CHINA'S INVESTMENT AND AFRICAN TECHNOLOGICAL ADVANCEMENT: CHALLENGES AND PROSPECT

NELSON GOLDPIN OBAH-AKPOWOGHAHA

Division of Humanity and Social Sciences School of Arts and Sciences University of The Gambia Kanifing, Gambia Tel. No.: +2203560044

*Email: dakpowoghaha@utg.edu.gm

ABSTRACT

There are growing body of studies on the impact of Asian and European states' businesses on Africa. These studies have informed policy makers and political analysts of certain narratives behind developed countries investment in Africa. These narratives have been instigated by some actors in the West as a ploy to devalued investors from the Asian countries especially Chinese's investment. Evidently, the investment of China in Africa has given the continent another positive image and hope in area of technological transfer and emerging markets for other states. The negative narratives against Asian's countries particularly China engagement in Africa seem to blindfold the positive effects of the Sino-investment in the continent. Against this thought, this piece investigates the positive impact of Sino-Afro engagement with the aim to intensify the relationship; and also, to downplay unnecessary anecdotes. This investigation relies on documentations, global statistics and extant literature that enveloped the subject matter. However, the paper revealed that there is huge technological transfer that has affected the level of businesses in Africa. On a general note, the paper recommends the need to strengthen institutions in Africa in order to maintain the Sino-Afro engagement towards attracting more investments; and intensify man power development.

Keywords: Africa, China, Investment, Technologies, Advancement, Development

1. INTRODUCTION

"The fast-growing Asian economies have come to be viewed not only as successful cases that could provide examples of development paths for African economies, but, increasingly, also as economic partners, particularly for trade and investment" (UNCTAD, 2007, p.1).

The dominance of Asian countries in Africa has been element of concern to other developed countries. For some years countries like Singapore, India, Malaysia and China have played major role in Africa in terms of foreign direct investment (FDI). In recent times, the aggressive nature of Chinese investors and pattern of operations which seem to be profitable to African leaders has generated concern among scholars and policy makers (UNCTAD, 2007; Agbebi & Virtanen, 2017). China through her 'One belt One road' and other policies have subsumed the global system into a small icon which can be monitored with ease (*Odgaard*, 2018). This has been made possible due to her rapid industrial development and large market system. There are over 195 countries that have seen China as a potential business partner and making China one of the huge recipients of foreign direct investment (FDI) in the global economic system. The United States has considered China as a better trade partner although there are political divergent in term of system of government and ideologies in both countries. This implies interaction in international system is anchored on mutual benefits leading to the maximization of rewards by the actors involved. International relations in global politics or trade are

more mutual when countries involved are equal in strength in terms of nuclear arsenal and science. The comparative advantages among countries in the North or developed states are power oriented, calculated and balance compare to interactions between countries in the South and in the North. The point here is that, trade or the act of investment between developing countries and developed countries always fuelled with a lot of suspicious and manipulations in favour one and against the other. The developing economies always suffered imperialistic diseases such as using the satellite states as dumping ground, discouraging infant industries, lack of initiatives from local entrepreneurs, trapping developing states into production of raw materials, and so on. This has been the grounds most scholars and policy makers are uneven with Chinese investor in the continent of Africa. The Chinese investors and her government have invested more resources into developing states whose economic powers are limited. Most of these investments have been poured into the African continent between the periods of 1999 to 2000. This was the period China's engagement in Africa increases and thereby making classical capitalist states feel threatened that led to different interpretations of the sincerity of China investment in Africa (Calabrese & Tang, 2020).

In recent times the surge for raw materials by Multinational Companies in advanced states has been a factor responsible for suspicious in the global system. Developing state in the international system has been vulnerable to traditional capitalist states and countries whose resources cannot sustain her population. There is international demarcation of South-South, North-South, so on, which has led to the neo-colonialization one side against the other. This has been aided by the notion of interdependency, comparative advantage and connectivity identified in the literature of globalisation (Agbebi & Virtanen, 2017; Calabrese & Tang, 2020). Technology and science have been enabling mechanism of superiority among states in the global system which has made most developing economies to be trapped or stagnant with the scheme of some developed states. African states have been a perpetuate victim due to lack of technological know-how, and weak leadership. For some many years the continent of Africa has served as a reservoir of raw material to the present advanced countries in the global system which is the root cause of poverty, failure and underdevelopment. The recent dominance of China in the continent has erupted different interpretations based on past incident of economic and political subjugation melted upon the African people in the past. This apprehension is as result of the enormous threat that China poses to European and the Western countries (in terms of raw materials and large markets for the sale of finished goods); and the Africans are finding a lasting solution to global slavery which has been revealed in the doctrine of globalisation.

Africa as one of the largest consumers of finished products in the global economic system has attracted companies and states to partition the continent into their advantage. Availability of trade partners has made the consumers in the continent to switched partnership to countries that seem to beneficial to them. The shift from former colonial trading partners and its allies have intensified political and economic progress in most African countries. The Indian investors, Japans, Malaysians and other Asian investors have made remarkable development in most African countries. This atmosphere has led to trepidation and criticism from policy makers, scholars and developed economies and some satellite states. The argument is mostly premised on neo-colonisation and destruction of infant industries in the continent of Africa. Conversely, with the huge investment from China's partnership into Africa in the past decade has rendered most of the argument less attractive but although the seizure of some African countries assets by the Chinese companies and her government still keeps the argument alive (Agbebi & Virtanen, 2017; Calabrese & Tang, 2020). However, this investigation unravelled the impact of China's investment in the continent of Africa. This with a view to encouraging African's trade partners and strengthens decisions making mechanisms in the continent. The paper is subdivided into sections, starting from the introduction; Brief overview of Sino-African interactions; Negative and positive realities, and concluding remarks.

