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The nature of China's role in development of Africa: the case of Zimbabwe

Abstract

China's involvement in Africa has become one of the contentious topics in the development literature. The background of the study is that Sino-African relations can be grouped into two phases thus: past relations and contemporary relations. The two phases are dissimilar, as past relations are categorized by solidarity against imperialism, while contemporary relations are characterized by economic relations. The study uses a historical approach to analyze China's resurgence into Africa and Zimbabwe, a case study is used to examine the contemporary Sino-African relations. Secondary data were utilized to come to sound conclusion of the study. The study mainly found out that China's resurgence into Africa presents both negative and positive impacts for Africa and that the negatives need to be regulated in order for African countries to benefit from the relations.

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Introduction and background to the study

The developing Sino-African economic relationship has sparked debate in the media and scholarly circles. Some of the main reasons for the debate entail the breakneck pace at which the relations are developing, a change in China's global position, the weakened position of Western countries in Africa as leading aid donors, trade partners and China's development approach, which is different from the traditional Western development approach. China's development approach, which includes non-interference in domestic affairs and low interest loans has been labelled by the Western countries as new-colonialism, however, China argues that its policy of non-interference in domestic affairs is what the global world, particularly Africa, needs.

China is among a number of emerging new world powers (South Africa, India, Russia and Brazil), which are currently deepening relations with Africa (Kragelund, 2008). However, Dent (2010) argues that "China is the most powerful and largest of this new group of emerging powers and that at times it positions itself as a champion of developing countries interests in a certain fora or a mediator between developed countries and developing countries". Despite forging economic ties with many developing countries in various continents, it is in Africa that China has forged economic ties with many developing countries and where the relationship has grown steadily over the past decade.

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Sino-African relations stemmed from 15th century when Chinese traders visited Africa, however, the foundation of the modern relations was built in 1955 during the Bandung conference. Sino-African relations are based upon trade, investments, aid and a number of development programs (Botha, 2006). China's foreign policy towards Africa is based on mutual benefit, mutual cooperation and mutual participation. Tull (2006) pointed that the use of such expression entails a positive-sum relationship between Africa and China, where both parties can gain from increased interaction. Hence, it is generally reported that the deepening of relations between China and Africa has presented hopes of development for the continent. However, in contrast, the relations have also come under scrutiny on the implications of good governance, because China engages countries that are corrupt and have a poor record of human rights.

Importantly, there is no consensus about the effectiveness of China's economic involvement in Africa, as scholars' views tend to vary. Tull (2006), on the one hand cites that China's increased involvement in Africa over the past decade is one of the most significant recent developments in the region. Furthermore, Tull's point of view tends to oppose the notion of international marginalization of Africa, but rather brings significant economic and political consequences. There is a notion amongst scholars that China has been pushed into Africa by virtue of market competition, utilizing channels of international capital, as well as international political institutions. It is reported that China is practically taking hostage some African states by means of locking them into deals that strip them out of their commodities (Alvarenga, 2008). For instance, in 2002, China provided Angola with U.S. $15 billion for various projects and oil was used as a means to repay the soft loan hence, it is argued that China is locking African countries in deals that strip them of their resources.

Trade patterns between China and Africa are similar to those Africa experienced with the Europeans. According to Goldstein, Pinaud, Reisen and Chen (2006), Africa-Europe trade relationships were unfair in practice, because Africa did not have a negotiating capacity. Africa experienced an exploitative economic relationship with the Europeans, which saw Africa importing value added products and exporting raw materials. Since China has become the second largest economy in the world, it is an economic giant capable of retaining the same economic relationship Africa endured with the West. Current Sino-African relationship can be viewed from this angle due to China's need of raw materials to feed its ever growing manufacturing industry and Africa's position as a supplier of the much needed raw materials. This angle has led some scholars to believe that China's soft loans and development assistance are means used to shrug off competition from the West to enable China to get a stronghold on the continent. If Sino-African trade continues this trend, mutual benefit will not be achieved, since China is getting the most out of the relationship. The influx of Chinese goods is also another factor which makes some scholars to view China as an economic competitor. This influx of Chinese goods has crippled some African economies by pushing local industries out of business which has increased unemployment in some African countries. South African economy is a major example of how China's goods have crippled some African economies. During the period from 2001 to 2010, South Africa have experienced 77,000 job losses and not only has Chinese goods aggravated unemployment, but also trade revenue loss because South African exports to other countries now suffer competition from Chinese exports, which are more favorable due to their affordable prices. Nevertheless, despite crowding out local industries Chinese goods have also enabled some African countries to enjoy fruits of globalization through their cheaply manufactured, which are within the means of many Africans.

There are some scholars who view China's renewed interest in Africa as new-colonialism. This notion comes from various reasons; firstly, the notion comes from mere suggestions that China's donation of new African headquarters in Ethiopia is a way of extending political control. This is, however, refuted by some scholars who argue that China's donation adds a crucial layer to the Sino-African discourse by helping Africa to connect with its past.

