Chinese search for resource security has become a major focus of its foreign policy, and in this regard, Africa has assumed a critical role in achieving this objective. The African continent possesses a tremendous endowment in natural resources, namely hydrocarbons, minerals and forest resources, which remain mostly untapped due to decades of political instability, poor infrastructure and lack of investment. However, the Chinese foray into this sector has had to take into account the prevailing dominance of established interests, primarily from the US, France and the United Kingdom (UK), all of which produced a pattern of investment that replicated the colonial era divisions refracted through the politics of the Cold War (Alden & Alves, 2009).

The main objective of this paper is to examine the role of China in furthering the economic growth of African countries, given the high level of her economic relations with these nations. The paper intends to determine whether the high level of expansion, assertiveness and integration of China into African nations' economies are positive and negative.

This paper proceeds in Section 2 with a review of existing literature, in order to identify areas of research gap which this study intends to fill. In Section 3, we discuss the Methodology utilised in carrying out this study and Section 4 was devoted to Findings and Analysis; while the final Section 5 contains the Conclusion and Policy Recommendations.

2. Literature Review

Conceptual

According to Hanauer and Morris (2014), China has four overarching strategic interests in Africa: access to natural resources, particularly oil and gas; facilitating China's efforts in restructuring its own economy away from labour-intensive industries by investing in Africa; Chinese quest for political legitimacy and enhanced international influence; and finally, seeking a more constructive role as contributor to stability in the African region to mitigate security-related threats to China's economic interests. Our review of Chinese expansion and assertiveness in Africa would focus on the role of Chinese trade, loans and foreign aid and assistance to African nations.

According to McNally (2012), China's economic system should be regarded as Sino-capitalism. Sino-capitalism can be viewed as hybrid capitalism consisting of several institutional arrangements that consist of market-oriented and statist strategies. With the Chinese entering the globalised market, it has been further influenced by the Anglo-American values which have contributed to the Chinese market to some extent, having been influenced by market liberal forms of capitalism. Moreover, private Chinese businesses have gained prominence as the marketisation and capital accumulation has further developed. China has also opened more to foreign direct investment and has also developed an export-based market with a statist, market-based, and liberal values in order to gather capital and to integrate foreign technology.

Antwi-Boateng (2017) highlights the discussion regarding the role that China plays in Africa currently. He enhances the discussion regarding Sino-pessimism as being the camp for western scholars and policy actors that accuses China of colonising the continent and that the economic and political policies can be related to the “new scramble for Africa” (Antwi-Boateng, 2017, 180). In addition, the Sino-optimists consists of African scholars and policymakers that welcomes the opportunities made possible by the increasing Chinese investments as well as seeing it as a wanted departure of the prevailing western influence. Antwi-Boateng (2017) went further to maintain that China has found a way to legitimise her Neo-colonialism through multilateralism and cooperation to navigate her international regime and institutions. The strategy of multilateralism is meant to support China’s export-oriented economy which has also contributed to their exploitation of Africa.

China-Africa relations have a long history dating back to the 1950s. The relations, however, intensified at the turn of this century, especially after the third FOCAC summit in 2006, which culminated in China’s decades-long efforts to engage with Africa (Alden & Large, 2019). Newcomb (2020) traced the origin of the Chinese Belt and Road Initiative (BRI), also known as the New Silk Road, which is an ambitious infrastructure project launched by President Xi Jinping in 2013. The BRI is a multinational, trillion-dollar development project that aims to improve connections by land and sea between China and her economic partners in Asia, Africa, the Middle East, and Europe through very ambitious infrastructure plans. It has become the most prominent development initiative in history. One of the two critical components of the BRI is the 21st century Maritime Silk Road (MSR), which emphasises Kenya in Africa.

Lee (2006) takes a more radical stance towards the classification of the current investments within the African continent. She labels the current situation as a “new scramble for Africa” which means that Chinese investment could be as dangerous as those of the West has been (Lee, 2006, 1). She embraces a discussion that circulates around China and their engagement in the so-called “naked imperialism” which includes the scramble for economic and political influences (Lee, 2006, 1).

Theoretical Review

The Dependency theory

This is a popular theory within the social sciences, used to explain economic development of states. It is often times used as theoretical framework to analyse and explain both development and underdevelopment within the international system. It does so by allowing scholars and practitioners to look to external matters such as politics, economics, and culture, and attempt to come to an understanding of how these issues influence development policies to conceptualise the theory as a systematically subordinated status in relation with other states or actors, usually starting economically, but with implications for other spheres of activity (Romaniuk, 2017; Igwe, 2007).

