

CHINA-AFRICA JOINT FORMULATION OF SOCIO-ECONOMIC DEVELOPMENT PLANS AND GOVERNING CAPACITY BUILDING

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BACKGROUND

Starting in the late 1950s, Africa became central to China's ideologically driven campaign promoting revolution, anti-colonialism, and Third World solidarity¹. This included moral and material support for liberation movements. Relations were further consolidated when Premier Zhou Enlai visited ten African countries in 1963–1964 and articulated the “Five Principles Governing the Development of Relations with Arab and African Countries” and “Eight Principles for Economic Aid and Technical Assistance to other Countries” that would underpin China-Africa relations going forward². These two documents laid out the principle that relations would be governed by “equality, mutual interest and non-interference,” based on China's “Five Principals of Peaceful Coexistence³.” These principals form the basis of China's present-day emphasis on “friendly relationships” devoid of political conditions or interference in the internal affairs of African countries.

The launch of the reform and opening program at the 11th Party Congress of the Chinese Communist Party in December 1978 fundamentally changed China's international and domestic priorities and, along with it, its Africa policy. The success of China's developmental progress and the unleashing of economic market forces resulted in the erosion of ideological leanings of the Chinese Communist Party. In its place was a singular desire to pull China out of poverty and improve the livelihoods of its citizens. Chinese state-owned enterprises (SOEs)—enjoying access to capital from China's centrally managed policy banks—began to look outward. Africa quickly became the recipient of this “going out” strategy⁴. It wasn't until the late 1990s, however, that Chinese policymakers conceptualized a new framework of all-around engagement with Africa encompassing trade, cultural, and diplomatic ties.

The creation of an entity to centralize China-Africa relations—the Forum on China-Africa Cooperation (FOCAC)—marked the beginning of a period of unprecedented bilateral engagement. Initiated by the Ministry of Foreign Affairs (MFA) in October 2000, FOCAC was established to coordinate China's activities in Africa and has become the institutional vehicle for managing cooperation with Africa across a range of technical, economic, and political areas. Since 2000, five ministerial meetings have taken place—2000 in Beijing; 2003 in Addis Ababa, Ethiopia; 2006 in Beijing; 2009 in Sharm el-Sheikh, Egypt; and 2012 in Beijing.

Through the FOCAC framework, Beijing sets out three-year engagement plans toward the continent in the form of strategic initiatives and economic commitments. China's “state capitalist” approach—in which the state exercises control over leading companies through ownership, subsidies, and influence over corporate officials—enables the government to make sweeping pledges of capital and technical assistance.

According to its website, FOCAC was established as a “platform for collective dialogue and an effective mechanism for enhancing practical cooperation between China and African countries.” It aims to “deepen mutual understanding, expand consensus, strengthen friendship and promote cooperation through equal consultation⁵.” In July 2012 opened in the China Daily, PRC Foreign Minister Yang Jiechi called FOCAC “the standard-bearer for China-Africa relations” and “an important engine driving practical cooperation between China and Africa⁶.” While FOCAC summit meetings lay out broad policy objectives and aspirations that both China and African countries endorse, Beijing's interaction with African countries is generally executed on a bilateral basis.

FOCAC conferences provide a highly visible political and diplomatic platform upon which Beijing seeks to show respect to African leaders on the world stage. It is Beijing's way of “giving face” to African governments. African elites in turn appreciate the respect and lavish treatment granted by their Chinese counterparts. Beyond the pomp and circumstance, FOCAC meetings also make it logistically feasible for China to undertake high-level outreach to some 50 African countries. President Hu Jintao, for example, frequently met with dozens of African presidents before, during,

and after the FOCAC conferences, which in some cases presented opportunities for China to unveil large bilateral trade deals with African nations⁷.

The publication of China's white paper on Africa in January 2006, titled "China's African Policy," further enhanced and consolidated China's strategic vision for in Sino- Africa relations. The white paper outlines China's four overarching principles in its engagement with Africa:

- Sincerity, friendship and equality. China adheres to the Five Principles of Peaceful Coexistence, respects African countries' independent choice of the road of development and supports African countries' efforts to grow stronger through unity.
- Mutual benefit, reciprocity and common prosperity. China supports African countries' endeavor for economic development and nation building, carries out cooperation in various forms in the economic and social development, and promotes common prosperity of China and Africa.
- Mutual support and close coordination. China will strengthen cooperation with Africa in the United Nations and other multilateral systems by supporting each other's just demand and reasonable propositions and continue to appeal to the international community to give more attention to questions concerning peace and development in Africa⁸.
- Learning from each other and seeking common development. China and Africa will learn from and draw upon each other's experience in governance and development, strengthen exchanges and cooperation in education, science, culture and health. Supporting African countries' efforts to enhance capacity building, China will work together with Africa in the exploration of the road of sustainable development.

China's policy objectives, as communicated through the FOCAC framework and 2006 white paper, make clear that China's central goal in increasing ties with Africa is rooted in a "win-win" approach that enhances Chinese trade and investment opportunities and brings economic opportunity to Africans without overly interfering in the internal affairs of African governments.

Political Engagement

Chinese policymakers and academics perceive their role in Africa as promoting principles of mutual respect, equality, and friendship, which China refers to as "all-round cooperation". Chinese elites frequently draw on Chinese history and Europe's colonial past to highlight such principles. During a speech at the 2012 FOCAC, Chinese Ambassador to South Africa Tian Xuejun invoked memories of Admiral Zheng He's 15th century naval diplomacy to the eastern coast of Africa, saying, "instead of establishing colonies or engaging in slave trade like Western colonists, Zheng traded goods with local people¹⁰."

In the political realm, China maintains that it has always upheld principles of mutual respect and equality with Africa, including not interfering in African countries' internal affairs and respecting their independent development path. In the economic realm, China sees itself as pursuing mutual benefit and common development. Chinese officials consistently highlight the fact that none of China's assistance to Africa is attached with political conditions. These principles were most succinctly elucidated during a speech by Jia Qinglin, Chairman of the Chinese People's Political Consultative Conference, at the 18th summit of the African Union in January 2012:

Throughout the development of China-Africa relations, we have always respected the sovereignty and development path of African countries and refrained from interfering in their internal affairs. We have always treated African countries on an equal footing and pursued mutually-beneficial and win-win cooperation with them. We have always regarded assistance and support between China and Africa as mutual, and have never attached political strings to our assistance to Africa¹¹.

Despite its emphasis on non-interference, China does insist on one precondition for diplomatic relations with Beijing: It insists that African countries recognize the "One China" policy. Thus, while China consistently emphasizes its principle of de-politicization in its dealings with African countries, Taiwan remains the one clear exception to the rule.

China's focus on non-interference in part because of its own concerns over sovereignty issues involving Xinjiang, Tibet, and Taiwan¹². Due to these concerns, non-interference acts both as a means of deflecting international criticism of its own domestic policies as well as a policy that frees China from involving itself in the messy and complicated internal crises that continue to plague Africa. African leaders typically refrain from criticizing China in return.

Some scholars voice criticisms of China's principles of engagement, saying they "effectively legitimize human rights abuses and undemocratic practices under the guise of state sovereignty and 'non-interference'¹³." China frequently counters such criticisms with the notion that African problems "should be solved by Africans themselves," free from

outside intervention and imposition of values, judgment, and ideology. On this point, Chinese scholars distinguish “intervention” from “involvement” or “diplomacy.” The key difference, according to one Chinese scholar, is that the latter involves “consent from either Africans themselves or from international institutions such as the U.N. or AU [African Union]¹⁴.”

This is not to say that China does not exercise influence to mediate conflicts. For example, in the run-up to the 2008 Beijing Olympics, China found itself under increased international pressure to use its influence in Sudan to resolve the crisis in Darfur. It did so not by voting for UN Security Council resolutions critical of Khartoum, but rather by pressing the Sudanese government to accept a UN–African Union peacekeeping mission in Darfur during a February 2007 visit by president Hu Jintao to Sudan. Five months later, the Security Council—with China holding the rotating presidency—passed a resolution establishing the peacekeeping mission that “commend[ed] . . . the agreement of Sudan that the hybrid operation shall be deployed in Darfur¹⁵.” Thus, the Chinese ambassador to the United Nations could claim that China did not have to “twist arms” in Khartoum, but rather note that Sudan had given its consent to the peacekeeping mission through diplomatic dialogue¹⁶.