Furthermore, China's low interest loans are perceived as forming a new dependency which can hamper domestic accumulation of capital in the near future. China's loan deals are purported to be paid back in the form of raw materials and these types of deals are believed to promote corruption and embezzlement of funds, since China does not put loan conditionality's. However, some scholars applaud these kinds of deals, because they allow diversification of funds to other sectors, which will be of high importance to Africa's development quest.

The development of China's economy led to the depletion of its own domestic resources. This scenario made China to create partnerships with African countries; a development that has aroused suspicion from other scholars, as they assume that there is a new scramble of Africa, which involves Europe, United States of America and China all fighting to control Africa's resources. Nonetheless, China's involvement is said to serve hope for Africa, as China provides an alternative political-economic framework to the Washington consensus, which has put pressure on African countries to adopt structural adjustment marketization programs. Lastly, there are scholars who view China's recent involvement in Africa as that of a development partner. Their basis of argument is that China's presence presents an opportunity for development and economic growth, by providing aid without conditionality's, investing in marginalized areas/countries deemed risk investing in and providing development assistance such as cancellation debt (Tull, 2006).

Furthermore, China's interests in securing Africa's resources have resulted in other commercial engagements in Africa. For instance, infrastructure development in Gabon, where China won mining contracts in Belinga province, hazards and difficulty of connecting the Hills of Belinga with the Atlantic coast halted mining in the province for a while, but due to Chinese firms investments in the province mining has resumed, the investments in the province have contributed to railway line to connect Belinga to the coast, a hydropower dam to power the project and a deep-water port from which to export ore. This proves diversification of China's involvement in Africa, which can be positive for Africa's economic development. It can be deduced from the previous discussions that China has got the potential to do well in Africa, because it shares the same colonial history with Africa and the two that have long standing relations.

1. Statement of the problem

There is a growing concern that China is only following its own economic interests despite Sino-African relations being based on mutual relationships and respect for one another, as stressed out in the Forum on China-Africa Cooperation (FOCAC). Particularly, there is a concern that China engages some corrupt African leaders and pariah regimes, which is seen as negative for good governance. In addition, China's new global position as a new global economic power is also of concern given Africa's position as a developing continent. This already puts Africa in an inferior position in the relationship, which makes the Sino-

African relationship unbalanced with the scale tipping in favor of China. Therefore, it is argued that China is being pushed into Africa by the virtue of its own economic interests, which disregard African development. Henceforth, this raises a paradox which the study seeks to explore.

Past experiences of foreign intervention in Africa have created dependency. As such, Africa remains at the periphery with the duty of supplying raw materials, because it entered the world economic system from a marginalized position due to slavery, colonization and exploitation through neo-colonialism. Africa has long proclaimed its desire to industrialize its economy in an effort to attain higher living standards and increase productive employment opportunities for its populace. However many African countries have failed to achieve this goal due to a number of various reasons, the major reason being the colonial history.

Historically, colonial development was oriented towards producing raw material exports required by the factories in Europe and importing manufactured goods European factories produced. Colonial government expenditures were committed at building the infrastructure such as ports, railroads, roads all aimed at facilitating export of raw materials. Surpluses accrued from raw materials production were drawn out of Africa in the form of profits and interests for the colonial firms. Little capital was left for local investment; this, in turn, made African markets to be dependent upon fluctuations of external markets for its primary products exports. Economy outside the export sector remained underdeveloped.

Modernization experiment was also a blow to Africa's development quest, through its neoliberal policies of liberalization of markets, deregulation of local currency and privatization of public sectors advocated for by developed states. The modernization experiment managed to put Africa on the development path, but, in the process, it left the continent stuck in subsistence unable to utilize its natural resources to raise the standards of living for the majority of Africans (Wenping, 2009). After implementing these policies, African countries experienced results that were in contrast to those generally expected, thus, hindering economic growth. The results widely experienced were unemployment, industry closure, weak currency, food crisis and unproductive agriculture. In turn, this also created a debt to the world financial institutions, proving to be detrimental to Africa's development quest due to the expensive nature of its service. The question that remains is that: Can Africa get out of this quagmire?

Foreign economic involvement can be either good or bad for Africa's development quest. Foreign investments can produce some externalities in the form of higher employment rates and technology transfers often filling idea gaps between old and emerging market economies (Zilinske, 2010). Nevertheless, it can also have a negative impact on the country's economy through exploitation of both human and raw material resources through low wages and extraction of cheap raw materials, which are later bought at exorbitant prices.

2. Research objectives

The general assumptions were that Chinese renewed interest in Africa is mainly based upon China's economic pursuits.

The broad objectives of the study are:

- Sought to discern whether China's renewed interest in Africa is a blessing or a curse?
- To determine the nature and implications of Sino-African relationship with various states.