2. LITERATURE: CONCEPTUAL CLARIFICATIONS

2.1 Foreign Direct Investment

Foreign Direct Investment (FDI), has to do with cross border investment made by investors of different country to another country's economic or, controlling ownership of business or investment in one's territory over another country of about 10% or more of the investment. It may take the form of partnership of acquiring existing business outfit or establishment of new businesses. It entails the establishment of social amenities, construction of buildings, financial aids, and so on, which can be regarded or equivalent to technological transfer. FDI has been a mechanism for development for countries that possess strong institutions to regulate international investments and actors. Most Multinational companies' investments are strengthened by their government because of the fund returns and the impacts of such investment in home countries. These are some of the capitalist stratagems that developing states in Africa lack (Agbebi & Virtanen, 2017; Calabrese & Tang, 2020). Most times African politicians loot state's resources and invest in these countries in the grounds of safety premised on working institutions. In a recent report global FDI collapsed as result of decisions of repatriation of United States companies in first two quarter of the year, 2018, but this incidence did not affects Africa that led to 11% increase to 46billion, resource seeking inflow triggered this development (UNCTAD, 2019).

2.2 Technological transfer

Technology in the context of this investigation entails scientific methods, new knowledge and new trend of creating and recreating things. It is the application of innovative scientific ideas into the production of goods and services. This can be acquired through rigorous investment in science development; and also through viable partnership with industrialised countries on the ground of FDI. An enabling environment that relatively free from political crises and weak institutions possibly attracts FDI, and when the government of the day focus or assist research institutions, construction of social amenities, and so on. The process of FDI is a possible means of technological transfer which has been utilised by countries that fall within the North. Global spotlight has been on African countries as a result of natural resources endowment highly demanded in industrialised countries. This has led to seemingly trade by barter whereby African states or developing nations exchange natural resources with technology. The challenge of technology has been identified by African leaders and policy maker as a bottleneck that is creating barriers to African development. In study by Munemo (2013), Project Team (2015) cited in Li (2016), identified how China has made a huge technological transfer through her FDI. This has been captured on globalisation and economic growth in a study by Iyoboyi, Sabitu and Okereke (2020). The study revealed that trade globalisation had a greater impact on African economic growth than financial globalisation, implying that trade globalisation is more important for economic growth than financial globalisation.

For Iyoboyi et al. (2020, p.1), recommended a well-articulated and coordinated set of economic policies should be advocated to boost investment in fixed capital, human capital, and commerce, with the goal of improving economic growth on the continent as a result of globalisation. This will reduce global capitalist exploitation and encourage indigenous investors to create robust investment institutions. Globalisation has had an impact on the economy of the global south, particularly those of African and Asian countries. A study of investment in relation to China's dominance in the global system is required, given that, despite the persisting distributional flaws, it still gives the best outcome for the majority of people due to its efficiency (Mishkin, 2006, cited in Iyoboyi et al., 2022). It has been proven to be responsible for considerable decreases in poverty in numerous nations, notably China and Vietnam, and has leveraged poorer European countries to boost average wages, as well as

raising hope in Africa, where a large portion of the population remains underprivileged (Iyoboyi et al., 2022). This has been made easier in the context of African investment by financial integration, which has called for the establishment of appropriate structures to attract investments in firms based in the territories of other member states through cross-border trading in stocks, shares, and other securities. This goal is crucial because it ensures free and unrestricted capital movement within the community by eliminating constraints on capital transfers between member states. This has been identified as one of the key messages in Article 53 of the Economic Community of West African States (ECOWAS) (Adeyele & Ouedraogo, 2019). Furthermore, investors across the continent benefit from larger returns. Companies, micro, small, and medium-sized firms, and start-ups will profit as transaction costs fall and financial institutions work more efficiently.

3. SINO-AFRICAN RELATIONS

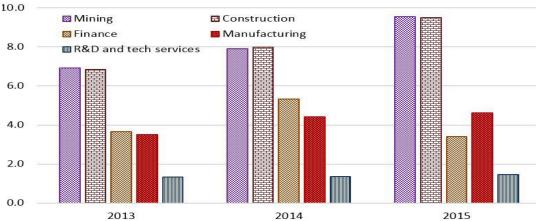
The China and Africa interactions have gain momentum from professional groups and policy makers in recent times. China as a country in Asia has established strong economic and social ties with the African people in terms of debt cancellation, infrastructural investment, knowledge transfer, medical aids, and others. This mutual relation has intensified in recent times whereby a lot of constructions and investment are made by Chinese companies and in return African natural resources has been used as means of exchange. In other words, Africa as a high endowed continent in natural resources has driven China home industries. Past records have indicated that Africa is in controlled of about 8% global oil reserves and 11% of global production. These facts have made developed countries to struggle to gain prominence in the continent of Africa and which has led to trade of words among developed economies in the international system. African states seem to be more receptive to China in recent times due to the perceived non stringent economic system demonstrated by Chinese investors. The system of trade, aids and other economic packages put in place by Chinese investors and her government made African states to be comfortable with the later (Agbebi & Virtanen, 2017; Calabrese & Tang, 2020).

