

Chinese investment in Africa through the One Belt One Road Initiative  
(OBOR): The case of Ethiopia, Tanzania and Kenya

By

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## DECLARATION

I, Hlolohelo Khalema, declare that I am the sole author of this dissertation titled **Chinese investment in Africa through the One Belt One Road Initiative (OBOR): The case of Ethiopia, Tanzania and Kenya**. No part of this dissertation has been previously submitted at the University of the Free State or any other Higher Education institution.

Any previous work, ideas, techniques or other material from other people are fully acknowledged as contributions to this dissertation.



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## ABSTRACT

This study uses the case studies of Ethiopia, Kenya and Tanzania to examine China-Africa relations through the One Belt One Road (OBOR) initiative. China-Africa relations have come under the spotlight in recent years and even made news headlines the world over as various stakeholders grapple with the nature of this relationship. Overall, western countries have presented recent Sino-Africa relations as being tilted in favour of the Chinese, who have been at the same time accused of significantly drawing African countries and trapping them in a vicious circle of debt. The study demonstrates that, China has extended and continues to extend huge loans to many African countries through the framework of FOCAC and the OBOR for a number of huge developmental projects linked to infrastructure development as well as technological advancement. A number of factors have pushed African countries to turn to China for loans, mainly because of its hands off approach which is diametrically opposed to the approach used by other bilateral lending institutions such as the World Bank and the International Monetary Fund (IMF) which attach rather stringent pre-conditions, which in some instances call for good governance and democracy. This is one of the main reasons why African leaders have adopted a look east approaching an attempt to avoid western countries superintending over their governance styles. The three east African countries have been chosen as case studies because of their geographic position which is very strategic for the OBOR connection. These countries provide a useful outlet from Africa, for oil and other crucial raw materials needed by China, and this explains why they are recipients of huge loans for the rehabilitation and construction of port facilities, roads and railway lines. The study is qualitative in nature and uses secondary literature, various institutional reports and newspapers to tell the story of China in Africa through the OBOR lens. It contributes to the growing body of literature by specifically focusing on the OBOR initiative in east Africa and demonstrates the benefits and disadvantages of this kind of investment.

**Keywords: China, Africa, Ethiopia, Kenya, Tanzania, foreign policy, debt, infrastructure, One Belt One Road, Maritime, Silk Road**

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## Acronyms

AD	Anno Domini
ATEC	Trade, Economic and Technical Cooperation
AU	African Union
BC	Before Christ
BRICS	Brazil, Russia, India, China and South Africa
CDA	Critical Discourse Analysis
CHMI	China Merchants Holdings International
CPEC	China-Pakistan Economic Corridor
CRCC	China Railway Construction Corporation
CRCEG	China Railway Construction Engineering Group
EAC	East Africa Community
EPRDF	Ethiopian People's Revolutionary Democratic Front
FDI	Foreign Direct Investment
FOCAC	Forum on China-Africa Cooperation
GDP	Gross Domestic Products
HST	Hegemonic stability theory
IMF	International Monetary Fund
MoU	Memorandum of Understanding
MSRI	Maritime Silk Road Initiative



NDRC	National Development and Reform Commission
OBOR	One Belt One Road initiative
ODI	Outward Direct Investment
PRC	People's Republic of China
SEZ	Special Economic Zone
SGR	Standard Gauge Railway
SOE	State-Owned Enterprises
SREB	Silk Road Economic Belt
TAZARA	Tanzania-Zambia Railway
US	United States of America
USA	United States of America
USD	United States Dollar
USSR	Union of Soviet Socialist Republics
WWII	The Second World War