These broad objectives are explored through the following sub-objectives:

- To determine the nature of Chinese investments in Zimbabwe
- To determine the impacts brought by China's investments on Zimbabwe

3. Research questions

The questions that emerged from this study that are not yet answered sufficiently include: can China serves as a development catalyst in the current economic collapse of many African states? It also remains to be seen if China is a development partner, economic competitor or new colonizer.

4. A review of supporting literature

China's involvement in Africa via financial aid, FDI, trade policy and trade flows instigates controversial debate within academic literature. The main question that remains is whether if China's economic involvement fosters development in Africa or is another form of exploitation of Africa's natural resources so as to sustain China's growth.

Based on plethora of literature available, for instance, Botha (2006) noted that China's interests in Africa are driven by three main motives, namely, Africa is seen as a potential market for Chinese manufactured products, China's rising demand for oil and Africa's richness in natural resources and raw materials. In the same vein, Van der Wath (2004) asserted that market potential and raw materials are most important consideration of China's engagement in Africa. Berthelemy's (2011) findings also contend that the center of Chinese financial involvement in Africa is either in countries that represent strategic interests for the Chinese economy due to their oil and mineral resources, for instance, Zimbabwe, Angola, Zambia, Congo and Sudan or in countries with which it has good political relations, for instance, Tanzania, Egypt, Mali and Ethiopia.

Davies, Edinger, Tay, Naidu (2008) corroborate the controversial role played by China in endowed African countries such as Zimbabwe, Zambia, Angola, Sudan and so on that are rich in natural resources, and raw materials. Notwithstanding, Davies et al. (2008) findings suggested that China's approach has been one of mutual respect, awarding African countries with relatively little political and economic significance with aid and investment support.

Study carried by Penhelt (2007) placed much emphasis on the quality and nature of Chinese aid to Africa. Penhelt's (2007) findings signified that China does not take into account the quality of governance in recipients when allocating aid. Subsequently Penhelt (2007) suggested that China is eager to provide aid to unstable and problematic regions and rogue country like Zimbabwe that DAC members are more reluctant to support.

5. Research methodology

The study adopted a historical structural approach in order to understand the nature of China's role in Africa's development. Cohen, Manion, and Morrison (2000) elucidated that the historical structural approach is a systematic, objective location, evaluation and synthesis of evidence in order to draw conclusions about past events. Historical structural approach relates examination of idiographic casual chains: chains of causes and human purposes and motives, and their intended and unintended results and possible generalizations or general historical trends that can be deduced from the investigation of these chains and also actual formation, development and disintegration of systems (Saey, 2008). This method is appropriate to this nature of the study because of its ability to study past events and see how they inform present situations.

Since the study does not use experimental designs, it, therefore, relies on information based on social history, oral tradition, archival materials and theory. Therefore, documents related to China's economic involvement in Zimbabwe are vital for this study to come to sound conclusions.

5.1. Data sources. The data utilized in this study were collected from both primary sources and secondary sources. The primary sources of data were government's official documents and statistics, whilst secondary data were internet sources, journals, books and newspapers. After gathering data, corroboration, sourcing and contextualization were used to achieve reliability of the study.

5.2. Results and discussion. History of Sino-Zimbabwe relations. Sino-Zimbabwe relations are as old as Sino-African relations that date way back (Tull, 2006), however, Sino-Zimbabwe relations became more pronounced during the liberation struggle (1971-1980). During the struggle against the white regime, China supported ZANU PF party with arms, however, China's role in Zimbabwe declined when Zimbabwe achieved independence in 1980. Nevertheless, it is noted that in its first decade of independence, Zimbabwe's economic policy was market oriented, largely concerned by Western investments, despite being much socialist rhetoric, relations with China remained at political level with the national sports stadium being the notable investment of this era (Shelton and Kabemba, 2012).

Since the beginning of Zimbabwe's economic crisis, China's relations with Zimbabwe have turned more pragmatic and commercial, yet, still grounded in the principles of sovereignty and non-intervention in another's internal affairs (Mvutungayi, 2010). Due to the economic crisis that befell the country, Zimbabwe was compelled to look for an alternative of FDI. In 2003, Zimbabwe adopted a Look East policy, which made Asian investments welcomed in the country.

5.3. Contemporary Sino-Zimbabwe relations. Sino-Zimbabwe relations are also based upon the FOCAC, which was first adopted in 2000. Ever since the formulation of the FOCAC, Sino-Zimbabwe relations have deepened in the process making China one of the leading investors and trading partner of Zimbabwe. The deepening of relations can be advantageous to Zimbabwe's development prospects due to the increased investment and aid, which is withheld by the Western nations because of the sanctions imposed upon Zimbabwe. Sino-Zimbabwe relations are tied within three areas, thus, investment, aid and trade. However, there is some difficulty in distinguishing aid from investments, hence, the two are going to be analyzed intertwined. The following section of the study is going to look at the nature of Chinese investments, trade and the impacts in Zimbabwe. Additionally, the study is also going to look at Zimbabwe's negotiating capacity in the Sino-Zimbabwe relationship in a bid to understand whether if the relations are exploitative in nature or symbiotic.