From China’s perspective, non-intervention is intertwined with China’s role in promoting human rights and economic development on the continent. Beijing perceives Western-led criticisms of Chinese human rights abuses in Africa as misguided and part of a larger effort to demonize Chinese policies abroad¹⁷. When asked about China’s investment in nations with records of human rights abuses, Chinese Foreign Minister Li Zhaoxing famously retorted, “Do you know what the meaning of human rights is? The basic meaning of human rights is survival and development¹⁸.” Such comments reinforce the notion that China sees human rights in economic development terms rather than in terms of individual liberties or political participation. Thus, applied to the context of economic development, China sees its role in Africa more as the provider of development opportunities for Africa and Africans, focusing on the means of development as opposed to the ends. To punish countries for their management of their internal affairs by cutting off trade or imposing sanctions, Chinese officials argue, is therefore counterproductive¹⁹.

Economic Engagement

Much of Chinese engagement with Africa is centered on trade and investment. China’s demand for energy resources coupled with Africa’s need for investment and infrastructure development have allowed the Sino-African trade relationship to flourish over the past decade. At least one African official went so far as to suggest that Chinese support has been a key driver of Africa’s success. Speaking at the January 2012 inauguration of the new African Union headquarters building in Addis Ababa—which China built, at a cost of \$200 million, as a gift—Ethiopian Prime Minister Meles Zenawi stated, “China, its amazing re-emergence and its commitments for a win-win partnership with Africa is one of the reasons for the beginning of the African renaissance²⁰.”

Trade

China-Africa trade has shown astonishing growth over the past decade. Since 2000, China-Africa trade has increased twenty-fold, from approximately \$10 billion in 2000 to \$199 billion in 2012, representing an annual growth rate of almost 16 percent²¹. In 2012, China’s imports from Africa stood at \$113.17 billion and African imports from China at \$85.32 billion²².

Among the major trading blocs, China has emerged as a key trading partner for Africa, while Africa imports the largest amount of goods from Europe in 2012, at 33 percent, Africa is importing comparatively more goods from China, increasing its share to 13 percent in 2012 from 2 percent in 1995. African imports from the United States have remained relatively stable, hovering around 5 to 8 percent between 1995 and 2012, while its imports from Japan fell to 3 percent in 2012 from 7 percent in 1995.

As Figure 3.3 illustrates, the European Union, Asia and the United States remain Africa’s leading destinations for exports among the major trading blocs, China’s share has grown significantly, from 1 percent in 1995 to 12 percent in 2012. It is very likely the growth in African imports from and exports to China and Asia will continue to increase, while those from traditional markets in the United States and Europe will remain either stable or decline.

From China’s perspective, China-Africa trade is still relatively modest, comprising only 5.13 percent of the total Chinese imports and exports in 2012, up from 2.23 percent in 2000. China-Africa trade has had a comparably larger impact for Africa, at 16.13 percent of the continent’s total cumulative exports and imports from 2012, up from 3.82 percent²³.

Disaggregation of China-Africa trade data reveals that Africa’s trade with China is highly concentrated in just a few countries. As of 2012, more than half of Chinese exports were concentrated in four countries: South Africa (21 percent),

Nigeria (12 percent), Egypt (11 percent), and Algeria (7 percent). The overwhelming majority (87 percent) of Chinese imports in 2012 originated from five countries, all of which export primarily oil, gas, and minerals: South Africa (42 percent), Angola (32 percent), Libya (6 percent), Republic of Congo (4 percent), the Democratic Republic of Congo (3 percent).

The high concentration of China-Africa trade is not just by country, but also by sector (Figure 3.6). In 2011, approximately 64 percent of registered Chinese imports from Africa consisted of petroleum; 16 percent iron and other metal ores; 8 percent manufactured goods; and 6 percent copper—figures which give credence to the claim that China's economic relationship with Africa is based largely on resource extraction. This specialization is accompanied by a very strong dependence on certain countries, since nearly all of Angola's and Sudan's exports are made up of crude oil.

Chinese exports to Africa are relatively more diversified, although three major types of products still dominant: machinery and transport equipment (38 percent), manufactured goods (30 percent), and miscellaneous articles (22 percent—mostly textiles) (Figure 3.7). Chemical products account for about 5 percent of the total. In general, Chinese products are considered to be well suited to African demand. Manufactured goods imports—electronic toys, textiles, etc.—have allowed Africans to expand their range of consumer products. Prices are often relatively inexpensive, making the products accessible to a larger number of people. Machinery and transport equipment imports are linked to the strong presence of Chinese firms in the infrastructure sector.

As China relies more heavily on oil imports from abroad, Africa's endowment of petroleum resources provides an increasingly important pillar of China-Africa trade. In 2011, Africa supplied China with 1.2 million barrels per day (bpd), or 24 percent of China's total oil imports; Angola alone represented more than half that amount, or 12 percent of China's total crude oil imports. Angola, Sudan, Congo, Libya, Algeria, and Nigeria together accounted for 90 percent of China's oil imports from Africa²⁴.

Many African countries that do not have valuable raw materials to export to China—particularly oil and gas—have developed large trade deficits with Beijing. In such countries, trade with China leads to outflows of capital, competition for local manufacturers, and job losses in non-competitive industries while creating few, if any, new jobs. Eight of the ten countries with the largest bilateral trade deficits, according to the African Development Bank (AfDB), are non-oil producers²⁵. Tiny Mauritius, for example, imported \$433 million worth of goods from China in 2010 but exported only \$10 million of its own products²⁶. In such countries, trade tends to become increasingly imbalanced as overall trade grows. Ghana, for example, had a trade deficit with China of \$70 million out of \$122 million in total trade in 2000; by 2006, the trade deficit grew to \$474 million in 2006.

Even as Ghana's exports to China remained stagnant at a mere \$29 million²⁷. By 2012, despite Beijing's efforts to encourage Chinese investment and purchases of Ghanaian goods that yielded annual export growth of as much as 77 percent, Ghana's trade deficit with China reached \$4 billion on \$4.7 billion total bilateral trade. 29

Chinese Investment

China's investment in Africa is the natural counterpart to increased China-Africa trade. Both form part of China's broader engagement strategy with Africa, albeit through different means and utilizing different institutional mechanisms. Analyzing Chinese FDI in Africa is difficult for a variety of reasons. First, China does not publish data on FDI in Africa by sector. More importantly, according to experts, China's data on foreign direct investment have several limitations that affect their reliability, including problems associated with underreporting, inconsistencies between FDI flow and stock data, and different definitions of what constitutes FDI in Chinese statistical disclosures²⁸.

This can lead to a wide range of estimates regarding China's FDI in Africa. For example, China's commerce minister, Chen Deming, announced in 2012 that Chinese FDI had "exceeded \$14.7 billion in 2010, up 60 percent from 2009²⁹."

China's ambassador to South Africa, Tian Xuejun, commented in 2012 that "China's investment in Africa of various kinds exceeds \$40 billion³⁰." Regarding the discrepancy in the two figures, The Economist concludes, "Apparently, the first figure is for African investments reported to the government. The second includes estimates of Chinese funds flowing in from tax shelters around the world³¹."

Going by official Chinese statistics provided by the Ministry of Commerce, Chinese FDI flows in Africa have increased six-fold between 2005 and 2012, from \$392 million to \$2.5 billion. Chinese FDI stock in Africa has increased thirteen-fold, from \$1 billion in 2005 to \$13 billion in 2012³².

Furthermore, according to the U.S. International Trade Commission, from 2003 to 2010, more than half of China's FDI in Africa was directed in oil, with Nigeria, Sudan, Angola, Egypt, Chad, and Niger as the major recipients³³. Over 90 percent of the FDI came from China's large SOEs, which formed partnerships with African state oil companies and large multinationals. Some of the major state-owned firms with large holdings of FDI in Africa include the China National Offshore Oil Corporation (CNOOC), China National Petroleum Corporation, China Petroleum and Chemical Corporation (Sinopec), and China National Machinery Industry Corp (Sinomach).