# CHAPTER 1: INTRODUCTION AND BACKGROUND TO THE STUDY

## 1.7 INTRODUCTION

This study explores Chinese lending to African governments for infrastructure development, and the motives behind such lending with particular reference to three East African countries, namely Tanzania, Ethiopia and Kenya under the One Belt One Road initiative (OBOR). OBOR is one of the strategies employed by the Chinese government to further its foreign policy objectives. It focuses on the energy and power sector, infrastructure projects, public utilities, construction, transport and logistics, technology, media, telecoms and information technology as well as financial markets. The initiative aims at eradicating trade barriers mainly through infrastructure development. The case study countries were selected because of their geographical position on the African continent, China is targeting to incorporate these East African countries in its OBOR Maritime Silk Road project. These countries have ports that are considered to be instrumental for trade, especially the Port of Djibouti located in Djibouti in which Ethiopia has a stake. International shipping lines link the port of Djibouti with countries around the horn of Africa, Asia and Europe (World Port Development, 2017) and facilitates China's control of the movement of global cargo without depending on maritime checkpoints contested by rivals (Nantulya, 2019).

## 1.2 BACKGROUND TO RESEARCH

The OBOR initiative is superintended by China's National Development and Reform Commission (NDRC), the Ministry of Foreign Affairs and the Ministry of Commerce, under the supervision of the State Council, which is the country's chief administrative body. The OBOR is China's global strategy of economic development that aims to connect Europe, Africa, and Asia through roads, railway lines, maritime routes, and energy infrastructure. The OBOR has been interpreted by many scholars. These scholars have broken down its inception, definition, focus, and implications. The OBOR was first mentioned in 2012 by Professor Wang Jisi about the need for China to revitalize three Silk Roads, to South Asia and to Central Africa. A year later in 2013, Pop (2016: 2) mentions that the now prominent 'One Belt, One Road' initiative was announced. Scholars (Chen, 2016: 178; Yu, 2016: 353 and Haggai, 2016: 10) posit that President Xi Jinping called for the revival of the three Silk Roads as Professor Wang Jisi had also suggested earlier in 2012. During that

September 2013 speech at Kazakhstan's Nazarbayev University, President Xi Jinping outlined the initiative (Pop, 2016: 2). When outlining the initiative, he called for the revival of the ancient "Silk Road" by establishing the "Silk Road Economic Belt".

The same year President Jinping made his speech about the "Silk Road Economic Belt", Premier Li Keqiang spoke about the new "Maritime Silk Road" the following month in October the same year. He spoke about it at the ASEAN-China Summit in Brunei (Pop, 2016: 2). Regarding these two roads articulated by President Jinping and Premier Li Keqiang, Pop (2016: 2) mentioned that in 2015 China's commission for National Development and Reform, the Ministry of Home Affairs, the Ministry of Commerce published the first document, titled "Vision and Actions on Jointly Building Silk Road Economic Belt and the 21<sup>st</sup> Century Maritime Silk Road".

Scholars such as Shan and Chan (2018) have compared it to the Marshall Plan (formerly called the European Recovery Programme) which was a United States of America (USA) scheme during President Truman's administration in the post-World War II period. The US\$13 billion Marshall Plan mainly comprised of huge grants and the other portion was in the form of loans for the reconstruction of war ravaged Western Europe countries (Constitutional Rights Foundation, 2018). China's OBOR initiative is earmarked to foster infrastructure development in participating countries across the continents of Asia, Europe, and Africa and is funded through concessional loans (The Economist Corporate Network, 2016). America's objectives in rolling out the Marshall Plan can be juxtaposed to China's intentions in launching the OBOR initiative. The USA wanted to dominate Europe and its plan had the potential to ensure US military and economic hegemony in post-WWII Europe (Berlinski, 2018). Furthermore, the USA flourished economically thereafter due to its access to, and control of European markets while also encouraging free trade as one of its many conditions for providing aid (Berlinski, 2018). The Chinese leadership posits that economic growth while maintaining a stable international environment ensures social stability as well as prosperity; these can make China a powerful and respected country again (Ploberger, 2017)

The battle for global economic dominance is not a recent phenomenon as it dates back to times even before the Napoleonic era. After World War II, the contest continued, especially after the adoption of the United States Dollar as the main international currency of exchange and the Bretton Woods system. The USA assumed a dominant position after dismantling the gold standard system,

but this was challenged by the Soviet Union with its opposing communist ideologies. More recently, China and the USA are battling for world dominance on various fronts. The rivalry ranges from trade wars in the technology sector to military tension in the South China Sea (Huang, 2018 and Benner, 2019). The desire to spread influence in Africa and other parts of the world by these two contending powers has soured to new heights and resulted in the adoption of different policy thrusts.