5.4. Chinese investments in Zimbabwe. Chinese investments in Zimbabwe have grown significantly ever since the adoption of the Look East policy by Zimbabwe in 2003. However, year breakdowns of the total amount of China's foreign direct investment in Zimbabwe are difficult to note as some of the investments are made state to state and kept secret. Additionally, it is also difficult to separate aid from investments, as the former can also appear to be an investment. Nevertheless, it should be noted that Chinese investments are spread across various economic sectors with mining accounts for the most of the investments. An analysis of Chinese investments in each and every sector will be discussed below.

5.4.1. Mining. Zimbabwe possesses vast mineral resources such as gold, platinum, copper, coal and diamonds and has a long successful history of mining, which can be traced way back to modern mining in 1890. Over the first hundred years of modern mining, gold and asbestos were the two valuable products, but changed with the emergence of nickel and ferrochrome as major exports and the subsequent exploitation of platinum, palladium and rhodium (Hawkins, 2009).

In 1965, Zimbabwe became the seventh largest gold producing country in the world, whilst it was still under colonial rule. Given its geological setting and the sophistication of the formal sector, Zimbabwean mining industry became the largest of its type in Southern Africa, in all mining contributed 8% of the GDP in 1995 (Hollaway, 1997). Around 1996, the mineral industry in Zimbabwe was a major contributor to the world supply of chrysotile asbestos, ferrochomium and lithium minerals, gold production was the highest with an output exceeding 24 tonnes (Matsika, 2010).

Zimbabwe was poised to become a major force in African mining due to its well-maintained infrastructure, competitive mineral resources, skilled workforce and professionally-managed state regulatory institutions, however, by the turn of 2000 Zimbabwe's mining sector, just like other economic sectors, was affected by the deepening economic crisis. The mining sector encountered mineral production downturn due to disinvestments by major mining households, skills flight, power outages and lack of foreign currency to buy necessary equipment and raw materials. Due to the deepening economic crisis some mining companies closed or were placed under governments care. The crisis has made Zimbabwe to trail the rest of the world in terms of mineral exploration and development (Matsika, 2010).

However, over the past years, the mining industry has contributed extremely to the Zimbabwe's positive growth over the past years. "The mining sector in Zimbabwe generates more than 30% of export earnings, and the government places a lot of emphasis on the possibility of using mineral resources to generate foreign-exchange and increase the growth rate of the economy" (Chifamba, 2000). In 2010, the mining sector accounted for 65% of exports, 15 % up from 50% that was registered in 2009. According to African Development Bank (AFDB) Economic Review of January 2012, the mining sector recorded a growth rate of 25.8% with mining exports growing by 38.7 % contributing half of the exports in 2011 (AFDB, 2012). It is postulated that the mining sector's recovery is largely due to Chinese investments.

Since Zimbabwe's adoption of the Look East policy, China has become one of the leading investors in Zimbabwe's mining sector and a main consumer of several Zimbabwean resources. It is reported that the mining sector has received a majority of Chinese investments. In 2004, Zimbabwe and China signed several mining agreements, which gave Chinese experts' exploration rights and to study Zimbabwe's mineral resources. Mvutungayi (2012) cites that the joint venture between Zimbabwe and China North Industries Corporation (Norinco) is of particular importance, as Norinco granted a reprieve to Hwange Colliery Company after it had accrued US$ 6.3 million debts.

In 2003, Shanghai Baosteel Group, China's largest producer of steel and steel products, ranked 5th in the world by output in 2006 signaled to invest US$ 300 million in the metals mining industry of Zimbabwe (Edinger and Burke, 2008, p. 12). In September 2007, state-owned Sinosteel Corporation acquired a 50% stake in, Zimasco Consolidated Enterprises Ltd largest chrome producer in Zimbabwe (Edinger and Burke, 2008).

The Mineral and Marketing Corporation of Zimbabwe (MMCZ) signed an agreement with Chinese Nickel Company, Jinchuan Nickel Mining Company in 2008, Mvutungayi (2012) notes that the deal required Zimbabwe to sell these minerals to China. This deal, however, depicts an exploitative situation where Zimbabwe has to conform to Chinese mineral prices.

Investment trends in 2009 and 2010 highlight Chinese appetite for local mineral resources, in terms of the size of mining investment approved by Zimbabwe Investment Authority China is fourth after British Virgin Islands, Mauritius and South Africa (Shelton and Kabemba, 2012). In the first five months of 2013, China has contributed much to Zimbabwe's mining investments with a total of US$ 16 million, while South Africa and Mauritius injected US$ 11 million and US$ 7 million, respectively.

5.4.2. Agriculture. Zimbabwe was once regarded as a breadbasket for Southern Africa. However with the deepening economic crisis, land reform, poor rains and shortage of farm inputs the sector has recorded low productivity. Mvutungayi (2012) notes that China has shown support of Zimbabwe's land reform program as it donated US$241 worth of agricultural equipment to Zimbabwe in 2001 and continued providing continuous crisis credit lines to the sector during the deepening crisis.