Here below are some evidences revealing China's investments and gesture in the continent of Africa (Shaw, 2011). The construction of about 1800km railway connecting Tanzania and Zambia with an estimate cost of about US\$500 million; Debt relief of about US\$2 billion loan accrued and against Angola; the establishment of textile mill, hydroelectric power station, highway in Burundi; Republic of Benin, establishment of stadium, conference centre and hospital; Cameroon, establishment of conference centre, power plant, medical aids and medical infrastructure (clinic and hospital); Cape Verde, the establishment of building/ infrastructures for conferences and government offices; Central African Republic, the establishment of mechanise system of agricultural facilities, telecommunication state like radio, medical aids and medical infrastructures like clinics; DR Congo, the establishment of business outfits and infrastructures, palace centre for the people, factories, people; Comoros, the establishment of huge infrastructure for government workers, place for gathering (palace), pipe borne water system; Senegal, the building of stadium, water conservation; Djibouti, the establishment of government offices, water system, people's palace centre, stadium, housing project; Ethiopia, the construction of major roads, medical aids and centre for the treatment of domestic animals, clinics, hydro-electric power plant, water system and plant; Ghana, the establishment of social infrastructures for national events, medical aids and hospital agricultural plants for mechanised farming system, adult educational system and trade; Guinea, establishment of housing project, power-generating equipment, technical cooperation.

In Guinea Bissau, the initiation and establishment of social infrastructure like housing, hydroelectrical plant, technical aid and knowledge transfer; Mali, the building of social amenities and critical infrastructure like conference centre, event centres, manufacturing plants such as processing plant for agricultural product, medical aids and infrastructure; Liberia, the establishment of agriculture plant for rice and sugar, event centre like sport's facilities, medical assistance, offices for government staff; Lesotho, the initiation and establishment of agricultural plant to process harvested produce, social infrastructure like hall for events, parks; Gabon, the establishment of medical facilities and infrastructure, involvement on primary and secondary education, housing project for government workers; Rwanda, the construction of major roads and the involvement of town planning, building materials and cement plant, knowledge transfer on the production and care of domestic animals; Namibia, the construction of water supply system, office-building for government staff; Mozambique, the establishment of manufacturing plant like shoe factory, seaport facilities, construction of water plant system, construction of legislative house for government officials, involvement of building of houses, and so on (Kanza, 1975; Judith van de Looy, 2006).

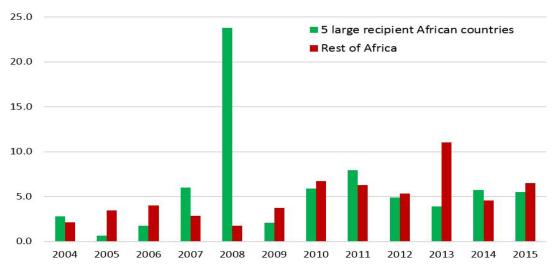
The presence of China in African countries cut beyond the exploration of natural resources for Chinese companies. Figure 1 and 2 explained the impact of Sino-Africa relations among the fastest growing economies in African. The possibility of this is not far fetch, the available records show that China pattern of operations involves helping local government to get off their existing debts and as well contribute to infrastructure. The aforementioned projects identified above attested to the fact how China proves to be responsible in her relations with African people base on a win-win relationship. In other words, the Sino-African relation has reduced the infrastructural dearth in the continent of Africa. The graphical bar charts of figure 1, 2, 3, buttressed this argument.

<u>Bar-chart of Five Sectors of China's Foreign Direct Investment Stocks in Africa, Billion \$US</u> Figure 1:



Source: Brautigam, Deborah; Diao, Xinshen; McMillan,...Jed. (2019, p.4)

Figure: 2. Total inward of FDI flows, representing top recipient of African countries %



Source: Brautigam, Deborah; Diao, Xinshen; McMillan, Margaret S.; and Silver, Jed. (2019:38) **3.1 Sino-Afro (The Gambia)**

In the context of The Gambia Alami (2020, p.2), observed both positive and negative consequences of Chinese engagement in the Gambia in a study titled "Changing Tides: The Impact of Chinese Investment in Gambia's Fishing Industry." The advent of Chinese firms, according to the study's conclusions, has resulted in substantial changes in the country's fishing industry, where they have a comparative advantage due to their geographic location. On the bright side, he noted that they are engaged in a mutually beneficial collaboration with the Gambian government, which will benefit both sides' economic systems in the long run. It's also terrible since it's isolated the older and less educated sectors of the fishing community, who can't keep up with The Gambia's quickly developing and modernised fishing industry. He went on to remark that the Chinese presence in the Gambia and the rest of Africa has been criticised since many people see it as neocolonialism. The Gambian fishing industry's story is a little different. Chinese businesses are contributing in the development of a crucial source of future economic growth for a developing nation while adhering to Gambian government norms and requirements. According to the study, The Gambia is also facilitating the creative destruction of its fishing industry in order to attain long-term economic strength and independence in the international trade arena. There has been coverage of African countries' political and economic issues, but there has been little coverage of the social perspective at the grassroots level, and how foreign intrusion, namely Chinese interference, impacts their society structures and ways of life (p.46).