Chinese FDI flows remain highly concentrated. In 2010, the top ten African recipients of Chinese FDI accounted for 76.3 percent of its total FDI to Africa (Table 3.1). Generally speaking, Chinese FDI in Africa is not correlated with total bilateral trade between China and African countries. The principal lenders responsible for administering Chinese investments in Africa are the China Development Bank and China Exim Bank. As state-owned banks, both have helped to promote the Chinese government's global interests, as well as those of China's state-owned and private companies. As opposed to directly financing African companies or governments, the two banks mainly offer lines of credit to assist Chinese companies in their overseas expansion. The China Development Bank's investment vehicle, the China Africa Development Fund (CAD Fund), has disbursed an estimated \$1 billion in equity investment and aims to increase this to \$5 billion by 2015. The bank claims to have "guided and supported" a total of \$4 billion of investment by Chinese companies in Africa since 2007³⁴.

Chinese Infrastructure Financing

Chinese financing of infrastructure in Africa has emerged as a major component unique to the China-Africa relationship. Chinese infrastructure investment in Africa increased from around \$500 million in 2001 to \$14 billion in 2011. Two-thirds of Chinese infrastructure investment during this period went to the power and transportation sectors³⁵; in contrast, in 2010 non-Chinese official development infrastructure financing was divided primarily among water, sanitation, transportation, and energy, with only 3 percent allocated to communication.

China's focus on infrastructure can be understood in terms of the economic complementarities that exist between the two countries. On the one hand, Africa remains perennially deficient in basic telecommunication, power, and transportation networks, while China has developed one of the world's largest and most competitive construction industries, with particular expertise in the civil works critical for infrastructure development. On the other hand, as a result of globalization, China's fast-growing manufacturing economy is generating major demands for oil and mineral inputs that are rapidly outstripping the country's domestic resources. Africa is already a major natural resource exporter, and infrastructure facilitates the extraction and transport of natural resources to markets abroad like China. Infrastructure can also enhance intra-African trade if built to connect manufacturing centers or sources of raw materials in one country to markets in another.

The vast majority of these infrastructure arrangements are financed by the China Exim Bank, which is devoted primarily to providing export seller's and buyer's credits to support the trade of Chinese goods. This deal structure is sometimes referred to as the "Angola model," in which repayment of the loan for infrastructure is made with future revenue from the sale of natural resources. In most cases, this arrangement is used for countries that cannot provide adequate financial guarantees to back their loan commitments and allows them to package natural resource exploitation and infrastructure development. It is no wonder that the majority of Chinese infrastructure finance is concentrated in resource-rich countries such as Nigeria, Angola, Sudan, and (as a legacy of the pre-independence period) South Sudan³⁶. As will be discussed in the development aid and loans section, much of China's infrastructure construction activities in Africa and elsewhere are commercial transactions and have little to do with development assistance or FDI.

Chinese Development Aid and Loans

China gives development aid for a variety of reasons. Some are linked to China's trade and investment agenda. Others are tied to Chinese soft power objectives, in particular health and education aid. Beijing is keenly aware that development assistance has the potential to put a more positive face on Chinese engagement that can counter negative perceptions of Chinese activities on the continent. Quantifying Chinese development aid to Africa has proven a difficult task for scholars and analysts. This is due to two factors. First, the Chinese government does not provide tailored statistics on its aid to African countries. Second, China defines "aid" differently than the Organization for Economic Co-operation and Development (OECD), of which China is not a member, making cross-cut comparisons with other donors and among different countries challenging.

In April 2011, the Chinese State Council released its first white paper on foreign aid, giving analysts a more detailed account of Chinese aid worldwide broken down by loans, grants and concessional loans. The paper states that, "By the end of 2009, China had provided a total of 256.29 billion yuan [\$37.7 billion] in aid to foreign countries, including 106.2 billion yuan [\$15.6 billion] in grants, 76.54 billion yuan [\$11.3 billion] in interest-free loans and 73.55 billion yuan

[\$10.8 billion] in concessional loans.” It also revealed that aid had grown by 29.4 percent annually between 2004 and 2009, and 46.7 percent of total Chinese aid was committed to Africa in 2009³⁷. As a basis of comparison, 32.8 percent went to Asia, 12.7 percent went to Latin America and the Caribbean, and 4 percent went to Oceania in 2009³⁸. While helpful, the paper did not give detailed country-level aid figures and breakdowns, leaving scholars and analysts at the mercy of independent studies and analyses.

Deborah Brautigam, who has devoted significant scholarship to the issue, provides one of the more authoritative assessments of Chinese aid to Africa. She finds that “in 2008, China probably disbursed about \$1.2 billion in Official Development Assistance (ODA)³⁹ to Africa, compared with the World Bank (\$4.1 billion), the United States (\$7.2 billion) and France (\$3.4 billion).” She estimates that Chinese aid “probably rose to \$1.4 billion in 2009⁴⁰.”

Other analysts offer much higher estimates, in part because they rely on a far broader definition of what counts as “aid.” One 2009 report by the Congressional Research Service, for example, estimates that China gave almost \$18 billion in aid to Africa in 2007 alone. A database published by the College of William and Mary in 2013 found that China committed \$75 billion in aid and development projects to Africa from 2000 to 2011, and that the United States committed \$90 billion over the same period. Finally, a recently released RAND report finds that between 2001 and 2011, 49 countries in Africa received approximately \$175 billion in pledged assistance from China⁴¹. aid practices from Development Assistance Committee (DAC) donors—a forum of selected OECD member states that have developed a framework on issues surrounding aid, development, and poverty-reduction strategies in developing countries.

First, Chinese aid is typically “tied” to the procurement of Chinese goods and services. For example, if the government of an African country seeks a Chinese loan for an infrastructure project, that loan will typically come from one of China’s two state policy banks, the China Exim Bank and China Development Bank. These banks are export-promotion enterprises rather than development assistance agencies. Furthermore, contracts between African governments and Chinese policy banks typically stipulate preferential treatment for Chinese project contractors and goods. The China Exim Bank, for example, states that “no less than 50% of total procurement shall be made in China⁴².”

Second, China emphasizes “local ownership,” i.e., letting African countries decide how they wish to use the aid funding themselves. The benefit of this policy is that it empowers African governments in the decision process of how best to utilize the funds. The drawback, of course, is that this can lead to “prestige” projects of questionable value for poverty reduction or economic development value, such as government office buildings or sports stadiums.

Third, aside from a commitment to the “One China” policy, China does not attach conditions to its aid to Africa. DAC members have spent decades honing and researching what they consider to be the “best practices” of aid efficiency—tying aid with improvements in transparency, debt sustainability, and good governance in an effort to improve the overall capacity and efficiency of government institutions in Africa. For China, this constitutes an undue infringement in the internal affairs of other countries.

Chinese aid practices in Africa are tied to China’s strategic objectives on the continent. China perceives itself as an “economic partner” first and “aid donor” second. This conception is derived in part from an identity of China as a “developing nation” that engages Africa on an equal footing without preaching or imposing standards. The concept of “aid donor” brings with it certain connotations of elitism and rich-poor status that China seeks to distance itself from. Perhaps more importantly, most Chinese “aid” is ultimately not conceived for purely development assistance purposes as envisioned by the OECD-DAC establishment. It is meant to support Chinese economic and strategic objectives, with the resultant effect of also benefiting Africans through infrastructure and other development projects. The fact that the majority of Chinese aid is tied to the procurement of Chinese goods and services further illustrates Chinese strategy in this regard⁴³.

Special Economic Zones and the China-Africa Development Fund

China’s foray into Special Economic Zones (SEZs) in Africa began in 2006, when the “Program for China-Africa Cooperation in Economic and Social Development” was launched at the FOCAC ministerial meetings. The program was conceived by China as a means to share with African countries its own experience in investment promotion and FDI growth. Seven SEZs are now in various stages of development in five countries: Egypt, Ethiopia, Mauritius, Nigeria, and Zambia. Some are developed through joint Chinese-African ventures, while others are entirely Chinese-owned.