Andersen (2008) notes that in 2004 China won a contract to farm 1,000 square kilometres of land seized from the white commercial farmers. In 2007 China brought farm machinery worth around US$ 25 million to Zimbabwe as a part of its US$58 million it is reported that in return Zimbabwe pledged and delivered tobacco worth US$30 million (The Zimbabwean, 2013).

Additionally it is noted that the Exim-Import Bank of China made a donation of agricultural machinery and also training of the key staff in the government of Zimbabwe's agricultural sector (Mukwezera, 2013). Mukwezera also cites that China Exim Bank extended a further loan worth US$ 340 million in 2011 to be used to purchase tractors and supporting of the mechanization program. The loan is reported to be paid in five years using agricultural products.

At a lower, but no less significant level, the consignment of agricultural machinery was offered by the Sichuan Provincial Government of China, and composed of 10 farm trucks, 30 walking (two wheel) tractors and 50 water pumps (Mukwezera, 2013). Some of the Chinese companies practice contract farming with the locals. Contract farming is mainly visible in tobacco and cotton farming. Mukwezera (2013) observed that Chinese companies also comply with the same regulations as local companies who are involved in contract farming.

Nevertheless, Mvutungayi (2012) noted that the agriculture sector has also suffered in the process due to the emphasis on tobacco that has shifted attention and resources from the other, which has contributed in fall of production of other crops particularly grain production. Furthermore, it is noted that tobacco production in the country has also fallen. It is argued that Zimbabwe dropped as one of major tobacco exporting countries due to low productivity; however it is reported that, despite Zimbabwe facing these challenges China promised Zimbabwe US$ 58million loan to buy farm equipment and inputs, the loan was supposed to be paid by tobacco produce. Some scholars have cited that Zimbabwe pose to lose control over its one of its chief exports. Mvutungayi (2012) echoed that the major setback in this deal was that it would mean that Zimbabwe would have to close its auction floors if its tobacco output fails to rise to a level that would leave a surplus to trade locally after giving the Chinese their share.

5.4.3. Construction and infrastructure sector. It is mainly argued that ever since independence and during the deepening economic crisis, China's involvement in this sector is difficult to note. However, in 1995, China and Industrial Development Corporation of Zimbabwe joined to form Sino-Zimbabwe company. Mvutungayi (2012) posits that this marked the joint production of cement construction projects within the country. The current projects include a hotel and shopping mall in the wetland close to the National Sports Stadium (NSS), a hotel in Mutare, a hospital in Mahusekwa and state-of-the-art Defence College in Harare (Chidavaenzi, 2013). It is generally argued that it was in 2008 that China started to be involved in Zimbabwe's construction and infrastructure sector when Zimbabwe purchased road construction equipment worth US$ 2.6 million.

However, this tends be a baseless argument, as China's involvement in this sector is also noted in 2005 when a Chinese company won a US$ 145 million tender to construct a Kunzvi dam. Seemingly, there tend to be allegations that normal tender procedures were not followed (Mvutungayi, 2012). Additionally it is also postulated that the dam, which was planned to supply water to the troubled city (Harare) has not been finalized. Hodzi, Hartwell and De Jager, Hodzi (2012) cites that in the same year China's Exim bank put aside US$ 2.463 billion intended for the construction of new parliamentary buildings in Harare, as well as road rehabilitation, construction and telecommunications, amongst others.

Mvutungayi (2012) asserts that through bilateral agreements Zimbabwe United Passenger Company (ZUPCO) received 100 buses from China. This feat has been widely acknowledged for lessening transport problems, which had emanated from the deepening economic crisis, during the crisis a large number of people found it difficult to travel due to exorbitant, fares, which were being charged with Chinese donation of buses, however this managed to reduce the burden in this sector.

Nevertheless, Chinese buses have been criticized for their unreliability due to consistent breakdowns. On the other hand some scholars assert and believe that it was a political move, since the introduction of Chinese buses coincided with election campaigns. Furthermore, China has also signed various deals with the National Railways lines of Zimbabwe (NRZ), it is reported that China wants to revitalize this sector by implementing a train that will connect Harare and Bulawayo within two hours. Such stride can enable many Bulawayo residents who work in Harare to attend work in Harare from Bulawayo rather than being temporary residents in Harare in order to go to work.

5.4.4. Energy sector. Chinese investments are also visible in the energy sector, since 2000, Zimbabwe has had problems in this sector. From 2006 to 2010, power outages and load shedding were rife. From 2010 to 2012, the situation became conducive for the ratepayers and businesses because of reduced rate of load shedding. The Chinese have made strides to strengthen this sector, Chingono (2010) notes that in 2000 and 2004, ZESA signed a deal, which provided them with cheap solar equipment. Under that deal, contracts were concluded for the development of power plants and the installation of generators worth US$ 368 million. That agreement also provided for the expansion of the Hwange power plant with two new production units of 300MW each. In 2004 ZESA entered into an agreement with China Aviation Technology Import Export Corporation (CATIC) and received energy equipment worth US$ 110 million (Muvutungayi, 2012). Additionally ZESA received supplementary electrical equipment from China, scholars' report that the exports of tobacco to China made the deal go through. In 2006, China Machine Building International Corporation made the largest investment of US$ 1.3 billion to mine coal and to build two thermal power stations at Hwange. Some of Chinese investments and agreements are listed in table 1 in which most of them are resource driven.