The Dependency Theory was developed in the late 1950s under the guidance of the Director of the United Nations Economic Commission for Latin America, Raul Prebisch. Prebisch and his colleagues were troubled by the fact that economic growth in the advanced industrialised countries did not necessarily lead to growth in the poorer countries. It is a central contention of dependency

theory that poor states are impoverished and rich ones enriched by the way poor states are integrated into the world's system (Agubamah, 2014).

The theory attempts to explain the present underdeveloped state of many nations in the world by examining the patterns of interactions among nations and by arguing that inequality among nations is an intrinsic part of those interactions. They agree that dependency characterises the international system as comprised of two sets of states, variously described as dominant/dependent, center/periphery or metropolitan/satellite, where the dominant states are the advanced industrial nations in the Organisation of Economic Co-operation and Development (OECD) and the dependent states represent those states of Latin America, Asia and Africa which have low per capita Gross National Products and which rely heavily on the export of a single commodity for foreign exchange earnings (Romaniuk, 2017).

Neo-colonialism

Another relevant theory to this work is the theory of Neo-colonialism. According to Auerbach (2019), neo-colonialism is defined as countries seeking to implement policies towards others with the means of serving their own interests alone. In addition, there is an even more sinister approach to Neo-colonialism as Auerbach (2019) points out, where the view is that it serves as an expression of unjust and unfair power. The more formal definition is understood as a sovereign entity assuming control over another region or nation that is autonomous. However, Neo-colonialism enhances the discussion, regarding a culture's ideals, ideologies, and values being implemented into another society.

According to Braidotti, & Hlavajova (2018), the term Neo-colonialism circulates around the re-enactments of colonial dynamics, although he argues that in contrast to colonialism, Neo-colonialism consists of new hegemonic formations that are linked in an increasingly diffused procedure, including sectors of economic, military, financial, environmental and technological dominance, instead of the old colonialism involving direct territorial formations. Furthermore, Neo-colonialism dismantles simple centre-periphery divides, first world, and the third world as well as the divide between north and south.

Empirical

The empirical review in this work will be categorised under three main headings:

- i. Studies that support Chinese intervention Africa;
- ii. Those that are opposed Chinese intervention; and
- iii. Those that are ambivalent.

i. Supportive

Farole, Brautigam, and Tang (2010) approached the matter of Chinese investments in an increasingly constructive way. Their research concerned the practicalities of Chinese investments and its improvements. They enhance the discussion of the profit-driven trade zones established in Africa by China. According to them, they are profit-driven due to the Chinese wanting the profit motive as they believe it is the best way for sustainability. Their article suggests that there is a lack

of progress and development by the host governments when it comes to providing for the Chinese developers.

Using Nigeria as a case study, Erinne (2010), posits that enormous evidence shows that Chinese presence on the African continent is fuelled by its increasing growth rate and has produced some economic benefits. With Nigeria focusing on its ultimate goal of poverty reduction by 2025, some investments made by the Asian Giant in the country are increasing the likelihood for Nigeria to achieve that goal. Nigeria's partnerships with Chinese firms under the umbrella of mutual interest, has created a more appealing alternative than the usual ventures taken with western corporations. In addition to Nigeria acting in its own interests, like other nations, Nigeria must also ensure its survival in the international community of states.

Igbinoba (2015) further acknowledges that Chinese investments have positively influenced the economic growth of Nigeria. However, the author puts more emphasis on the target state instead of Chinese investors. He highlights the need for Nigeria to be more efficient in deriving higher value from Chinese trade and influence.

Corkin and Burke (2008) noted that while the majority of countries have experienced growing trade deficits with the China – importing enormous quantities of consumer goods in addition to light manufacturing and agricultural equipment – a small number of resource-rich countries such as Angola, Nigeria, Sudan, Nigeria, and Zambia enjoy mounting surpluses, notably due to their rich oil and mineral deposits.