China-Africa relations have created a buzz in recent years both in the media and amongst scholars. China's rapidly expanding investments in Africa and other continents has prompted scholars to describe China as a "new challenger" to the USA as an investor in trade, aid, infrastructure development and information, and communication technology (Stahl, 2016; Mlambo, Mlambo, & Mubecua, 2018). According to Large (2008) and Campbell (2008), China's adaptive foreign policy towards Africa over the years is the main reason for its noticeable footprint in Africa. Its engagement with Africa, particularly in the 1950s when African states were fighting for independence can be taken as the starting point of the new era of relations between Africa and China. At that particular time, African states were in dire need of resources to fight colonialism and it was at that point that the Organization of African Unity (now African Union) made inroads with China on the continent (Campbell, 2008).

In most instances, African countries prefer investors that do not meddle in their governance issues and China has adjusted its foreign policy to suit that desire. According to some scholars (Ayedele & Sotola, 2014; Were, 2018), Africa prefers China to investment from the West mainly because of its hands-off approach in matters of governance in Africa. Also, China can be seen as a suitable partner at times where there is need for infrastructure development as in the case of rebuilding Africa after colonialism and today when African governments wish to re-invest in that sector. As Campbell and Large (2008) asserted, China's adaptive foreign policy is the reason for increased China-Africa engagement and it is within this ambit that the OBOR initiative fits in.

In an effort to enhance Africa-China engagement, the Chinese government established the Forum on China-Africa Cooperation (FOCAC) in October 2000 as a platform to stimulate new partnerships and strengthen existing political, economic and social connections (Taylor, 2011). It is through the same forum that the OBOR was formally launched in 2015. FOCAC was and

continues to be highly instrumental for the discussions around the OBOR on the African continent (Focac Summit, 2018). During the 2018 summit, it facilitated the signing of bilateral economic agreements between African heads of States and the Chinese government for their participation in the OBOR initiative. These bilateral economic agreements came with certain conditions set by China, which include among others, adherence to the “One China policy” (Li, 2018). However, President Xi Jinping has reiterated that China's aid and investment through the initiative has "no political strings attached" thus presenting China as the preferred investor in Africa.

The agreements signed between the various African heads of states and China lack transparency and most loan values credited to recipient countries are just estimates. This raises concern about terms of the binding conditions attached to the loans that African leaders are likely to conceal and as a result jeopardising the chance of African countries to get fair deals for their resources. The OBOR framework does not stipulate these conditions and it is highly likely that the conditions are specific to different countries. Some of the conditions, such as adherence to the "One China policy" have however been publicised. In a policy brief, Gasela (2018) notes that the financial implications of Chinese funding through various loans were not discussed at the 2018 FOCAC summit. This is a serious issue, as most recipient African countries may not fully understand the conditions attached to their loans.

Although China and the USA are locking horns as trade competitors in the global economy, it is ironic that China remains America’s top trading partner (Chhabra, 2019). In 2016, as a presidential candidate, Donald Trump revived the slogan "America First" which was used previously by Democrats and other Republicans in the 1920s (Rothman, 2016). After winning the election, Trump structured his foreign policy around the slogan. Revival of the slogan seemed to be a response to China’s growing influence on the global stage and it has rekindled the US-China rivalry over dominance, with the most recent conflict being the US-China trade war. This conflict identifies China a major threat to America’s economic interests and as a result, the USA is designing measures to ban Chinese companies from investing in US technology firms as well as to block technology exports to China (Huang, 2018). Trump explained that the “America First” mantra meant that his administration would prevent other nations from taking advantage of the USA and promote Americanism (Rothman, 2016). This “America First” foreign policy has

triggered scholarly debates as various interpretations have been advanced. Curran (2018) and Zakaria (2017) concur that Trump stands for Americanism and not globalism like previous administrations. Once in office, the Trump administration released a National Security Strategy (NSS), which among other things stated, “The American way of life cannot be imposed upon others, nor is it the inevitable culmination of progress” (2018). Zakaria (2017) supports the notion of a declining quest of the USA to participate in international affairs. In light of all these developments, it is imperative to highlight the fact that Trump’s administration views China as a chief protagonist for its foreign policy and the NSS characterized it as a “Strategic rival” (Almond, 2018).