For Conteh's (2020) study, "The Gambia-China Relations and its Strategies to Restrain Western Influences in The Gambia," backs up Alami's findings. To acquire critical information from correspondents, both researches used primary data in the form of interview protocols. He went on to say that bilateral relations between the Gambia and China have grown rapidly in recent years, with Chinese aid, grants, and infrastructure projects said to aid the country's development. In exchange, the Gambia government adheres to the "One China Policy," promising to support China in international forums and gatherings, which China greatly values (Conteh, 2020, p.5). For Bukhari and Mohammed (2007) investigated how China and Taiwan products dominated the public arena in the Gambia. This atmosphere has the potential to drive indigenous investors and firms out of business. This has been the sceptical attitude of Western critics of the preponderance of Asian investment in Africa. Conteh (2020) and Alami (2020) conducted separate research that de-emphasized this revelation. However, the study's findings demonstrated that Chinese objects are abundant on Gambian territory. Tea, electrical and technological gadgets, and textiles account for the vast majority of these. Chinese items are extensively available in The Gambia, as is Taiwanese technical assistance. Despite its open economy, the Gambia has attracted very few FDIs from both China and Taiwan. Exports from the country to China and

Taiwan are negligible. Whereas China imports more than 60% of The Gambia's produced goods, machinery, and equipment, Taiwan just imports knowledge and skills (Bukhari & Mohammed, 2007, p. 25).

The respondents also agreed that The Gambia has profited significantly from Asian countries, particularly China and Taiwan. Taiwan, they said, helped The Gambia build the highway from Barra to Kerewan, which was followed by the development of four feeder roads in the Western Region. Taiwan has maintained its commitment to Gambian children's education. Many Gambian students have benefited from the Taiwan Scholarship and degree programmes. Others benefited from short-term training in Taiwan by attending a range of seminars. Taiwan also helped to build two senior secondary schools in the Western Region, in Mayok and Siffoe. Students from a friendly country like Taiwan who would otherwise have to commute to schools in Banjul and its surrounding areas without such facilities would be relieved by the construction of these two institutions. The Gambia has long backed Taiwan's aspiration for UN membership and other international organisations based on this relationship. It has constantly supported Taiwan and is recognised as one of the primary countries that has persistently supported this just cause (p.25). The Gambians have profited in every way from the People's Republic of China's loyalty. This was stated during a meeting in which the Chinese Ambassador (Ma Jianchun) acknowledged responsibility for assisting the country in dealing with the ongoing epidemic and becoming a part of the nine-cooperation programme, which is set to begin in the first half of 2022. In recent years, China and The Gambia have made remarkable success in "our diverse collaboration such as infrastructure, agriculture, public health, capacity building, and cultural exchange," according to H.E. Ma Jianchun. He also stated that China will continue to support The Gambia in dealing with food security challenges by granting The Gambia 2,700 metric tonnes of rice as humanitarian aid, which he claims will arrive this year (Tina, 2022). To summarise, China's operations in the Gambia demonstrate that Chinese investors have contributed positively to the country's and, by extension, Africa's economy.

Corroborating the aforementioned views, Jean-Claude (2011) advanced a similar study in which he explored how Chinese diplomatic contacts and infrastructure development had affected African states in general. Jean-Claude Berthelemy emphasised China's tremendous ramifications in terms of growing aid, money, commerce, and investment flows to Africa. This study was based on data on the turnover of economic cooperation, which was done in a similar manner to bilateral aid. The study also discovered an increase in Chinese imports into Africa, which might be considered trade creation rather than trade diversion. As a result, rather than having a negative impact on African economies, it has a positive benefit. Once again, the study looks into the influence of Chinese engagement on economic diversification. It reveals that the traditional "Dutch disease" theory is suspect. It was discovered that none of the numerous aspects of China's engagement had a significant positive or negative impact on African economic diversification. According to the study, China's evolving preferential trade regime and policy of building special economic zones could help tip the balance in the country's favour in the future (Jean-Claude, 2011. P.4).

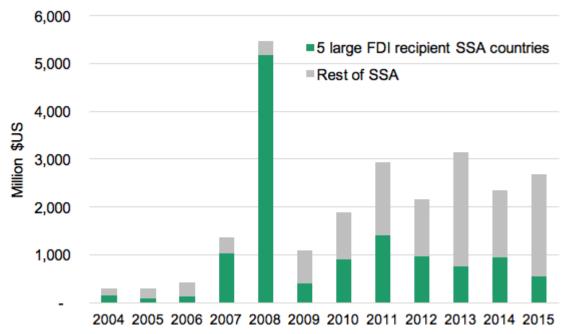
4. CHINA INVESTMENT IN AFRICA

On global statistic African countries attract about 4% of Chinese global business activities and about 3% of China's Foreign Direct investment. As at 2015, the PRC was estimated to attract 5% of global FDI, and most African countries focus more on trade than FDI in the past decades with Chinese investors. In effect, an estimated volume of about 25% of trade was directed to China, which has revealed the relative low volume of share of Chinese FDI among African states. Somehow this has led to slow implement of some projects with certain institutions in Africa like the Ministry of Commence (Brautigam & Xia, 217). Studies in this line of thought have identified the increase of FDI in the continent of Africa on grounds of diversifications (both on locations and sectors). Over sometimes,

construction and mining attract about 54%; and that of manufacturing in terms of FDI stock amounted to 13% of China FDI in African countries.