Despite the perception of Chinese presence in Africa as a neocolonialist strategy led by the Chinese state, a study by Ejangue (2018) shows that the Chinese migrant population in Kenya is diverse. There are different independent actors with personal and economic motives separate from the Chinese government in the Chinese migrant population. The Chinese migrants have been able to impact the Kenyan social, cultural fabric through the proliferation of the Chinese language, food, work ethic, and an increase in interracial relationships. Although Chinese migrants are exporting their cultural heritage to Kenyans, many embrace the Kenyan culture and interact with the Kenyan communities too.

ii. Opposed to

Brautigam (2019, 2) have labelled China's initiatives in Africa as 'debt-trap diplomacy.' The scholar and others have expressed concern that the Chinese development loans will have negative impacts on the already fragile African continent. Scholars, such as Akpaninyie (2019), have defined Chinese enterprise on the continent as being neo-imperialist. Sub-Saharan African has a complex history with foreign powers exploiting the land and the people.

Onuoha (2008) asserted that it seems likely that the present trade imbalance will increase as China tries to achieve a greater surplus in her African trade, in order to balance the heavy imports from the industrialised countries. Thus, there is a visible determination by the Chinese to offset their trade deficit with the West, by striving to maintain trade surpluses with their non-western trading partners. Africa's trade with China has continued to be in deficit. Chinese textiles are flooding the African market. Most of these cheap garments, whose workmanships are often poor would never

make the grade in Western countries, and are simply killing local industries. He believes there is the need to stop encouraging the dumping of cheap clothing and other commodities from China.

Anyu and Ifedi (2008) posit that a long and disturbing history with outside powers exploiting the continent for its natural and human resources in furtherance of their own economic and developmental objectives is still fresh in the minds of Africans. Thus, the acceleration in trade from 2000 to date between Nigeria and China has many questioning the motives of the Chinese government. Most notably among those questioning this relationship are the United States and other Western nations; albeit for their own selfish reasons, having been displaced from their own imperialist roles.

Zhao (2014) concurs with the statements of the previous authors. He writes that “while China’s main imports from Africa are primary products with little added value for Africa, including crude oil, copper, ores and minerals, Africa is a large buyer of manufactured products such as machinery and textiles from China.” (Zhao, 2014, 1042). Zhao continues his argument stating that Chinese investment rarely helps economic development in the targeted country. It is rare to see job creation or improved standards of living for the ordinary people in these countries.

Scholars have continued to insist that China’s impact on Africa is potentially very large with the rapid domestic growth altering world prices for the goods Africa buys and sells. The dumping of cheap Chinese imports and the displacement of local industries, especially in clothing and textiles, has aroused growing anti-Chinese sentiment and popular antipathy across the continent (Le Pere, 2008). For example, in Kano, Nigeria, a Chinese-owned textile factory has forced the entire city’s textile companies to close (Muhammad, Mukhtar, & Lola, 2017). There are therefore genuine concerns that Chinese companies may be contributing to the atrophy of local African industries, and hence, de-industrialisation.

iii. Ambivalent

Miao, Yushi and Borojo (2020) made attempts to empirically examine the impacts of the China–Africa economic relationship on factor productivity. The two-step system Generalized method of moments (GMM) estimator was applied to analyse the impacts of the Africa–China economic relationship on factor productivity of 44 African countries. The estimation strategy controls endogeneity concerns. Additionally, the institutional quality index of countries is derived using principal component analysis. The results imply that the productivity embodied by the Africa–China economic relationship should be backed by the domestic adaptive capacity to use the benefit of China–Africa economic relations to excel factor productivity. Hence, the capability of African countries to benefit from the China–Africa economic relationship to enhance factor productivity should improve the institutional quality.

Manji and Marks (2007) noted that China’s involvement in Africa has provoked much debate and discussion, provoking such questions as to whether China was simply the latest imperial power out to exploit Africa’s natural resources, putting its own economic interests above environmental and human rights concerns. They also wondered if China’s engagement in Africa would enable African countries to free themselves from the Western debt peonage, loan conditionalities, unfair trading rules and political interference in the guise of facilitating good governance.

Daly (2020) conducted a qualitative study to collect information on perceptions and opinions regarding Chinese-supported health related activities in Africa, through in-depth interviews among local African and Chinese participants in Malawi and Tanzania. Their findings reveal shared experiences and views related to challenges in communication; cultural perspectives and historical context; divergence between political and business agendas; organisation of aid implementation; management and leadership; and sustainability. They suggest that China faces similar challenges to those experienced by other longstanding development aid and global health donors. As it continues to expand cooperation across Africa and other regions, it will be important for China to consider the issues identified through the study to help inform collaborative and effective global health assistance programmes.

3. Methodology

This study was based on secondary research, with data and information gathered from existing literature, text books, news articles, academic journals, academic theses, and online databases. Historical and content analyses were used for the sourced extant literature in conducting this research. The study adopted a purely a qualitative approach with case-descriptions to illustrate how Chinese expansion and assertiveness have affected African economic growth.