Given the NSS position, the US-China rivalry is widespread across geographic regions from the Pacific to the Atlantic and outer space to cyberspace (Almond, 2018). Almond (2018) discusses the strategies that the USA has in place for challenging Chinese dominance in the world. In Europe, the white house administration promised to work with the European Union to contest "China's unfair trade and economic practices and restrict its acquisition of sensitive technologies" (Almond, 2018). In Latin America, the NSS again criticises China for supporting the Venezuelan regime through arms sales, state-led investments, and other various loans in the region. In South and Central Asia, the Trump administration’s efforts to punish Pakistan are being frustrated by Beijing. China and its Islamabad “all weather” alliance remains intact and strengthened by funds from the China-Pakistan Economic Corridor (CPEC), which is part of the OBOR projects valued at \$62 billion (Rahman & Shurong, 2017: 1). In the Middle East, Trump’s administration has set out to isolate Iran but China remains an obstacle, as it is the largest purchaser of Iranian petroleum. In Africa, the USA is determined to challenge China's extractive economic footprint. The White House is convinced that China's economic involvement in Africa threatens the continent’s long-term development by corrupting the political elites, the domination of extractive industries and trapping of African states into debt and unsustainable commitments (Almond, 2018). Even so, Trump’s foreign policy main objective is to accelerate the macroeconomic growth and stability of his nation in line with the “America First” mantra (Ahmed, 2018).

Investments by the USA and China in Africa come in different forms targeting different sectors. Although Chinese investment in Africa has increased lately, it still lags behind the \$58 billion invested by the USA in Africa to date, the value of China’s investment stands at \$40 billion (Davis, 2018). In 2014, both countries pledged to invest in Africa for the coming decade and the USA

pledged \$14 billion whilst China pledged \$ 175 billion. China's pledge would be extended in the form of loans for infrastructure development whilst the USA investment pledge focused on aid programmes in healthcare and education (Davis, 2018). On the other hand, Adegoke and Mantiashe (2018) note that in 2017, foreign direct investment (FDI) by US entities rose by 43% mainly in real estate, hospitality, and construction.

Over the years China's involvement in Africa has intensified, China-Africa relations seem to be growing stronger than before. The FOCAC has been developed as a platform for China and Africa to discuss binding matters and its third summit held in Beijing 2018 demonstrated China's continued commitment to Africa's development through a pledge of \$60 billion dollars. Prior to that, China had launched the OBOR in 2015, which aimed to connect the entire world. The initiative invests in the construction of a Silk Road Economic Belt and a Maritime Silk Road through a series of infrastructure projects funded by the Chinese government through loans to participating countries. The worldwide road has incorporated various African countries, particularly countries in East Africa such as Kenya, Tanzania, and Ethiopia. Their geographical position on the African map places them in a favorable position to extend China's foreign policy objectives through the OBOR since it will connect Africa and Europe through the construction of ports for the Maritime Silk Road component. Their participation has however landed them in what can be described as a "debt-trap" as they keep accumulating loans from the Chinese government for various OBOR projects.

### 1.3 PROBLEM STATEMENT

Africa has increasingly shifted from relying on the USA as an ideal creditor over the years. This shift to China as an ideal creditor is expected to bring forth increased benefits for the African continent. Instead, China seems to be the one deriving much benefit from this relationship as articulated by a number of scholars and some African leaders (Hart-Landsberg, 2018 and Nantulya, 2019). China's increased investment in Africa through concessional loans is a cause for concern since most African countries are already burdened with historical debt from Western countries and some with debt inherited from colonial rule. The debt issue in Africa is thus very crucial regardless of whom the creditor is. It is therefore imperative in the case under investigation that involves the OBOR and African nations of Tanzania, Kenya, and Ethiopia, to examine China's interests and intentions. In 2018 alone, China committed \$60 billion to digital infrastructure in Africa under the

OBOR, in addition to its initial commitment of \$60 billion at the launch of the programme in 2015 (Lindberg & Lahiri, 2018). According to President Xi Jinping, these loans have "no political conditions attached" however, other conditions such as upholding the "one China policy" are imposed nonetheless (Li, 2018).