The "Figure 1" below exhibited the high level of diversification that China FDI has taken away from the classical methods of global FDI- Sudan, Nigeria, South Africa, DR Congo and Zambia-into high growth African states which may not be on terms of resource rich. The exclusion of these top African states from China's share of foreign direct investment begins from 1% in the 2004 and other years, 2015, it revealed 9% (Brautugam et al. 2019). In a study by Brautugam et al. (2019), revealed that good number of African growing economies, the natural resource extraction has attracted less attention than sectors whose volume has increase in recent times. The China's FDI did not attract or amount to large share of investment in top fastest growing economies in Africa. The study added that Foreign Direct Investment and loan increased between the periods of 2012-2015 among top fastest economies in Africa. By implications, China's FDI among African countries is not different from other countries, and which is not isolated from mining or resource extraction in some few countries as always identified. However, handful qualitative studies on Sino-Africa have revealed negative that is primarily resource driven anchored on authoritarian system deprived from local economies. But the Brautigam et al (2019), study shows a huge gap or inconsistencies of what is known in qualitative studies and empirical investigations in recent times.

Figure 3: Demonstration of China's Foreign Direct Investment, top beneficiaries and African states



Source: Brautigam, Deborah; Diao, Xinshen; McMillan, Margaret S.; and Silver, Jed. (2019: ii)

Additionally, the high volume of investment on productive sector is an indication for job creation, high supplies to local industries, creation of linkages, and the fertilization of knowledge to infant industries. Extant literature has revealed the role of China and 16 fastest growing African states like the Ethiopia, Nigeria, Ghana, South Africa, Tanzania, and others, in a strong partnership which has created viable synergies (Abebe et al. 2017). Although the presence of China still at its infancy stage in most African growing economies, this implies PRC engagement is far less damaging in the continent of Africa if at all there is imperialistic tendencies. In a study conducted by Adisu, Sharkey and Okoroafo (2010), pointed out the positive effect of the Sino-African relation through hosting of conferences such as the Sino-African Cooperation Forum held in Beijing between Oct. 11-12, 2000, Bandung *conference 1955* and others. This pattern of communication and influence has made most

China's companies to move into Africa and with support from her government (Broadman, 2007 cited in Adisu et al. 2010). The act of organising conferences and meetings has made PRC an important factor in African affairs and global politics. African efforts against imperialism and political subjugation have been made easy through military, economic and technical ties that African countries enjoyed from PRC. This has been revealed by Anshan (2007) cited in Adisa et al (2010), who pointed out the presence military aids, medical aids, training and the respect for African values which captured the genuineness and sincerity of PRC towards African people. In a similar notes Zweig and Jianhai (2005) cited in Adisu et al (2010:4), has identified that the *policy is driven by its domestic development strategy, accessing energy resources; and establishment of the export markets for its light manufacturing, services, agro-processing, apparel, and communications offerings.*

The Sino-African interactions in some studies have been seen fair and justice compare to other developed countries economic policies. Sino-Investment Model has given African countries a big relief in the areas of interest rates and stringent conditions on loans that been conditions from World Bank, International Monetary Fund and other UN's institutions. Most aids and loans given by PRC has been zero interest rates but premised on exchange of raw materials as means of repayment, and this was revealed when China offered US\$2 billion in aid for infrastructure projects, thereby securing a former Shell Oil block in Angola by outbidding an Indian proposal (Alden & Davies, 2006; Adisu et al, 2010, p.4). A remarkable debate on China engagement in Africa is on the issue of poor human right improvement, which has been made known by Chinese authorities on the grounds of its policies of non-interference. China primary motive is to promote individual prosperity and society wealth against emphasis on the doctrine of democracies, and voting during elections. It has noted that China's economic commitment in Africa involves more than just self-interest. It is a collaboration that advances human rights by preserving state sovereignty and encouraging economic development. China's aims in Africa, according to Ambassador Liu Guijin, are primarily to assist countries in improving their own development capacity... China has stated that liberal democracy is the source of Africa's problems, not the cure, as Western nations contend (Shaw, 2011)

In a study by Alden and Large (2013), identified that most African countries are driven by series of crises which are deep rooted in the sociocultural of the African people, but the military aids and couple with non-interference policy these states enjoyed have relatively tame the problem. This has informed most China's foreign policy in Africa anchored peace, humanitarian and conflict resolution project. The set-out goals of the Beijing policy are more of consultations and diplomacy with African states against forceful or condition styles that have been used by other powers within the United Nations (UN). Conversely, Western scholars have labelled the approach of China's engagement as unfair and unjust. Studies have revealed that China's involvement failed to be cognisance of the issue of corruption and human right decade that has been perpetuated by the African leaders (Naim, 2007). In different notes Xuejun (2010), argued that the factors that underpinned western thoughts in peacebuilding is driven by the ideal of liberal democracy should has been identified that as way to go for all countries, while for China, every country knows what is best for itself with a set goals or priorities and the issue of promotion of democracy after the termination of conflicts is not germane or necessary or immediate concern. One can deduce that in recent times China has participated aggressively through sending funds to UN for peacekeeping and its policies of non-interference has created an important place for China in Africa. But the act of peacekeeping seems to be one sided which focused mainly treating effects aside peacebuilding. This realisation has made China to shift slightly in its dealings with African states. In a statement by Zhao Lei, that the need for 'norm creation as against treating effects or taking reactive seat. Lei (2011), asserts that, China position in international affairs differ from the perception accepting global norms towards forming ideas, energy is channelled towards China's organisations and its contribution, advancing issues on power and setting agendas on great power and while same time avoid stereotype in international politics.