SEZs are best understood as geographic areas designed and created to attract foreign investment by providing favorable commercial policies, such as tax breaks, along with infrastructure intended to lower transaction costs for investors and facilitate streamlined operations. They are also intended to help China’s own economic restructuring, allowing less

competitive and labor-intensive industries that are becoming increasingly more competitive in the Chinese domestic market, such as textiles, leather goods, and building materials, to move offshore.

The Zambia-China Economic and Trade Cooperation Zone was the first overseas economic and trade cooperation zone initiated by China. Since its inception, the zone has attracted several Chinese and multinational companies, who have reportedly invested more than \$600 million and created employment opportunities for more than 6,000 Africans in the mining, engineering, and construction sectors⁴⁴. The Lekki Free Trade Zone (LFTZ) in Nigeria, a joint venture between Lekki Worldwide Investment Limited and the Chinese government, is another venture that China and Nigeria hope will cultivate economic growth zone, attract FDI, promote exports, and create long-term employment opportunities for Africans⁴⁵.

While most SEZs are in the beginning stage of development, challenges persist for many. For one, the geographical and political factors that led to success in the Chinese context are not the same in Africa. One recent World Bank report concludes that country context is critical in the outcomes of many SEZ programs, which in some cases were not appropriate in the African context. The report concludes that China's one-size-fits-all model "seems plausible at the policy level, but implementation and design are the critical factors determining success"⁴⁶. Furthermore, Africa's SEZs are not state-directed but are in the hands of private businesses to manage. In China, the SEZ model was implemented within a very specific political and economic context where the state was able to "direct" development, including marshaling the political will to carry it out. Unfortunately, most SEZs in Africa suffer from poor infrastructure, limited political support, and diffuse oversight mechanisms. However, as the majority of SEZs are still under construction, their eventual viability and success hinge on continued commitment from government officials and buy-in from the local people of Africa.

The China-Africa Development Fund (CADFund) forms part of the Chinese government's recent strategy for reorienting China's investment strategy in Africa in favor of investments that promote African industrialization. CADFund was established as part of the eight measures announced by President Hu Jintao at the 2006 FOCAC, but has received more attention from Chinese policymakers in recent years. CADFund's mandate is to facilitate China-Africa cooperation and to enhance capacity building of African economies through direct investment and advisory services⁴⁷. CADFund is presented by its management as China's first fund that focuses on African investment and that encourages and supports Chinese enterprises' investments in Africa. According to its mandate, CADFund is to operate in line with market principles, deriving funding from the China Development Bank⁴⁸. Up until 2012, CADFund has reportedly financed and supported 60 projects across 30 African countries⁴⁹. In a July 2013 interview with the China Daily newspaper, CADFund chief executive officer Chi Jianxin announced that the fund plans to invest \$2.4 billion on the continent in the coming years, mainly for investment in manufacturing and agriculture⁵⁰. According to Chi, the fund has already benefited "about 700,000 people on the continent and contributed \$1 billion in tax revenues to different African governments and \$2 billion in goods for African countries to export annually"⁵¹.

Security Engagement

Arms Sales

Since China reformed its defense industry from a military-operated to civilian-run system in 1999, the market-driven profit incentives of Chinese arms manufacturers have become the primary catalyst for increased Chinese arms sales abroad. Africa has become an increasingly important component of this expansion. According to the Stockholm International Peace Research Institute (SIPRI), as of 2011, China accounted for roughly 25 percent of the arms industry in Africa⁵². During the period from 2002 to 2009, China supplied \$1.1 billion in conventional weapons to Sub-Saharan Africa and another \$1.4 billion to North Africa⁵³. China also is a key source of small arms and light weapons to Africa⁵⁴.

No statistically significant correlation was found between Chinese FDI and arms sales. However, many of China's top destinations for FDI also receive a large proportion of China's total arms sales to the continent. For example, of China's top nine destinations for FDI in Africa in 2010 (excluding South Africa), five of those countries (55 percent) were also among China's top ten recipients of arms sales to Africa from 2006 to 2010.

Chinese arms transfers to Africa have been controversial, mainly due to reports of Chinese-made weapons turning up in conflict areas and in countries that are under UN-sanctioned arms embargos. In recent years, there is no evidence that China has provided these arms directly to rebel groups, though arms have been documented to fall into rogue hands through intermediary channels. Assistant Foreign Minister Zhai Junsaid in 2006 that China always takes a "cautious and accountable" approach toward the export of small arms, light weapons, and other military hardware to Africa. He emphasized that China requires the recipient government to certify the end user and the ultimate purpose, and that the arms will not be transferred to a third party. Zhai also reiterated that China strictly abides by UN resolutions and does not export military equipment to countries and regions where the Security Council has imposed sanctions⁵⁵.

Given these principles, it is easy to forget that a little more than a decade ago, China reserved the right for itself to object to arms exports by the United States, withdrawing from the United Nations Register of Conventional Arms (UNRCA) in protest on the United States' inclusion of arms sales figure⁵⁶. China rejoined in 2007 after the UNRCA committee "affirmed the important principle that the Register should only include arms transfers among States Members of the United Nations⁵⁷."

However, recent news reports indicate that Chinese officials have become more active in hampering UN-led investigations into accusations that Chinese arms are ending up in conflict zones. *One Washington Post article, for example, alleges that China "routinely refuses to cooperate with U.N. arms experts and flexes its diplomatic muscle to protect its allies and curtail investigations that may shed light on its own secretive arms industry⁵⁸."*

Military Ties

China has been quietly increasing its military cooperation with many countries in Africa. The PLA's attaché program has seen extensive growth recently in Africa. It currently has attaché representation in one-third of African nations, and 75 percent of these countries have attachés in China. 64 High-level military visits are an important part of the security relationship. From 2009 to 2012, China sent a total of 12 high-level military delegations to Africa, while Africa sent a total of 13 to China⁵⁹. These efforts are buttressed by an increase in the number of foreign military officers receiving scholarships and training on the mainland. For example, one- and two-star generals, chiefs of staff, and cabinet ministers from Africa are receiving training at China's National Defense University. President Joseph Kabila of the Democratic Republic of Congo has also received training there⁶⁰. This is in addition to the African diplomats already receiving training at China's various foreign affairs academies, such as the China Foreign Affairs University⁶¹.

Generally speaking, Beijing seems to devote more attention to coastal states such as Djibouti and Tanzania, especially considering China's ongoing counter-piracy operations near the Gulf of Aden. Officials from Djibouti and Tanzania have visited or been visited by China twice from 2009 to 2012, with the vice chairman of China's Central Military Commission, Fan Changlong, recently meeting with the Tanzanian Minister of Defense in April 2013⁶². The Port of Djibouti has been identified as a possible "ship fuel and material replenishment point" for the PLA Navy in the future⁶³. In May 2013, China agreed to assist Cape Verde—a coastal state off the west coast of Africa—with \$210 million in military equipment and training over ten years⁶⁴. Finally, starting in January 2009, Chinese naval forces were sent to the Gulf of Aden to participate in the ongoing multilateral counter-piracy effort, marking the first time the country's naval vessels have been operationally deployed in a multilateral setting outside of Chinese waters since the founding of the PRC in 1949. As China's navy seeks to bolster its ability to safeguard its increasingly far-flung economic interests in that region of the world, it is inevitable that Chinese military leaders will seek to enhance military ties with African countries in key geostrategic areas. To date, China has conducted regular defense consultations only with South Africa, beginning in 2003⁶⁵. China's 2010 defense white paper also notes that China has established "mechanisms for defense cooperation meetings with Egypt⁶⁶" *China has also increased military training and support for several African military forces. Citing "serious security challenges in the Gulf of Guinea" and Nigeria's "outdated military equipment," for example, PRC military attaché to Nigeria Colonel Kang Honglin announced in August 2012 that the PLA Navy had begun training exercises with the Nigerian Navy. Col. Kang also announced that China agreed to help Nigeria set up an ammunition assembly in Kaduna "in support of the federal government's desire for indigenous arms manufacturing⁶⁷."*

UN Peacekeeping Operations

China's stance toward international peacekeeping has evolved from outright rejection in the 1970s to reluctant participation in the 1980s and then to prolonged involvement starting in the mid-1990s⁶⁸. This shift reflects recognition on the part of policymakers in Beijing that peacekeeping conforms to Beijing's policy of non-intervention while giving Chinese security and military personnel the opportunity to gain valuable experience with overseas deployments. Since UN peacekeeping operations are carried out under the authority of a multilateral institution (i.e., the UN) and in most cases with the consent of the hosting state, UN peacekeeping operations are viewed as legitimate means for China to contribute to peace and stability in Africa.