The theoretical framework adopted for this paper was the Dependency theory that examines the socio-political and economic relationships that exist between the developed and developing countries. It was considered very relevant for this paper because of its international appeal, especially given its importance in the immediate post-colonial era in most of Africa and Asia.

4. Findings/Analysis

Findings

In this Section, Chinese expansion and assertiveness will be examined from four (4) different perspectives of international economic relationships:

- i. Chinese-African Trade relations;
 - ii. Foreign Direct Investment (FDI);
 - iii. Chinese Loans to Africa; and
 - iv. Chinese Infrastructural Development in Africa.
- i. Chinese-African Trade relations**

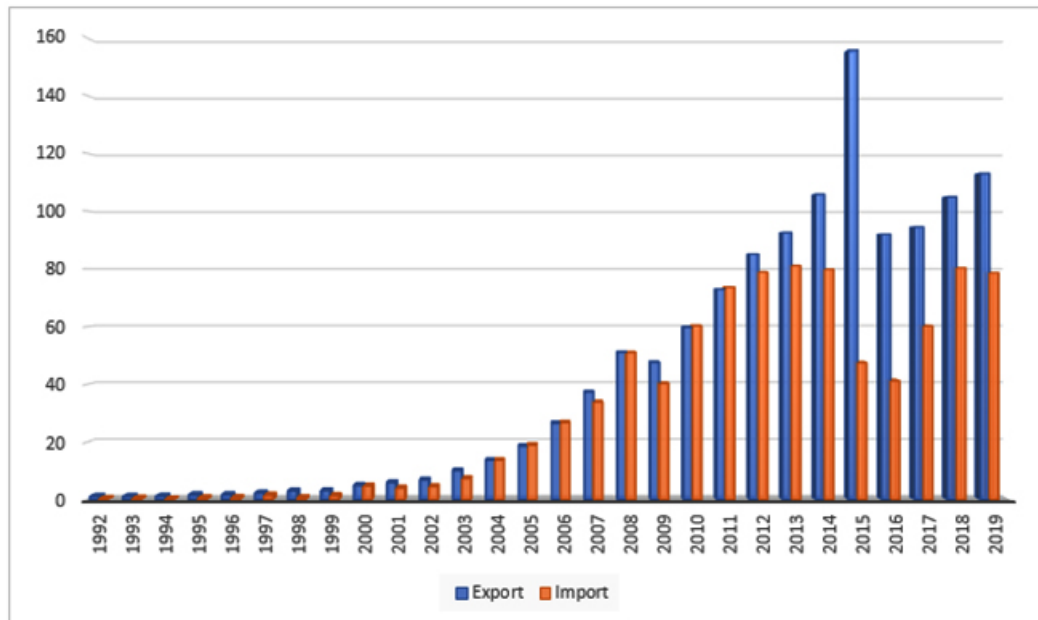


Figure 1: China's trade in goods and services with Africa (1992-2019) in USD billions, current prices

Source: UN Comtrade and the SAIS China Africa Research Initiative (SAIS-CARI). <http://www.sais-cari.org/data-china-africa-trade>

As shown in Figure 1 above, China's trade with Africa was very limited in the early 1990s. It began increasing significantly around 2005. Chinese exports to Africa amounted to USD 113 billion in 2019, while imports from Africa reached USD 78 billion. The volumes have been increasing for the past 16 years. Weak commodity prices in the period 2014-2017 had a massive impact on the value of African exports to China, even while Chinese exports to Africa remained steady. With a total trade of USD 200 billion in 2019, China is Africa's biggest bilateral trade partner.