This has made China to affirm her grounds over the affairs of other countries in terms of trade and investment. For them, peacekeeping in developing countries like Africa should respect or not to distort the indigenous African system of ownership rather China strives to empower the system. The Beijing stands on various international conferences tend to show sympathy and care from the perspective of the people. Additionally, the design of any long-term plans for resolving or dealing with conflict, the indigenous people values should be centre of priorities and the assistance of foreign donors should maintain the existing values (Alden and Large, 2013). This thought defies European methods infiltrating African norms and values with concepts of periodic elections and democracies. Notable among the reactions of China towards preventing the unnecessary usurp of European and Western power was the case of Libya whereby China elicited support from India and Brazil through the United Nations Security Council (UNSC). But this has been seen as slight shift in China-African policy on non-interference and classified as constructive intervention (Hu, 2012).

Consequently, the mechanism of non-interference has intensified the Sino-Africa relations rising the volume of trade to US\$100 billion plus and this has been made easy through series meetings and conferences put in place by institutions in China. The November 1st 2009 initiation of the Chinese Eight Point Plan (CEPP) has enabled the continent of Africa to intensified her economic, sociocultural and political domain which has revealed in the US\$10 billion as a special aid package, and implemented within the period of three to five years. Kambudzi (2013), explained that the plan enables African states to translate the unnoticed resources into feasible progress which can be assisted by Chinese institutions. Kambuzi further noted that China cooperation in extraction of African rich resources create a balance of equal exchange of win-win mechanism whereby both partners profits from the relation. On economic ground, the 2000 Beijing plan identified the Forum on China-Africa Cooperation (FOCAC) as a specific tool to reinforce its relationship with the African countries (Taylor, 2011). This has been enveloped into White Paper on China's Africa Policy, published in 2006 and the White Paper on China's Foreign Aid, released in 2011 (Stahl, 2013). The Sino-African interactions in terms of support, aids and humanitarian services have been devoid of conditions which have made China strong allies with most African states. A remarkable one is the contribution of China to liberation movement in Africa after and during the Cold War. The reassessment and rediscovery of the African continent in 1990 made China an important trade partner with most African states especially on natural resources.

China economic aids to Africa have been defined by the need for coexistence and noninterference which is at variance with Development Assistance Committee (DAC). This committee emerged in 1961 as semi-independent body under the operations of Organisation for Economic Cooperation and Development (OECD), with its management in France, Paris (Carroll & Kellow, 2011). The members are United States, France, Germany, United Kingdom (UK), Japan, South Korea and European Union (EU). Allocation of aids or assistance is based on some basic conditions such as good governance, transparency and the promotion of human rights (Brautigam, 2010; 2011; Stähle, 2008). Developing countries are expected to be seen in these values before they can be qualified for loan from DAC. The argument about aids according to the notions of the DAC is to institute moral values and best practices in any countries that wish to be assisted. In other argument, these DAC principles of aids influenced the autonomous nature of the African people not to be in charge of their government (Mold & Zimmermann, 2008). Based on the enormous challenges facing developing countries and the need for good governance has occupied DAC, hence, synergy between economic development and security in Africa has been defined in the operative norms of the body. Extant literature revealed that security threats in African states are frequently caused by a combination of two major variables: challenge of domestic governance and economic development (Duffield, 2001; Collier et al., 2003). On this basis classical donors tend to agreed that inappropriate security structures and mechanisms can contribute to weak governance, instability and violent conflict, which impact

negatively on poverty reduction (OECD, 2005, p.11). This realisation has made DAC donors to increase her financial support to African states but built on certain conditionality that seem to control African politics. In contrast, China's uneasiness with the idea of *good governance* and its firm position in relation to *non-interference*, accounts why China's classical development method did not take into cognisance African domestic security challenges in Africa. A notable principal strategy that is tie to win-win action, China invests much on her organisations in Africa that benefits both parties which differs from the DAC methods of aids (Brautigam, 2011)

4.1 Negative realities

Extant literature has identified the place of the death of African nascent industries as a result of China holistic engagement (Calabrese & Tang, 2020). Most of the goods and services have been regarded as substandard and not fit for human consumption. The violation of production and manufacturing international codes has been identified in series of Chinese business outfits in Africa. This was revealed in a study by Shinn who noted the loss of about 250, 000 jobs and deteriorating of over 37% Africa's textile industries in the continent is as result of noncompliance to WTO's Multifiber Agreement (MFA 1974). In other study by Kaplinsky *et al.* report that Lesotho, Swaziland, Madagascar, and Kenya have experienced a heavy shocked especially in the year 2006 over negligence of Chinese operations. This was revealed in the study carried out by Shaw (2011, p.35), *In 2006, the Nigerian government had to threaten WTO action against China for a number of inferior quality products that were imported, al-though China's producers blamed Nigerian businessmen for ordering these pro-ducts.*