Since 2001, the number of peacekeepers that China has sent to participate in UN peacekeeping operations worldwide has rapidly increased. In January 2001, China contributed 27 military personnel to Africa, all of whom were observers. At the time, China ranked 42nd among contributors worldwide. As of 2012, China has well over 1,800 military, police, and civilian personnel in UN peacekeeping operations in Africa, the largest contributor among UN Security Council permanent members and constituting 75 percent of China's total number of deployed peacekeepers worldwide⁶⁹. Chinese peacekeeping operation deployments are concentrated in Darfur, South Sudan, Liberia, and the Democratic Republic of the Congo, though it also has small contingents in Côte d'Ivoire and the Western Sahara.

In June 2013, China agreed to commit 395 peacekeeping troops to Mali. The most notable aspect of this decision was that combat troops would be sent as part of the contingent, marking the first time China has sent combat troops on a peacekeeping mission. Chen Jian, head of the UN Association of China, a Chinese think tank, called the move a “major breakthrough in our participation in peacekeeping,” adding, “With this, our contribution will be complete. We will have policemen, medical forces, engineering troops and combat troops⁷⁰.” According to Xinhua, the Mali contingent will include engineers, medical personnel, and guard teams to be sent in two batches at the end of July and the beginning of September 2013⁷¹. The peacekeepers will be tasked with “repairing roads and bridges, safeguarding peace and stability as well as providing medical assistance⁷².”

INDUSTRIALISATION IN CHINA AND AFRICA

Industrialization – the structural transformation from traditional agriculture to modern manufactures and services - is considered a prerequisite for any country or region wishing to achieve prosperity and higher standards of living for its citizens. Industrial development has been called the “quintessential escalator for developing countries” (AfDB, 2019), boosting the large-scale creation of decent jobs, stimulating innovation, and enhancing productivity across all sectors. It contributes significantly to the accumulation of physical and human capital, providing relatively better-paid and formal jobs for large numbers of unskilled or under-educated workers, increasing household income and, hence, domestic demand. Through backward and forward linkages with other sectors, industrial development provides opportunities for a wide range of stakeholders⁷³. It essentially becomes a fundamental tool with which to achieve prosperity and addresses many of the issues raised in the United Nations 2030 Agenda for Sustainable Development. Indeed, industrialization in Africa touches upon many SDGs, starting from no poverty and zero hunger (SDG 1 and 2) to decent work, economic growth and infrastructure (SDG 8 and 9). However, through the support of different donors in many sectors of the economies, industrialization also involves significant initiatives around SDG 4 quality of education through many vocational training and technical cooperation in all the countries analyzed, SDG 5 - gender equality, SDG 6 - clean water and sanitation and SDG 7 – clean energy and all the way to support to build government capacity and stronger institutions (SDG 16).

Throughout history, scholars have identified three waves of industrial revolution⁷⁴. The “first industrial revolution” began in England around 1760 and lasted until the 1840s. The “second industrial revolution” commenced around the 1870s, enabling countries like the United States, Germany, Japan and the so-called newly-industrialized countries of Southeast Asia and Latin America to move into an industrialized or semi-industrialized state. The third phase of industrialization, although more controversial, generally refers to the industrialization that occurred after World War II, which was centered around electronics and the information technology that automated production. Many now refer to a “fourth industrial revolution”; the digital revolution that has been ongoing since the middle of the last century. According to the World Economic Forum (WEF), it is characterized by “a fusion of technologies that is blurring the lines between the physical, digital, and biological spheres”⁷⁵. While controversy may surround the timing of global industrial development, one fact is widely acknowledged: since the beginning of the industrialization process, many countries have continued to lag behind in an underdeveloped state.

As of December 2018, 47 countries were categorised as Least Developed Countries (LDCs): “low-income countries suffering from structural impediments to sustainable development” by the United Nations (UN), 33 of which are in Africa. According to the 2019 Competitive Industrial Performance Index 5 presented by the UN Industrial Development Organization (UNIDO), South Africa is the highest-ranking African economy (45th out of 150 countries). There are only six other African countries within the middle quintile. Most African economies score in the lower and bottom quintiles, while the top, upper and middle quintiles are dominated by European, American and Asian economies. The ranking illustrates not only the great need and potential for Africa to move towards industrialisation, but also a significant development gap between Africa and other continents.

Africa has an abundance of natural resources, a dynamic population and cultural diversity, all key inputs for advancing towards an industrial economy. Over the past few decades, Africa has demonstrated impressive economic growth. According to the World Bank, sub-Saharan Africa has maintained positive annual GDP growth since 1985, with the only exceptions being 1992 and 1993 due to economic collapse and adjustment programmes. Growth has averaged 4.3% year-on-year during the last 20 years (World Bank), largely driven by a prolonged commodity boom and development assistance. Foreign direct investment (FDI) inflow increased significantly, from around USD 2.4 billion in 1985 to

USD 45.9 billion in 2019, having peaked at USD 56.6 billion in 2015 (UNCTAD). FDI stock as a percentage of GDP rose to 38.6% in 2018, up from 13% in 1995. Nevertheless, sub-Saharan Africa only received less than 2% of global FDI in 2017. This remarkable economic performance has, however, not been matched by parallel industrial development and greater job opportunities. In the immediate post-independence years, Africa's manufacturing experienced a period of growth, which was mostly state-led and driven by protectionist policies. However, following a series of external shocks - commodity price volatility, real interest rate increases, weak public finances, and the limitations of domestic markets followed by increased competition from foreign products and new pressures on currencies - African industrial development became volatile and fragile. Today the continent is less industrialized than it was four decades ago: the share of sub-Saharan Africa's manufacturing value added (MVA)⁶ declined from around 16% of GDP in the mid-1980s to 10% of GDP in 2018. MVA has been stable around this level since 2014. In contrast, MVA more than doubled in the East Asia and Pacific region, at 23% of GDP in 2017, driven mainly by countries like China, Korea and Thailand (UNIDO). An equally worrying fact is that, according to UNIDO, the technological component of MVA in Africa has worsened in the last decade⁷⁶. The share of medium-high and high-tech products declined from 21% in 2005 to 19% in 2015, in contrast to all the other regions in the world where the share of medium-high to high-tech manufacturing products increased in the same period (UNIDO, 2017). Meanwhile, new evidence on changes in industrial production in 18 African economies shows Africa's industrial sector is in many ways less advanced now than in the first decade following independence (Page, 2011)

Furthermore, Africa's fast and sustained GDP growth did not translate into higher employment rates. As noted by the African Development Bank (AfDB, 2019), a 1% increase in GDP growth during 2000 to 2014 was associated with only a 0.4% growth in employment. The ILO estimates that the African extreme working poverty rate is still high, at 33% in 2018, while a further 22% of workers live in moderate poverty⁷⁷. The relatively low unemployment rate (6.8% in 2018) does not reflect the high share of informal employment, which is characterized by job insecurity, low pay and a lack of social protection. African wage and salaried workers constitute 28% of total employment, with that share being lower in sub-Saharan Africa, at 22.4%. On average, informal employment accounts for around 86% of total employment in Africa (ILO, 2019), whereas the proportion is 68.2% in Asia and the Pacific and 25.1% in Europe and Central Asia.