Table 1. Recent bilateral agreements

YEAR	TYPE OF AGREEMENT	SPECIFICS	VALUE
December, 2002	Economic and technical cooperation	Grant to secure irrigation equipment for agricultural purposes	U.S. $ 5 million
July, 2003	Technological cooperation	Grant to assist developmental programs in economic and technical areas	U.S. $ 4.5 million
June, 2004	Tourism agreement	Grant of tourism destination status	
November, 2004	Six agreements and contracts including an economic and technical cooperation agreement; exploration rights on minerals; JV with China North Industries Cooperation		
June, 2005	Agreement signed	Rehabilitation of the national power grid in return for chrome resources	U.S. $ 1.3 billion
July, 2005	Agreement on economic & technical cooperation	China National Aero-Technology Import & Export Corporation with Zimbabwean Ministry of Communication	Export of another MA60 on top of two delivered in May 2005
May, 2006	Grant	Military machines and construction equipment to Zimbabwean Defense Forces	U.S. $ 1.5 million

Source: Edinger and Burke (2008).

5.5. Overview of Sino-Zimbabwe trade. Zimbabwe's general balance of payments situation has been deteriorating since 2000, recording a trade deficit and widening current account deficit over the last few years, this was fuelled by the rising imports of emergency aid, and the non-performing export sector, which has resulted in foreign exchange shortages (Edinger and Burke, 2008). Intensified Sino-Zimbabwe trade has been able to fill this gap, trade in machinery equipment has been vital for Zimbabwe's economy. Mining and agricultural industries have been revived due to the increased Sino-Zimbabwe trade.

Over the past decade, Sino-Zimbabwe trade has increased, China has become Zimbabwe's second largest trading partner after South Africa. Sino-Zimbabwe trade stood at U.S. $ 800 million in 2012, double the figures recorded in 2011. Sino-Zimbabwe trade has been rising since the 90's, in 1996 bilateral trade stood at U.S. $ 52.2 million, which exacerbated to U.S. $275.25 million in 2006. Sino-Zimbabwe trade is based on export of low raw materials in exchange for value added goods just like Sino-African trade. Sino-Zimbabwe trade is odd in the sense that two-way trade has been skewed in favor of Zimbabwe, which is unusual for an African non-oil exporting country (Edinger and Burke, 2008). Since 1995, Zimbabwe's imports from China as a share of total trade between the two countries averaged around 20-25%, with the exception of 1998, when trade was largely in China's favor, Zimbabwe recorded imports of US$ 102.91 million and exports of only US$ 27.87 million (Edinger and Burke, 2008).

Zimbabwe's exports to China consist of cash crops (tobacco and cotton) and minerals (nickel, copper, platinum and coal). In 2006, tobacco was Zimbabwe's chief export to China as it accounted for 68.7% total share of exports. Tobacco production and exports have slowed since agricultural inputs have become more expensive (Edinger and Burke, 2008). Zimbabwe's total tobacco production has declined to 58 million kg in 2006, down from 200 million kg in 2001 (Taylor, 2006). China, in turn, has provided Zimbabwe with a U.S. $ 58 million credit in order to boost tobacco production.

Nickel constituted about 12% of the total share of exports in 2006 making the second leading export. While cotton accounted for 10.1 %, this pattern typifies the Sino-Africa trade in which Africa countries export raw materials to China. On the other hand, Zimbabwe's imports mainly consist of value added goods; In 2005 Zimbabwe purchased a number of planes, trainer jets and commuter buses from China as a result of a military trade deal, signed in 2004, worth US$ 240 million (Edinger and Burke, 2008).

China Aviation Industry, an aircraft maker, has furthermore sold or given three 60-seat propjets in the same year to the beleaguered Air Zimbabwe, as well as selling 1,000 commuter buses to the Zimbabwean government, and Zimbabwe's air force has bought Chinese trainer jets (Andersen, 2008). In 2007, the Reserve Bank of Zimbabwe purchased agricultural equipment from China while the Zimbabwean Road services purchased 97 trucks from China. Chinese textiles and cell phones also form large part of Zimbabwe's imports from China. These have enabled Zimbabweans to enjoy the fruits of globalization because of the relative cheap prices in addition they have also created self-employment for Zimbabweans who purchase these goods and resell them in Zimbabwe.

6. The impacts of the Sino-Zimbabwe relationship

China's economic involvement has had both positive and negative impacts on Zimbabwe's economic development. Suffice to say that it is hard to judge through scholarly literature whether if the positives outweigh the negatives or vice versa. This section of the study is going to look at how Chinese investments have impacted Zimbabwe's economic development.