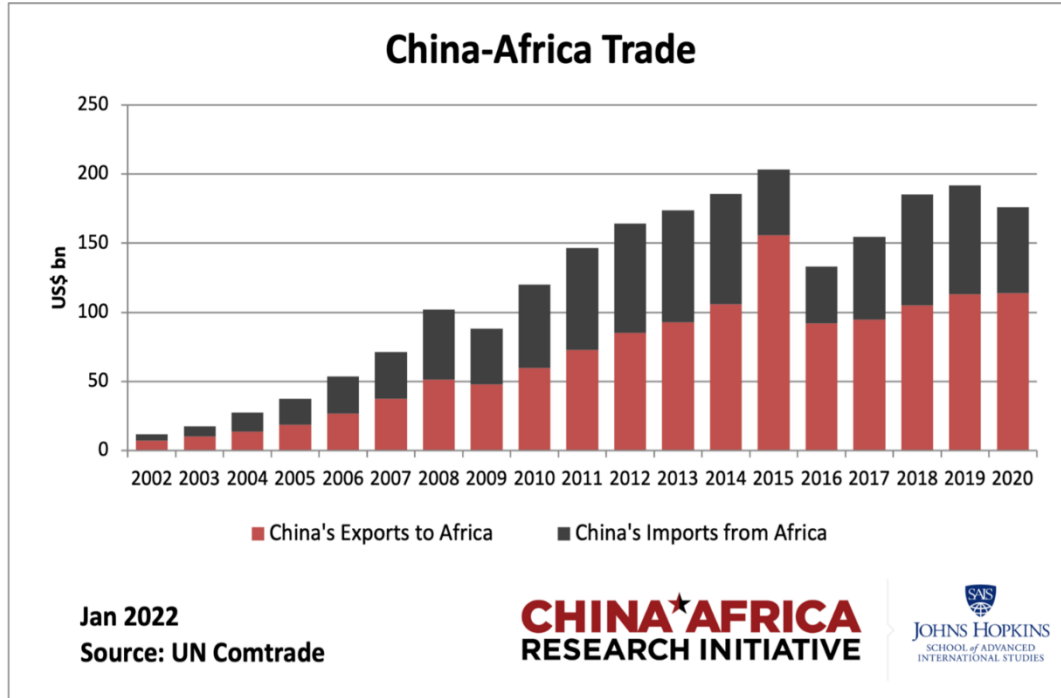


Figure 2: China-Africa Trade data (2002-2020) in USD billions

Sources: UN Comtrade, China Africa Research Initiative (CARI) at the Johns Hopkins School of Advanced International Studies. <http://www.sais-cari.org/data-china-africa-trade>

Further confirmation of the volume of Chinese-African trade relations can also be seen from Figure 2 above. China-Africa trade has increased steadily for the past two decades, even though weak commodity prices since 2014 have greatly impacted the value of African exports to China. Due to the disruption occasioned by COVID-19, the value of China-Africa trade in 2020 was US\$176 billion, down from US\$192 billion in the previous year.

It is worthy of note that in 2020, the largest exporter to China from Africa was South Africa, followed by Angola and the Democratic Republic of Congo. Concomitantly, in 2020, Nigeria remained the largest buyer of Chinese goods, followed by South Africa and Egypt.

ii. Foreign Direct Investment (FDI)