There is a need therefore, to scrutinize Chinese investment in Africa, and to examine details of loans extended to African countries under the OBOR initiative, and explore the "debt trap" phenomenon. These varying conditions attached to loans are likely to entrap African countries with debt and cause China to retaliate in the case of failure by African countries to repay the loans.

#### 1.4 KEY RESEARCH QUESTIONS

- Why is China investing more in Africa lately?
- Why does China continue to lend to African countries even though most of them such as Ethiopia, Tanzania and Kenya are already struggling to repay their historical debts?
- Do African countries have feasible repayment plans for their Chinese loans?  
Have the projects that China has invested in yielded any benefits for recipient African countries and their citizens?

##### Research Objectives

- To critically review literature on China's OBOR investment in Ethiopia, Tanzania and Kenya
- To analyse the implications of China's debt diplomacy
- To investigate the Power dynamics associated with OBOR as China's revitalised foreign policy

#### 1.5 VALUE OF THE RESEARCH

This research makes a contribution to the existing body of knowledge on Sino-Africa relations by providing insights from an African perspective. It influences policy decisions for other countries who might want to join the OBOR initiative in the future. Moreover, researchers, undergraduate and postgraduate students working on Sino-Africa relations can benefit from the study.



## 1.6 CHAPTER OUTLINE

This dissertation comprises of six chapters. The first chapter offers an orientation to the study at hand, it introduces the objectives of the study, the key questions that the research intends to answer and the value of the research. Chapter two is the literature review section which provides a detailed outline of previous studies on the One Belt One Road Initiative (OBOR) in depth. The review provides an in depth understanding of the OBOR as China's revitalised foreign policy. It uses different sources to also understand the evolution of the OBOR with time specifically in East Africa. The contributions of different scholars towards the OBOR are considered. The chapter begins by detailing China's history with Africa to then explaining the Silk Road and the Maritime Silk road while also relating to Africa. The literature also outlines China's vision through the OBOR and the significance of the routes it covers in East Africa in Ethiopia, Tanzania and Kenya. This literature also details the history of projects China undertook with three case studies and the projects under the OBOR as part of the Maritime Silk Road component. Chapter three presents hegemony and the critical discourse approach as the guiding theoretical frameworks for the study Chapter four covers the methodological approach to the study. The Critical discourse analysis approach serves as the method used to articulate findings for the study. The critical discourse analysis is embedded in critical social theory and draws from the works of Foucault, Bourdieu, Gramsci, Althusser and the Frankfurt school.

Chapter five covers the analysis of data as well as the presentation of the results. This chapter also makes use of maps, tables and graphs to clearly illustrate and present the results concerning Chinese investment in Ethiopia, Kenya and Tanzania the OBOR and its maritime component. The sixth chapter provides a summary of the research findings and concludes while also giving recommendations for future studies.

## CHAPTER 2: LITERATURE REVIEW

### 2.1 INTRODUCTION

The existing body of scholarly work on China in Africa in the post-cold war era is diverse, as many scholars have explored the subject differently depending on their vantage points and have provided different interpretation of Sino-Africa relations. A closer look into China's relations with Africa calls for an analysis of the general history of the interaction between China and Africa. Venkataraman and Gamora (2009: 8) noted that, despite the vast distance separating the two regions, China and Africa's friendly relations can be traced back to ancient times. Filesi (1971: 10) noted that the first encounter between the two took place near the Red Sea borders for trade purposes during the first millennium AD. However Filesi's argument is contested by Wenping (2005: 41) who argued that the earliest encounter took place during China's Han Dynasty around 200 BC. On the other hand, Chinese scholars have differing views on the matter. Gao Jinyuan (1984: 241) a Chinese scholar noted that Chinese officials were sent to Africa around 2000 years ago. During that time China also received in their country African magicians, thus, signaling the first encounter and exchange around that time. Furthermore, in the fourteenth century AD, an African Scholar named Ibn Batuta had supposedly visited China. These different views show the gaps in the literature on China-Africa relations, but they all point to the fact that Africa-China interaction is by no means a recent phenomenon.