First and foremost, as noted earlier on, China's reinvigorated interest in Zimbabwe came at a time when Zimbabwe adopted the Look East policy in 2003 after a number of investors had shunned Zimbabwe as a bad investment area, during this time Zimbabwe was hit by number of sanctions and found it hard to raise capital to sustain its industries. Henceforth, China stepped in with its investments regardless of political and economic climate in the country; hence it served as a source of capital through its investments.

Through its investments, China has been able to create a number of jobs. China ranks number one in terms of job creation for every US$ 49 000 invested by a Chinese company a job is created, while in comparison the British Virgin Islands, Mauritius and South Africa need US$ 817 000, US$ 337 000 and US$ 169 000 respectively. "However China remains a laggard when it comes to involving local investors. Only 5% is taken up by local investors, compared to 51% in Mauritian companies, 37% in South African companies, and 20% in Isle of Man/ South African JVs" (Shelton and Kabemba, 2012).

However, there have been reports that Chinese companies employ Chinese people for the top jobs leaving Zimbabweans to do menial jobs. With a high literacy rate and an educated workforce, some scholar's hint China's economic involvement as a new "colonialism". Nevertheless, Kusena et al (2012) indicated that "responding to interview questions, the SHE officer from Sino-Zimbabwe pointed out that most of the locals were not skilled for jobs offered by the company; hence, they resorted to recruitment of qualified external personnel".

Additionally several companies, which were on the verge of closing or which had closed have benefited from the Chinese investments. Zimasco and Zisco Steel are some of the companies that have been revived by Chinese investments. It is noted that partnerships or joint ventures made by Chinese firms protect Zimbabwe from capital flight Zimbabwe as the proceeds from the business is invested in the country when it partners Chinese firms. Furthermore Chinese investments also contribute to the country's infrastructure development, for instance installation of two generators at Kariba by Sino-Hydro Company and construction of dual road which is purported to link Zimbabwe and Zambia.

Despite registering positive socio-economic impacts, Sino-Zimbabwe relationship has also produced negative impacts. First and foremost it has become a common practice for Chinese companies to be criticized over the abuse of labor laws in Africa, Zimbabwe is no exception, as Chinese have been blamed for such. The Atlantic (2011) cites that Chinese companies pay Zimbabweans US$4 a day and that cases of beating by the managers had become a major trend. Makoshori (2012) noted that "hard labour, exposure to risky conditions, violation of labour laws, long working hours, non-payment of overtime, disregard of public holidays and use of Chinese language in corporate literature were among extreme conditions faced by workers at most Chinese interests in Zimbabwe, the SARW report said. "The culprits are the small Chinese mining companies, said SARW".

Another impact that China is visible in environmental degradation, China itself is no stranger to bad practices of environmental laws some scholars have noted that China is transmitting this habit to African countries. Makoshori (2012) cites that the SAWR report indicates that "there are specific cases of the disregard of the environment by Chinese enterprises. In the Midlands province, Chinese companies are illegally mining chrome without the requisite EIA reports. One of them had set up a chrome washing plant on the banks of Ngezi River in contravention of the country's environmental laws," the report added".

Additionally, it is argued that cheap Chinese textiles have had an impact on local industries, for instance, Bata shoe company has been hardly hit by competition posed by Chinese goods such that at one time the company closed and retrenched most of its workers. Nevertheless, this impact is a bone of contention with some scholars cite that Chinese goods had transformed some Zimbabweans into small traders, hence, contributing to employment creation furthermore, it is also argued that Chinese goods have brought the benefits of globalization to Zimbabwe, since the majority of Zimbabweans could not afford Western goods.

Sino-Zimbabwe trade largely contribute to Zimbabwe's economic development, however, the trade is also not without critics. Trade patterns should shy away from making Zimbabwe an exporter of raw materials, for development sake, Zimbabwe should also be able to export finished products to China in order to break the dependency, gain the much needed foreign capital and also to create jobs.

Conclusions and recommendations

The study has shown that Sino-African relations are not something new, but rather they date way back. However, the study points out that past Sino-African relations are different from contemporary Sino-African relations in the sense that past relations are characterized by solidarity (fight against imperialism), while the current relations are purely commercial, in the sense that China's new global position as an economic power has led it to search for raw materials to feed its ever growing manufacturing industry. This development has strengthened relations between Africa and China, as China has become one of the leading investors and trade partner for the continent.

China's economic involvement in Africa presents both challenges and opportunities for the continent. The Zimbabwean case study has shown that in light of decreasing Western investments in Africa, Chinese investments serve as a new source of foreign direct investment. Chinese investments have already contributed to the economic growth of some African countries; therefore, they have become favorable to many African countries, because they do not have conditions attached. The lack of conditions might be favorable to Africa's development, because African countries can come up with their own indigenous policies that serve their economic interests rather than having exotic policies, which have further exacerbated poverty in many African countries.