Africa presents a paradox: a buoyant GDP growth rate versus increasingly marginalized industrial and manufacturing sectors and poor job creation. The reasons for the paradoxical trend are due in part to Africa's resource-rich character. According to UN Environment Programme (UNEP)⁷⁸, Africa holds some 30% of the world's mineral reserves, 65% of the world's arable land, 40% of the world's gold and up to 90% of its chromium and platinum, alongside the largest reserves of cobalt, diamonds, platinum and uranium. Because of this richness, Africa became a raw material producer before independence. This resource-based export pattern has changed little since then, with primary commodities continuing to dominate production and exports and the share of manufacturing remaining low. Many studies have highlighted the inverse relationship between exports, which concentrate on natural resources, and economic complexity. This is particularly evident in countries like Angola and Zambia, where the natural resources sector crowds out manufacturing production and the negative effects of "Dutch disease", i.e. the dependency on natural resources to develop the country's economy, can easily be detected. However, non-resource dependent economies, such as Ethiopia and Kenya, are also struggling to reallocate resources away from labor-intensive, low-productivity raw materials towards tradable industries with higher external economies of scale; a bottleneck that jeopardizes the continent's growth prospects.

African economies are also remarkably import-dependent for even basic products, ranging from apparel to shoes and electronics. Ms. Yamina Karitanyi, the current High Commissioner for the Republic of Rwanda to the United Kingdom, noted that "when you look at what Africa imports, it is everything fully-processed highest value goods, limiting our chances to build our manufacturing industries⁷⁹." This implies that an increasingly interconnected global economy further complicates the situation, reinforcing Africa's heavy reliance on natural resources and the lack of diversification in its industrial base. The Africa Center for Economic Transformation (2014) highlighted that African economies are only integrated at the lower rung of the ladder with respect to global value chains. Determining how to move up the global value chains, increase export sophistication, and improve the balance of trade are major challenges for Africa. According to the African Development Bank (AfDB), the deficit in infrastructure, the lack of skilled labor, a large financing gap, and an unfavorable business environment are the main obstacles to growth.

For the infrastructure gap alone, AfDB (2019) estimates that Africa needs between USD 130-170 billion a year in infrastructure investments (approximately 7% of GDP), and has a funding gap of USD 68-108 billion. The pressing need for an effective industrialization strategy has triggered strong political will from African governments to support a policy change. Notably, several national and cross-continental initiatives have been initiated to promote industrialization.

In 2015, AfDB outlined five development priorities that constitute an ambitious strategy to transform the continent: the High 5s – “Light up and Power Africa, Feed Africa, Industrialize Africa, Integrate Africa, and Improve the Quality of Life for the People of Africa”. The High 5s should accelerate Africa’s transformation into a modern economy and help achieve close to 90% of the United Nation’s SDGs⁸⁰. In particular, AfDB plans to help double the continent’s industrial GDP by 2025 by investing USD 3.5 billion per year over the next 10 years. The African Union’s (AU) Agenda 2063 places industrialization and manufacturing at the center, aiming to transform African economies through revitalizing manufacturing, industrialization, value addition and utilizing the continent’s abundant resources. In its efforts to boost continental integration, in 2018 the AU brokered the signature of the African Continental Free Trade Agreement (AfCFTA) creating a tariff-free area to encourage local business growth, boost intra-African trade, revitalize industrialization and create jobs. A year from its signature, all but three of the 55 AU members have signed the agreement, and 22 national parliaments have already approved its ratification. Its operational phase was launched, on target, in July 2019.

Alongside the initiatives driven by African governments, global initiatives also reaffirm the importance of promoting industrialization in Africa. On 25 July 2016, the United Nations General Assembly adopted a resolution proclaiming 2016-2025 as the Third Industrial Development Decade for Africa (IDDA III), to firmly anchor Africa on the path towards inclusive and sustainable industrial development. The same year, the G20 presented the New Industrial Revolution Action Plan as a blueprint to support industrialization in developing countries, especially in Africa Others Agricultural Products Fuels and Mining Products Manufactured Goods.

Understandings of China and the West about African Governance Dilemma

China and the west have consensus on and also different understandings of the reason for and solution to Africa’s governance difficulty. Western countries tend to understand African governance capacity and its problems from the perspective of Good Governance, which means legitimate, accountable and effective ways of obtaining and using public power in the pursuit of widely accepted social goals. The basic principles of good governance are legitimacy, transparency, accountability, responsiveness, effectiveness, participation and rule of law⁸¹. In the eyes of many western scholars, good governance is the basis of effective governance.

In the 1990s, international financial institutions such as World Bank and IMF and some western countries applied the concept of good governance to foreign assistance by listing governance as one of major standards for choosing and evaluating assistance recipients. Countries that fail to achieve good governance are required to take necessary reforms to live up to the standards set by western countries. An important aspect of reform is to introduce free marketing economy system to liberalize the domestic market and promote political democracy, the purpose of which is to improve aid efficiency and make sure aid recipients have the ability to realize development and repay loans. Under the pretext of promoting good governance rather than sensitive national reform or political revolution, IMF, World Bank and western countries intervene in domestic affairs of aid recipients more conveniently while avoiding possible critics from the international community. In this way, good governance gradually becomes a useful policy tool.

The U.S. government in 2004 set Millennium Challenge Account (MCA), whose evaluation standards cover three areas with 20 indicators. The purpose of this account is to promote good governance, rule of law and democracy in developing countries through foreign assistance. By 2016, Millennium Challenge Account has chosen 46 countries that need assistance.

Table 1 Evaluation Standards and Indicators of MCA

Categories	Indicators
Ruling Justly	Civil Liberties Political Rights Control of Corruption Government Effectiveness Rule of Law Freedom of Information
Investing in People	Immunization Rates Public Expenditure on Health Girls' Education Public Expenditure on Primary Education Child Health Natural Resource Protection
Encouraging Economic Freedom	Business Start-Up Land Rights and Access Trade Policy Regulatory Quality Inflation Fiscal Policy Access to Credit Gender in the Economy

Recourse: Website of MCA, [https://www.mcc.gov/\(2016-02-29\)](https://www.mcc.gov/(2016-02-29))

Since the concept of Good Governance was put forward, some western scholars have criticized, doubted and revised it. Merilee S. Grindle from Harvard University thinks Good Governance is deeply problematic as a guide to development because among the multitude of governance reforms that “must be done” to encourage development and reduce poverty, there is little guidance about what’s essential and what’s not, what should come first and what should follow, what can be achieved in the short term and what can be achieved over the longer term, what is feasible and what is not. Therefore, He puts forward the concept of “good enough governance”. “Working toward good enough governance means accepting a more nuanced understanding of the evolution of institutions and government capabilities; being explicit about trade-offs and priorities in a world in which all good things cannot be pursued at once; learning about what’s working rather than focusing solely on governance gaps; taking the role of governance in poverty alleviation seriously; and grounding action in the contextual realities of each country⁸².” Professor Mushtaq H. Khan from London University points out “rapid growth was associated with governance capacities quite different from those identified in the good governance model”. He divides governance into “Market-Enhancing Governance” and “growth-Enhancing Governance” and thinks the latter is more suitable for developing countries as it focuses on the effectiveness of institutions for accelerating the transfer of assets and resources to more productive sectors, and accelerating the absorption and learning of potentially high-productivity technologies⁸³.

Chinese government has not accepted the idea of Good Governance which is thought to embody western ideology. But China accepts and emphasizes the concept of Governance and regards effective governance as an important basis for national development. China thinks effective governance contains the following elements: clean-fingered government, responsive leadership, efficient administration, strict and impartial legal system. It can be found that China emphasizes governance effectiveness rather than good governments as the westerners did. What is governance capacity? It means capacity of state or government to promote social and economic development, maintain national stability and basic social order and provide necessary public services for people. Professor Wang Shaoguang from the Chinese University of Hong Kong thinks the function and capacity of a state includes six aspects: the ability to maintain national security and public order; the ability to mobilize and schedule resources; the ability to cultivate and consolidate national identity and core value; the ability to keep social and economic order; the ability to maintain the internal coherence of state institutions; the ability to maintain distribution justice⁸⁴.