In another instead is the issue of importing industrial workers or hiring of Chinese workers from PRC while there is huge unemployment problem in the location of operation. Africans that are opportune to be hired are paid below the minimum standard of best practices which has led to criticism and protest in Namibia, South Africa, Zambia, Sudan, Ethiopia and other African states. Another notable challenge arising from China engagement is the issue of method of investment. Evidence has shown that Chinese are more particular about their companies in Africa and how they flourish than helping African companies and local entrepreneurs. These and among other have made China's engagement in Africa suspicious to some policy makers and scholars (Calabrese & Tang, 2020). Despite the aforementioned challenges studies like that of Bräutigam (2011); Acquaah (2007): Simen (2013); Kragelund (2009); Pannell (2008); Acquaah, (2007); Sautman & Yan (2009); Pannell (2008); Kopinski and Sun (2014); Mohan and Power (2008); Kaplinsky (2013); Power (2008); Veeck and Diop (2012); Zhu (2013); Cheung et al., (2012) cited in Abodohoui, Zhan Su, and Da-Silva (2018), have justified the enormous positive progress that China engagement has impacted in the continent of Africa. The above scholarly studies identified knowledge transfer, learning opportunities in joint venture, capacity building, business network and organisational performance, technological transfer and integration into global value chain, business network and linkages to local brokers, workforce and business relationship development.

5. CONCLUDING REMARKS

This investigation evaluated brief activities of China's investment in the continent of Africa through extant literature of the subject matter. Argument on human right promotion which seems to not to be encouraged by Chinese investors have been debunked. The Chinese believed that Human right has to do with the promotion of wealth in the African society and prosperity to the people not necessary the enthronement of democracy as advanced by Western and European scholars. Studies on Sino-Africa interaction seem to be fair and encourage looking at the huge economic and social impact of the China investment. China helping hand on African states' debt relief process, the assistance of the Post-Cold War policy of African liberation, policy of non-interference, representing African

countries before UNSC, all these and others show that China-African engagement to be a mutual and fair one. Conclusively, while there are argument and misconceptions about the motives of China's huge investment in Africa, this investigation strongly recommends the building of strong institutions vis-à-vis China's engagement, this and among others will set a barrier against any forms of imperialistic tendencies.

REFERENCES:

- Adeyele, I.T., & Ouedraogo, I. (2019). Effect of Regional Financial Integration and Governance Quality on Economic Growth in Ecowas (2001-2016), *Journal of Economics and Allied Research*, 3(2). https://jearecons.com/index.php/jearecons/index (Accessed September 16th, 2022)
- Alami, A. (2020). "Changing Tides: The Impact of Chinese Investment in Gambia's Fishing Industry". *Master's Theses*. 1291. The University of San Francisco. https://repository.usfca.edu/cgi/viewcontent.cgi?article=2386&context=thes
- Adisu K., Sharkey, T., & Okoroafo, S.C. (2010). The Impact of Chinese Investment in Africa. *International Journal of Business and Management*, 5(9). www.ccsenet.org/ijbm. Published by Canadian Center of Science and Education
- Agbebi, M., & Virtanen, P. (2017). Dependency Theory--A Conceptual Lens to Understand China's Presence in Africa? *Forum for Development Studies*, 44(3),429–451. https://doiorg.nwulib.nwu.ac.za/http://www.tandfonline.com/loi/sfds20
- Alden, C., & Large, D. (2013). China's Evolving Policy towards Peace and Security in Africa: Constructing a new paradigm for peace building?. In (Eds) Mulugeta Gebrehiwot Berhe and Liu Hongwu, *China-Africa Relations Governance, Peace and Security* (pp:16-28). *Institute for Peace and Security Studies* (Addis Ababa University) *and Institute of African Studies* (Zhejiang Normal University) Printed in Ethiopia
- Brautigam, D., Diao., McMillan, M. S., & Silver, J. (2019). Chinese investment in Africa:
 How much do we know? Synthesis Pieces 2. London, UK: Centre for Economic Policy Research; Private Enterprise Development in Low-Income Countries. https://pedl.cepr.org/publications/chinese-investment-africa-how-much-do-we-know
- Abodohoui, A., Zhan Su., & Da-Silva, I. A. (2018). Chinese Investments in Africa: What Have We Learnt? *Management International / International Management / Gestión Internacional*, 22(3), 129–142. https://doi-org.nwulib.nwu.ac.za/10.7202/1060899a
- Brautigam, D. (2011). Policy Arena: Aid 'With Chinese Characteristics': Chinese foreign aid and development finance meet the OEDC-DAC aid regime. *Journal of Development*. 23(5), 613-766.
- Conteh, F. (2020). The Gambia China Relations And its Strategies to Restrain the Western Influences in The Gambia. *Bachelor of Science*. Universitas Islam Negeri Syarif Hidayatullah Jakarta.

 https://repository.uinjkt.ac.id/dspace/bitstream/123456789/56859/1/FANNA%20CONTEH.F ISIP.pdf.
- Carroll, P., & Kellow, A. (2011). *The OECD: A Study of Organisational Adaptation*. Cheltenham: Edward Elgar.
- Calabrese, L., & Tang, X. (2020). Africa's economic transformation: the role of Chinese investment. *The DFID-ESRC Growth Research Programme (DEGRP)*. degrp.odi.org
- Clifton, J., & Diaz-Fuentes, D. (2011), 'From 'club of the rich' to 'globalization à la carte': on the successes and limits of the reform at the OECD'. *Global Policy*. 2(3), 300-311 Hu, J. (2012b). "Open Up New Prospects for A New Type of China-Africa Strategic