However, it is of grave concern that Chinese investments are concentrated in resource extraction in the case study. This signals that China's renewed interest in Africa might be based on its own economic interests despite its policy claiming a mutual benefit for all. Furthermore, there is a risk that in the long run, China's economic involvement might result in Africa's dependence on revenues attained from resource extraction, which risk Africa becoming resource curse victim. As such, African economies become vulnerable to price shocks due to increased dependence on resource extraction.

Nevertheless, it can be noted that China made some investment in some other sectors as well. These include the agriculture sector, where China has supported the land reform program by bringing farm mechanization equipment. By and large, China Daily (2010) cites that in terms of investment, with the mutual-beneficial and win-win principle, China has made investments in Africa's various fields, which has not only met the consumption needs of the local people, but has also increased local job opportunities and tax revenues, achieving a win-win situation.

Yet, it is argued that Chinese investments in sectors such as infrastructure are of interest and are beneficial to China. It is reported that such deals are made to win contracts in Africa's extractive industries and also to facilitate easy transportation of raw materials to the ports. Nevertheless, Chinese investments in Africa make China an infrastructure developer something that the Western countries were reluctant to do despite the importance of infrastructural development to economic growth and poverty alleviation.

Despite Chinese economic involvement in Africa contributing to many African countries GDPs, the study highlights that some aspects of the Sino-African relations portray aspects of globalization from above which is exploitative in nature. China's economic involvement also has negative impacts on Africa. Chinese companies violate labour regulations as indicated in the case study. The study noted that Chinese companies also underpay local employees and in some instances, there are cases of physical abuse. The fact that Chinese aid has fewer strings attached to governance performances also means that CSOs are not able to hold them accountable, and in this context, governments will silence any opposition to Chinese aid although there are open displeasures about the poor quality of Chinese goods and disregard of labor laws (Manji and Marks, 2007). It can also be noted from the case study that China is also transmitting its bad environmental practices to Africa.

Chinese investments in infrastructural development and resource extraction are highly capital intensive ventures that have a minimal employment impact in most African countries, partly due to the fact that after winning contracts in these sectors, Chinese companies bring their own labor to work on these contracts. In some instances the Chinese nationals are given menial jobs, which natives can easily manage. Henceforth these arguments portray that China's economic involvement is also based upon its economic pursuits as it creates jobs for its own Chinese populations.

The study also shows that most Chinese companies that win contracts in Africa rarely face competition from African countries, mainly because the latter are not capable of handling such huge contracts due to lack of experience and lack of technical skills. Moreover, Chinese companies are heavily subsidized, which, in turn, makes them superior to African countries.

Furthermore, it is generally argued that regimes in Africa are unstable and that they are subject to imminent change. Henceforth, China's economic involvement with these regimes might produce a backlash effect in the near future in the event that an opposition party wins in any given pariah regime state. It is of no doubt that the opposition party will disregard China's economic involvement because of its track in which it supports pariah regimes due to its non-interference policy.

China's renewed interest in Africa has also provided African countries with an alternate trading partner. This has provided leverage for African countries because they now have the autonomy over who to trade with unlike traditional ways where former colonial masters were the only available trading partners, henceforth, trade relations were skewed in their favor. As China has become a leading manufacturer, it is now producing more than what is required by its own economy. Therefore, its renewed interest in Africa has also been also motivated by its interest in securing markets for its products. On the other hand, China's need for raw materials has ignited new terms of trade, as well as a rise of commodity prices, which has been beneficial to many African countries. Additionally, the study has shown that Sino-African trade, which has grown exponentially over the past decade has led to a GDP rise of many African countries and also that China is spreading the fruits of globalisation through its lowly priced manufactured goods.

However, the study has shown that trade between China and Africa is relatively small as it accounts for a meagre 4% of China's global trade. Despite trade being relatively small, it is on a constant rise, which shows that huge trade volumes are yet to be reached. Nevertheless, Sino-African trade also exhibits an exploitative relationship whereby Africa remains the supplier of raw materials, while China exports manufactured goods to Africa which might mean that China is retaining the old trading relationship Africa has had with European countries. Furthermore, the study has shown that China's major trading partners are the ones, which are rich in resources such Angola and Sudan, such trends prompt scholars to argue that China is a "new colonizer".

In a nutshell, it can be concluded that China is certainly pursuing its economic interests but, however, it presents opportunities for a win-win situation for both actors. In some of the instances, China is blamed for pursuing its economic interests disregarding good governance; however, China is not entirely to blame as good governance remains a domestic issue which needs to be addressed by African countries. Furthermore, critics have postulated that trade is skewed in China's favor, because China is a global power, henceforth, its relationship with Africa is tipped in its favor, but, with time, this is likely to change due to China's encouragement that African countries need to diversify their economies. Above all, of grave concern is that China needs to set up manufacturing companies in Africa and help them produce and export finished products in order for them to industrialize and for development to take place.

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