Governance capacity and its effectiveness are directly linked to political stability, economic development, people’s life quality and basic security of a state. Professor Wang Shaoguang from the Chinese University of Hong Kong and Professor Hu Angang from Qinghua University think any modern state, regardless of their ideology and political system,

should have the ability to assume the responsibility of public management, maintain social stability and provide public services. The extent to which states perform these functions reflects their governance capacity and states can thus be divided into efficient (capable) state, low efficient (low capacity) state and failing (incapable) state⁸⁵. Since gaining independence, the governance capacity of African countries is not strong no matter what government forms they take: strongman regime, authoritarian regime, military regime or all kinds of elected government. Thus, many Chinese scholars think there is no direct link between African governance capacity and political democratization⁸⁶. Why is governance capacity of African countries so poor? The research group thinks there are three reasons. First, Lack of Social Consensus. The process of nation building of many African countries lags behind, in which countries the ethnic identity is even stronger than the national identity. If African countries promote multi-party democracy based on this kind of political landscape hastily, it is possible for them to be more fragmented, divided and disintegrated. Though the process of nation building and political democratization has been pushed forward steadily, there are still countries that can't get out of the strange political netherworld of falling into disorder whenever they have elections. Party politics is still an important factor that triggers political instability.

Second, Institutional building Lags Behind. Most of African countries got independence in the 1960s and 1970s and the development and maturity of modern state institutions takes a long time. As the institution building lags behind and countries lack effective public management system, many African countries fail to provide necessary public goods and services, solve emerging interest conflicts in the process of modernization and resolve a series of contradictions that become more and more prominent in political democratization. But it does not mean African countries don't need democracy. Instead, it is intended to emphasize African countries are supposed to attach more importance to institution building while pursuing democratic politics so as to make democracy building and institutions building complement and strengthen each other.

Third, Lack of public management knowledge and skills. Many African countries are unable to provide the most basic service not only because of the lack of capital but also due to inadequate governance capacity. To improve public service capacity, government needs to have a strong service awareness, acquire some knowledge and skills in fields of transportation, communication, energy, education, health and sanitation, and the ability to set and implement development plans.

The Inspiration of China's Governance Experience for Africa

China, a super country with a population of 1.3 billion, has achieved remarkable social and economic development and maintained political stability in the past 38 years. China has opened up a new path for developing countries to achieve modernization, which reveals the value and significance of China's development model for the world. Some African countries start looking east and want to learn China's experience in development and poverty reduction⁸⁷. Just as the Cote d'Ivoire President Alassane Ouattara once said "China has made great achievements in economic development and poverty reduction and its experience deserved to be learned⁸⁸." Some African scholars often ask: What are the secrets for China's success?⁸⁹

To Explore the Development Model Independently

The most prominent feature of China's development model is that China draws on the development experience of other countries selectively based on its own national conditions. China values the role of market and keeps pushing forward political reforms, but still maintains government's macro management over economy and society at the same time so as to properly handle the relation among reform, development and stability.

To build social Consensus

Another feature of China's development model is that China can reach a consensus in the whole society on the basis of respecting ethnic and cultural diversity. For example, all ethnic groups in China defend and promote national identity, all parties can get united despite different political views and all Chinese people are dedicated to achieving the rejuvenation of the Chinese nation. It is this consensus that mobilizes the motive of common people to the largest extent to pursue the development goal shared by all people. This is a very important reason for China's rapid development.

To Value Institutional building

What is state institution? States with any characteristics and government forms need to establish nationwide market order and economic rules, modern financial and fiscal systems, and sound education, health and social security

institutions, which is the premise for any country to carry out its obligations. An important reason for Chinese government to have strong governance capacity is that China has established a set of sound and mature state institutions.

To Take Developmental State Model

Some scholars think developmental state is the common feature for east-Asia countries that have achieved rapid development⁹⁰. In general, developmental state is a government-dominant economic development model, and the feature is that country has sustained development will, efficient administrative institutions, proper industry policies and good relation between government and business. Since the reform and opening up policy was taken in China, Chinese government has established marketing economy, promoted urbanization and poverty reduction in rural area with national strength, boosted economic development through infrastructure construction and upgraded economic structure by putting forward reasonable industry policy. To introduce China's development idea and experience to Africa has become an important part of China-Africa south-south cooperation.

Some African countries such as Rwanda, Ethiopia and Botswana have drawn on developmental state model. Araya Kebede Araya, the policy adviser of Ethiopian Ministry of Capacity Building told the research group that Ethiopian government has gotten deeply involved in economic development and the focus of national budget is investment, poverty reduction and more infrastructure construction. Besides, the government has set development plan and industry policy to improve Ethiopia's industrial capacity, one of which is to promote the industrial park through China-Africa cooperation⁹¹.

To Improve Government Public Service Capacity

Since the reform and opening up policy was carried out, China has vigorously carried out government reform to delegate power to civil society. At the same time, Chinese government also emphasizes the centralization of power so it enjoys necessary authority, macro-management ability and public service capacity. China can attract lots of investment not only due to the low cost of labor forces but also because of public services provided by government. For instance, Chinese government is able to provide first-class infrastructure, efficient administrative service and public security etc.

Many African countries are poor in governance capacity. After implementing reforms with new liberalism features, government loses control over society without improving and strengthening its public service capacity in time, which seriously affected African governance. East Asia's development experience reveals that for developing countries eager to achieve economic take-off, it's imperative to maintain political authority and effective governance capacity in certain area and in certain period of time, which is the premise for development and modernization.

For African countries that face serious problems in state governance, the theme of political development is not just political democratization but also institutional building and capacity building which are of equal importance as institution and capacity are fundamental and decisive for nation's development. Thus, to analyze African countries' political development and state governance, it's not advisable to focus only on political democratization, referendum or parties ruling in term, and state building that African countries are eager to promote also deserves our attention. State building is to improve governance capacity and effectiveness through institutional construction so as to promote a country's stability and development. Africa Union has realized the significance of leadership and governance capacity for sustainable development of African economy. Agenda 2063 has a clear expression that "accountable leadership" and "responsive institutions" are the two key factors for African transformation⁹².

For developing countries, the crux of the matter does not lie in omnipotence and ubiquity of state power but whether the country can be selective to strengthen or weaken its administrative power. Just as American scholar Francis Fukuyama said, Poor Countries don't need the states that try to control everything but they do need powerful and efficient state that perform necessary functions in the limited sphere. In the past several decades, China has maintained better and faster economic development than most African countries, and the major reason is not the differences of government's functions between China and African countries but that China's state institutions are more mature and government's governance capacity is relatively stronger. What needs to point out particularly is that though this report emphasizes institution and capacity building, it does not mean negating African political democratization or encouraging and supporting African autocratic or authoritarian governments either. Instead, this report is intended to explain the idea that in the beginning of modernization, developing countries should pay more attention to state institutions and capacity building when pursuing political democratization. This report emphasizes Chinese government's political authority and governance capacity but it does not mean agreeing on the opinion that authoritarian

regime is the major reason for China's economic miracle nor holding the idea that China's political system is perfect that it doesn't need further reforms. In fact, China's success in economic development in the past several decades is

attributed to marketing economy reform and selective absorbing of new liberalism and Washington Consensus. The significant experience of China's political reform is that China is able to resolve emerging conflicts and maintain basic stability with effective governance while fully motivating the vigor of society. In this way, China gets out of the political trap of "economic growth-- political instability" that haunts other developing countries.

Recommendations

Some suggestions are made based on defects and problems in foreign aid training for Africa.

It is no better time than now to know that no amount of foreign aid will develop Africa. African countries have to take responsibility for their own national development and do the needful by being patriotic and shun corrupt practices in public space.

The education system in Africa has to align with the needs of the African societies, therefore, African government must be willing to invest in the education sector.

The health sector must be well catered for, budgetary allocation should be increased and sustained.

Agriculture sector should be mechanized and well-funded to attract young farmers.

Science and technology must be a prioritized.