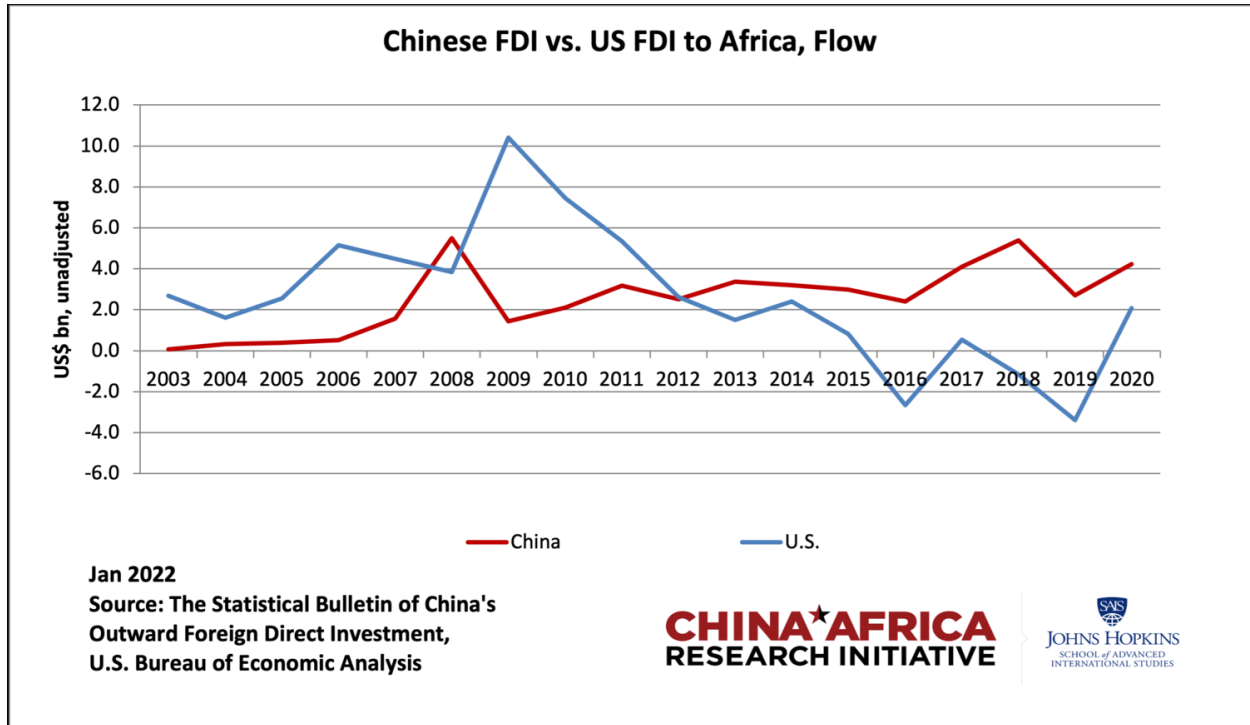


Figure 3: Flow of Chinese and USA FDI to Africa (2003-2020) in USD billions

Source: The Statistical Bulletin of China's Outward Foreign Direct Investment and US Bureau of Economic Analysis. <http://www.sais-cari.org/chinese-investment-in-africa>

From Figure 3 above, Chinese FDI annual flows to Africa have been increasing steadily since 2003, from US\$ 75 million in 2003 to US\$ 4.2 billion in 2020. The Figure reveals that Chinese FDI flows to Africa have even exceeded those from the U.S. since 2013, as U.S. FDI flows have generally been declining since 2010. The top 5 African Chinese FDI destinations in Africa in 2020 were Kenya, Democratic Republic of Congo, South Africa, Ethiopia and Nigeria.

iii. Chinese Loans to Africa

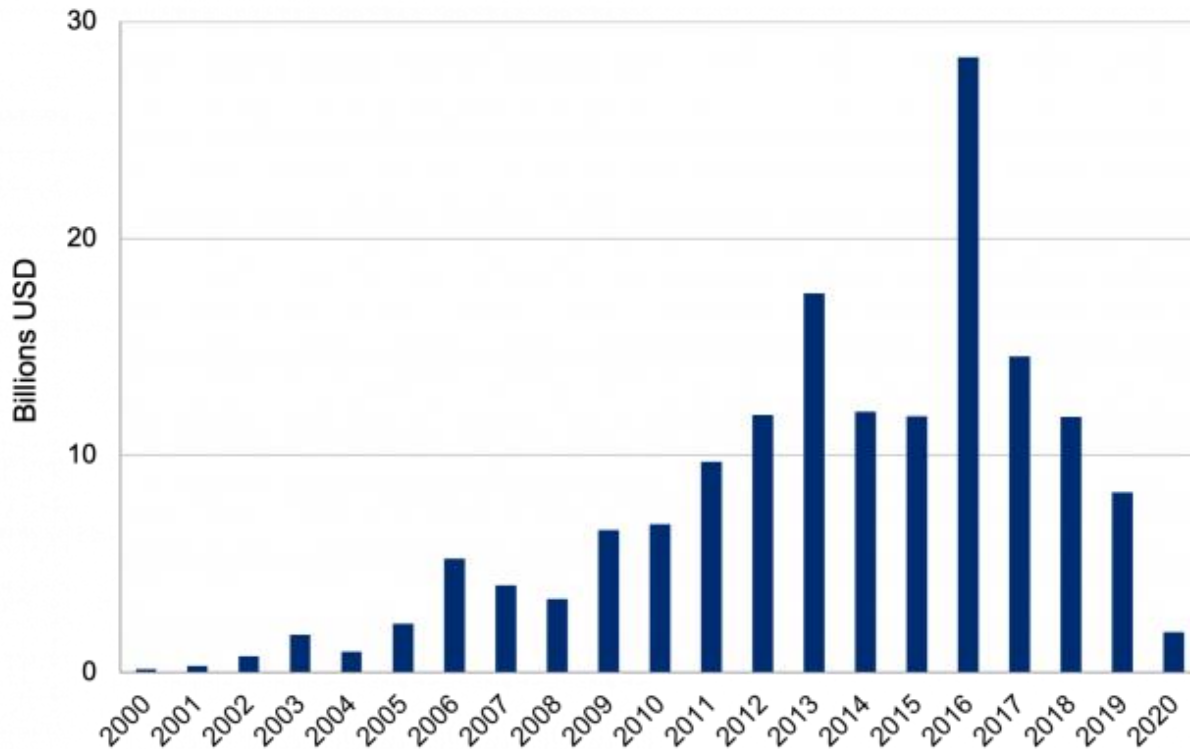


Figure 4: Chinese Loans to African Countries (2000-2020) in USD billions

Source: Chinese Loans to Africa (CLA) Database, 2022. Boston University Global Development Policy Center. <https://www.bu.edu/gdp/2022/04/25/how-chinese-loans-to-africa-changed-during-the-covid-19-pandemic/>