- Partnership", At the Opening Ceremony of the Fifth Ministerial Conference of The Forum on China-Africa Cooperation (FOCAC) 5th Ministerial Conference, 19 July, Beijing.
- Iyoboyi, M., Sabitu, A. & Okereke, S.F. (2020). Globalization and Economic Growth in Africa. *Journal of Economics and Allied Research* 5(1). https://jearecons.com/index.php/jearecons/index (Accessed September 16th, 2022)
- Jean-Claude, B. (2011). China's Engagement and Aid Effectiveness in Africa, Series N° 129, African Development Bank, Tunis, Tunisia. https://core.ac.uk/download/pdf/6429074.pdf
- Judith van de Looy, (2006). Africa and China: A Strategic Partnership? ASC Working Paper 67/2006. African Studies Centre in Leiden
- Kanza, T.M. (1975) 'Chinese and Soviet Aid to Africa; An African View', in W. Weinstein (ed.), *Chinese and Soviet Aid to Africa*, New York: Praeger Publishers
- Kambudzi, A. M. (2013). Africa and China's Non-Interference Policy: Towards Peace Enhancement in Africa. ?. In (Eds) Mulugeta Gebrehiwot Berhe and Liu Hongwu, *China-Africa Relations Governance, Peace and Security* (pp:16-28). *Institute for Peace and Security Studies* (Addis Ababa University) *and Institute of African Studies* (Zhejiang Normal University) Printed in Ethiopia
- Lei, Z. (2011). Two pillars of China's global peace engagement strategy: UN peacekeeping and international peacebuilding. *International Peacekeeping*, 18(3), 351.
- Li, A. (2016). Technology Transfer in China-Africa Relation: Myth or Reality. *Transnational Corporations Review*, 8(3), 183–195. https://doi-org.nwulib.nwu.ac.za/http://www.tandfonline.com/toc/rncr20/current
- Mold, A., & Zimmermann, F. (2008). *A Farewell to Policy Conditionality?* Policy Insights, 74. Paris: OECD Development Centre. Retrieved September 5, 2012, from http://www.oecd.org/dev/41159433.pdf
- Naim, M. (2007). Rogue Aid. Foreign Policy (1 March 2007).
- Odgaard, L. (2018). China's Policy on Development and Security in East Africa. Scientia Militaria, South African Journal of Military Studies 46 (2). doi: 10.5787/46-2-1190
- OECD. (2011). DAC Global Relations Strategy. DCD/DCA(2011)36/FINAL. Paris: OECD, Development Co-operation Directorate & DAC. Retrieved October 26, 2012 from http://search.oecd.org/officialdocuments/displaydocumentpdf/? cote = DCD/DAC (2011) 36/FINAL&doclanguage=en
- Staehle, S. (2008). Towards China's integration into the aid donor architecture: Learning from Chinese participation in international regimes. *Journal of Current Chinese Affairs* China aktuell, Institute of Asian Studies, GIGA German Institute of Global and Area Studies, Hamburg, 37(3), 131-164.
- Sillah, Bukhari. M. S., Jammeh, & Mohammed, E. (2007). AERC scoping studies on China-Africa relations: The Gambia, AERC Scoping Studies on China-Africa Economic Relations, African Economic Research Consortium (AERC), Nairobi https://www.econstor.eu/bitstream/10419/93156/1/59946965X.pdf
- Shaw, C.M. (2011) 'China's Impact on Human Rights in Africa', TEKA: Komisji Politologii I Stosunkow Miedzynarodowych (Commission of Political Science and International Affairs, Lublin, Poland) 6(5), pp. 22-40. Available at: www.pan-ol.lublin.pl/wydawnictwa/TPol6/Shaw.pdf.
- Stahl, A. K. (2013). Fostering African Development, Governance and Security through Multilateral Cooperation between China and Western Donors: The Case of the China-DAC Study Group. In (Eds) Mulugeta Gebrehiwot Berhe and Liu Hongwu, *China-Africa Relations Governance, Peace and Security* (pp:16-28). *Institute for Peace and Security Studies* (Addis

Journal of Economics and Allied Research Vol. 7, Issue 3 (September, 2022) ISSN: 2536-7447

- Ababa University) and Institute of African Studies (Zhejiang Normal University) Printed in Ethiopia
- *Tine*, A. (2022). Gambia: Chinese Ambassador Outlines Key Developmental Priorities with Gambia for 2022. *The Point (Banjul)*. https://allafrica.com/stories/202204290649.html
- Taylor, I. (2011). *The Forum on China-Africa Cooperation (FOCAC)*. Oxford and New York: Routledge.
- United Nations Conference on Trade and Development, (UNCTAD, 2019). World Investment Report. https://unctad.org/en/PublicationsLibrary/wir2019_en.pdf
- United Nations Conference on Trade and Development, (UNCTAD, 2007). Asian Foreign Direct Investment in Africa: Towards a New Era of Cooperation among Developing Countries. *Centre for International Development*, Harvard University. https://unctad.org/en/Docs/iteiia20071_en.pdf
- Xuejun, W. (2010). *China's Security Cooperation with Africa under the Frame of FOCAC*. Paper presented at the Conference on China, South Africa and Africa, November 2010