To Enhance Research in Related Theory

It is advised that Chinese government strengthens related research by granting special funds and encouraging agencies that implement training programs to apply for projects. It is strongly recommended to send teachers of training courses to Africa to have field investigations and gain more knowledge about Africa. For example, teachers of Senior seminars for African need to be familiar with Africa's political system and operation so the training can be more targeted. Besides, it can be considered to set up foreign aid training research institutes in Academy for International Business Officials and other training agencies.

To Adhere to Three Principles

China-Africa relations has based on equality and mutual respect for a long time. In the future, China will continue to adhere to three principles in the area of governance exchanges with Africa.

First, respecting African countries' ownership. When setting goals, contents and ways of training, they need to listen to and respect the will of African countries. Though China achieves better development than African countries, it is not acceptable for China to pose as an "adviser" or "instructor" to Africa. Instead, China is supposed to share development and governance experience in an equal manner.

Second, persisting in mutual learning. China has lots of experience worthy to be learnt by African countries and African countries have also accumulated much experience in economic development and democratization, which deserves to be learned by China. China and Africa need to explore the development path that fits developing countries based on the principle of learning from each other.

Third, seeking common grounds while setting aside differences. It should be noted that there are many differences in political system and ideology between China and African countries, so it's unwise to argue over the superiority of different political systems and ideologies and ask African countries to accept China's political system and value. Instead, both sides need to learn each other's development and governance experience on the basis of mutual respect and retaining differences. China should respect African countries' choice in economic development and political transformation and admire their progress in national development and rejuvenation.

To Improve the foreign aid training system To improve efficiency, it is advised to set up independent foreign aid management agencies or State Council establishes the foreign aid office or committee to lead and coordinate China's development assistance. We should learn from developed countries that attach importance to the monitoring and evaluation of aid effect. For example, the assessment of aid in Sweden is implemented by an external agency

independent from aid affairs—SADEU. Japan International Cooperation Agency(JICA) sets up “Third-party Aid Evaluation Committee” to assess before, during and after the projects. China also needs to establish independent evaluation agency for foreign aid training projects or entrust the work to the third-party.

To Adjust Arrangement of Foreign Aid Training

As for training duration, it is better to hold long-term diploma-oriented training. China's human resources training for Africa has long been primarily short-term non-diploma training that generally lasts for 21 days. Compared with long-term training, short-term training can train more people with limited time and fund. However, the defects of short-term training are also obvious as it provides limited professional training for trainees with a few teaching contents due to the short period of time. Long-term training can make trainees have a more systematic and thorough understanding about the knowledge and integrate into the life in China to have deep experiences about China's development, national conditions and policies. Therefore, it's advisable to add training program that lasts for 3-6 months, or even add master degree program that lasts for 1 year.

When it comes to recipient countries, it's advised to hold more training targeted at one single country. In the past, China's training programs were divided into “seminars for African English-speaking countries”, “seminars for African French-speaking countries”, and “seminars for African Arabic-speaking countries” and so on. The trainees came from different countries with divergent needs and cultural background. By contrast, the training program targeted at one single country can take the requirements of that country into consideration, so the selection of people sent to receive training, the training plan, project schedule and activities will be more targeted. In this way, the training effect will be improved and substantial progress will be made in China's relation with related countries. To increase the proportion of single country training in China's foreign aid training will be the development direction in the future.

Regarding the forms of training, China can organize more training abroad. Current training is held primarily in China but we can gradually send teachers to recipient countries as their needs for training increase. It will achieve better effect to send professors to recipient countries to have onsite teaching especially in fields that are highly technical and professional such as agriculture, health, and medical care. In 2016, MOFCOM carried out 23 projects abroad and 2 distance education programs with funds for foreign aid training.

To Strengthen supervision over agencies implementing projects

It is recommended to establish the entry, withdrawal, reward and punishment mechanisms for agencies implementing projects. Those agencies that implement the project well will be rewarded and those with poor performance will be eliminated so as to achieve fair competition among agencies. It is advised to enhance training for teaching and managerial personnel in agencies implementing programs. Human resources training for Africa is professional and of great political importance, so teaching and managerial staff should be familiar with related policies and teaching content and have enough capacity in language, communication, coordination, management and dealing with emergencies. Therefore, it is recommended to select personnel very seriously and provide necessary training.

To Improve the Work of Tracking Trainees and Making Follow-up Visits after They Return Home

According to MOFCOM, commercial sections of Chinese embassies are required to take the responsibility of tracking trainees and making follow-up visits. They need to make full use of their advantages to assume the major responsibility of establishing mechanism to keep regular contact with governments of host countries and trainees by making regular communication, inviting trainees to attend reception and seminars and so on. China's embassy in Africa can hold academic salons periodically and invite people who have participated in training to attend activities so as to establish connections and enhance relation.

Moreover, agencies that implement training programs also need to attach importance to establishing long-term contact with trainees. After trainees return home, training agencies are supposed to keep in contact with them through e-mails, phone calls, questionnaires and publicity materials, get their feedback for the training and know the career development of trainees. Besides, agencies can establish alumni association based on practical conditions and go to the countries of trainees to pay return visits.

To Share Experience of Human Resources Training with Western Countries and Develop Cooperation.

Western countries have gained rich experience in conducting human resources training for Africa and promoting its capacity building, so China should draw on mature training ideas and experience of the west and enhance related research on western training for Africa. China can also enhance cooperation with western countries in foreign aid training for Africa, such as setting up China-U.K-Africa, China-Europe-Africa, and China-U.S.-Africa trilateral training programs. What's more, China can have multilateral cooperation with western countries in education, health, medical care, agriculture and infrastructure and conduct trainings together by giving play to advantages of both sides.

ENDNOTES

¹For more on this period, see Domingos Jardo Muekalia, "Africa and China's Strategic Partnership, *African Security Review*, Vol. 13, No. 1, 2004, pp. 5–11.

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⁷⁴The dates of the industrial revolutions are still debated among historians, mainly due to the different conceptualization of industrialization in their respective studies.

⁷⁵ <https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/>

⁷⁶ <https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/Snapshots2018.pdf>

⁷⁷The Competitive Industrial Performance Index benchmarks the ability of countries to produce and export manufactured goods competitively and can be used as a measure to gauge the industrialisation level of an economy given the correlation between the stage of development of a country and its competitiveness level.

⁷⁸The manufacturing value added (MVA) of an economy is the total estimate of net output of all resident manufacturing activity units obtained by adding up outputs and subtracting intermediate inputs. To capture the different levels of countries' industrial development, UNIDO generally uses MVA per capita as the main indicator

⁷⁹An increase in the share of medium-high and high-tech industries in total MVA indicates a region's technological intensity in manufacturing and its capacity to introduce new technology in other sectors.

⁸⁰ Moderate and extreme working poverty rates refer to the shares of workers living in households with income or consumption per capita between USD 1.90 and USD 3.20 per day, in PPP terms, and less than USD 1.90 per day (PPP), respectively.

⁸¹ Ibrahim Index of African Governance is intended to provide a reference for African countries' policy making, strengthen government's governance capacity and promote African economic development and political reform. The index is made by evaluating many indicators such as "security and rule of law", "civil participation and human rights", "sustainable economic opportunities" and "human development" of African countries. The top 10 countries with good governance performance in 2014 are Mauritius, Cape Verde, Botswana, South Africa, Namibia, Seychelles, Ghana, Tunisia, Senegal and Lesotho. The last ten countries are Guinea-Bissau, Equatorial Guinea, Libya, Congo, Chad, Eritrea, Sudan, Central Africa, South Sudan and Somalia. 2015 Ibrahim Index of African Governance (Executive Summary)", <http://mo.ibrahim.foundation/iiag/downloads/> (2016-06-29)

⁸² See "Millennium Challenge Corporation", <https://www.mcc.gov/where-we-work> (2017-02-29)

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⁸⁴ Merilee S. Grindle, *Good enough Governance: Poverty Reduction and Reform in Developing Countries*, *Governance: An International Journal of Policy, Administration, and Institutions*, Vol.17, No.4, October 2004, pp. 525-548.

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⁹¹ The author visited Ethiopian Ministry of Capacity Building and interviewed one of its counselor Araya Kebede Araya.

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