Chinese loans to Africa peaked in 2016 and subsequently decreased (Figure 4 above). Given this trend and the effects of the COVID-19 pandemic on African borrowers and Chinese lenders, the striking reduction in 2020 loan amount is not surprising. The pandemic impacted many African economies by restricting the fiscal space to service debts which, coupled with over-borrowing after the debt relief initiatives from the early 2000s, likely impacted the willingness to borrow from China. Chinese lending capacity may have also played a role in this reduction, as Chinese policy bank lending has pulled back in other regions likely due to cautionary lending practices, an increased attention to Chinese domestic priorities during the pandemic, travel restrictions and lockdowns and a shift to focus more on debt restructuring for host countries.

Overall, the CLA Database estimates Chinese financiers signed 1,188 loan commitments worth \$160 billion with 49 African governments, their state-owned enterprises and five regional

multilateral organizations between 2000 and 2020. More recently and quite significantly, African countries recorded 11 new loan commitments worth \$1.9 billion from Chinese lenders to African government borrowers in 2020. This low amount, not seen since the mid-2000s, is down 77 percent from 2019 volumes, when Chinese lenders signed 32 loan agreements worth \$8.2 billion. As explained earlier, this can be ascribed to the fallouts of the Covid-19 pandemic that ravaged many countries, especially China.

iv. Chinese Infrastructural Development in Africa

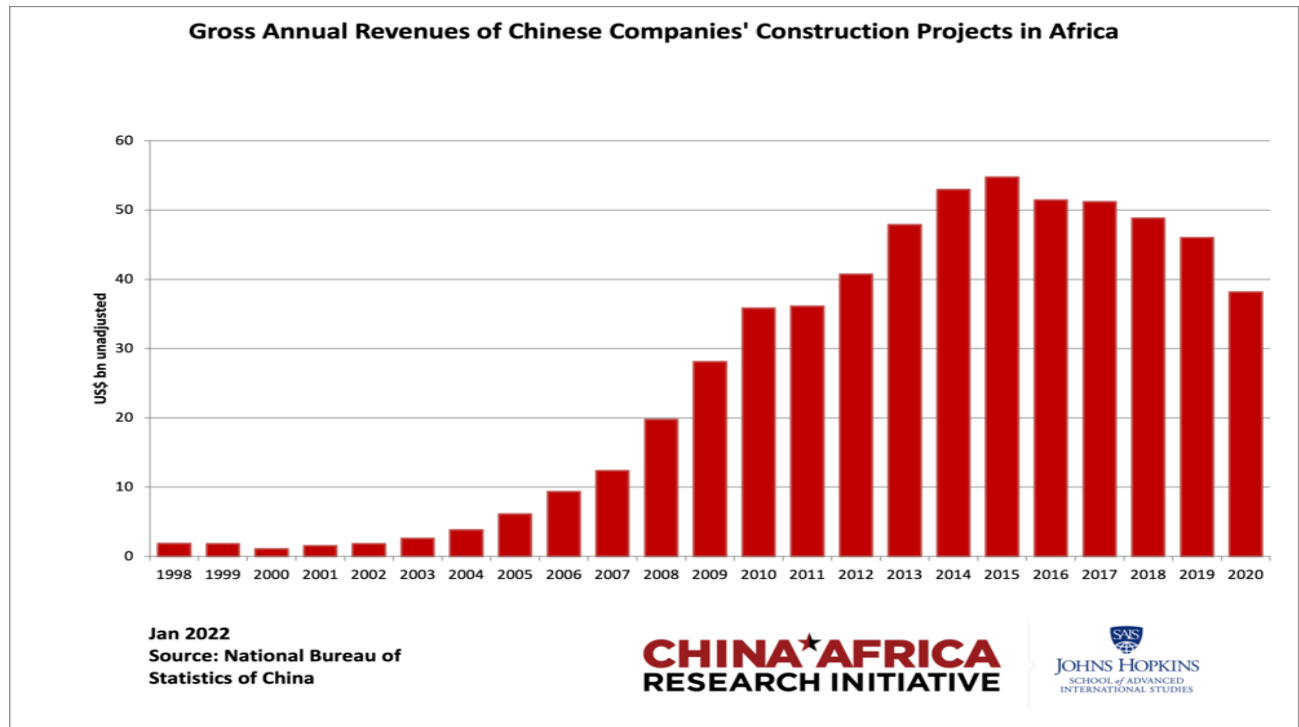


Figure 5: Chinese Infrastructural Development (measured by Annual Chinese Companies Constructions Projects) in Africa.

Source: National Bureau of Statistics of China. <http://www.sais-cari.org/data-chinese-contracts-in-africa>

China has helped Africa build the African Union Conference Center, the Addis Ababa-Djibouti Railway, the Mombasa-Nairobi Railway, and other large-scale infrastructure projects, and conducted close cooperation with Africa in science, education, culture, health, industries, and digital connectivity and other fields. Several countries in Africa – Kenya, Zimbabwe, Angola, Nigeria, etc. benefited immensely from Chinese support in the area of infrastructural enhancement.

Analysis

Our findings reveal that China has contributed significantly to the economic growth of several African countries through trade relations, foreign direct investment, foreign loans and

infrastructural development. In several cases, there were clear enhancements and improvements in the economic situation of host countries. This is especially true of many African countries that had very poor resource base and thus depended heavily on Chinese foreign assistance. Were Chinese support not available, some of these countries may have been in worse economic situation than they are currently in, especially countries like Ethiopia and Kenya.

In some other situations, the injections of Chinese financial assistance have not come out successfully. The problems may not have really been in the efforts of those supports, but in the way and manner the programmes were packaged and implemented. Notable examples include Angola, which mortgaged her mineral resources earning for loans taken, and Zambia, where China had to take control of the infrastructural facilities constructed with loans due to poor loan servicing.

5. Conclusion and Policy Recommendations

Conclusion

The relationship between Africa and China date back to the 1950s, but gained significant traction in the last three decades. Within this period, China became Africa's largest trade partner and at the same time largest creditor. China is attracted to Africa by its natural resources and export markets, while African leaders hope Chinese engagement brings about the much-desired economic development.

Chinese economic assistance can be viewed in the form of trade relations, foreign direct investment, loans granting and infrastructural development. Africans' reactions to Chinese involvement have been mixed. While host government officials have been overwhelmingly positive and welcoming, other elements of African societies criticise China for what they see as an exploitative, neo-colonial approach. China has met scepticism with attempts at sustainable development and win-win commercial deals and with a range of soft-power tools to improve its image.

The study has revealed that there are both positive and negative impacts that emanate from Chinese expansion and assertiveness. Each case needs to be viewed on its own basis and within its own circumstances. The host economies need to do a lot to derive more mileage from their economic relations with China. Several scholars believe the relationships need to be revamped for the benefit of the people, in order to arrive at a win-win situation.

Policy Recommendations

- i. The first important point to note is that most African governments do not usually possess any policy or condition, regulating their economic engagements with China. As a first step, a new economic relationship will have to be built around Africa's own strategic development agenda. African countries need to develop their own policies regarding foreign support, in order to declare strategic goals upfront, before entering into relationships.
- ii. The study noted that managerial skill transfer as well as technology transfer are very important for African countries when dealing the Chinese. There must be clear agreements

- with regard to duration and timelines of contracts with the overall intention to hand over to nationals of beneficiary countries for management.
- iii. African governments should explore the use of Joint Ventures or Partnerships as business vehicles, wherein African countries can contribute land and labour, which are in abundance, while the Chinese contribute capital, expertise and technological know-how, which are in short supply.
 - iv. Government officials that are vested with the responsibility of acting on behalf of African countries during contract negotiations should be alive to their responsibilities in ensuring that they adequately protect the interests of their countries when negotiation all potential foreign investors, including Chinese investors.
 - v. African leaders should seriously commence the task of nation-building and national development, as strategies towards eventually achieving regional integration in Africa. With regional integration in transportation, communication, trade policies and tariffs, there will be more territorial gains; rather than looking for assistance outside Africa.
 - vi. Lack of transparency, corruption and nepotism have been discovered to major part of the obstacles in achieving the objectives of many Chinese contracts and agreements. African countries should endeavour to reduce these to the barest minimum, in order to achieve significant gains in transactions with the Chinese.

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