Given the disparities in literature on China-Africa relations from the earlier times, the Bandung Conference hosted in 1955 is instrumental as a starting point. It retraces China-Africa relations in recent times and it also provides a concrete date for the commencement of the new era of interaction. Cheng and Shi (2009: 87) suggested that Bandung Conference was the major contact or encounter that the two have had in the recent past. In the same way, Shelton (2001: 111) posits that the People's Republic of China (PRC)'s initial diplomatic contacts with Africa were established in April 1955 at the same conference.

### 2.2 THE BANDUNG CONFERENCE

The Bandung Conference was held in 1955 in Indonesia (Shelton, 2001: Anshan, 2007: Konings, 2007: Venkataraman & Gamora, 2009). Shelton (2001) stated that the conference was an

international campaign initiated for the solidarity of Africa and Asia, especially against the forces of colonialism. These two continents shared common objectives, politically and economically. An argument which would still stand years later, and that, these objectives could best be achieved through co-operation.

It is important to note that China was already revamping its Africa policy framework prior to the conference. Thompson (2005: 1) highlighted China's relations with Africa in his *China's Soft Power in Africa: From the "Beijing Consensus" to Health Diplomacy*. He posits that the deepening and strengthening of China-Africa relations can be traced back to 1949 at the founding of the "new China". Venkataraman and Gamora (2009: 8) and Thompson (2005) noted that the People's Republic of China was born in 1949 under a communist regime. This was around the same time, commonly referred to as the decolonization era, when a number of African countries were waging nationalist struggles for independence. They also add that bilateral relations between China and Africa can be identified in three distinct phases. Venkataraman and Gamora (2009: 7) argued that the first phase started in 1949 and lasted until Chairman Mao Zedong's death in the late 1970. They further identified the second phase as the period of Deng Xiaoping which lasted until the late 1980s and the third phase as the post-Cold War era.

### 2.3 THE THREE PHASES OF SINO-AFRICA RELATIONS

These phases as pointed out by Venkataraman and Gamora (2009: 7) detail the shaping of bilateral relations between China and Africa. The first phase of China-Africa relations was under Chairman Mao, whose reign is termed the Maoist era, carved a policy that was ideological, supportive of revolutionary change and marked by strategic considerations (Shelton, 2007; Konings, 2007: 342). This is further articulated by Thompson (2007: 1) who detailed China's support for liberation movements in African countries through various aid and support structures. More aid was also extended to Socialist African nations to build stadiums, hospitals, railroads and other infrastructure. The selection criteria of the eligibility for aid for these African countries further provides evidence on the suggestions by Thompson (2005:1) and Shelton (2007) that China Africa relations during the Cold War were ideology driven and were supportive of revolutionary change. In 1964 during Mao Zedong's era (the first phase), Prime Minister Zhou Enlai outlined China's five foreign policy objectives toward Africa. He indicated that through those objectives China would support African struggles against imperialism, African non-alignment, the African striving

for unity, African efforts to settle disputes through peaceful consultation, and the sovereign independence of all African state (Konings, 2007: 344).

The second phase according to Konings (2007: 342) and Venkataraman and Gamora (2009: 7) started with Deng Xiaopeng's economic modernization policies in the late 1970s until the late 1980s. During this phase, China strove more for economic cooperation with the West for pragmatic reasons. This decision led to China's reduced interest in Africa also because during that particular period, the African continent was experiencing growing economic stagnation and crises. Anshan (2007: 72) noted that during this period, China's policy toward Africa shifted to being pragmatic and diverse in terms of its approach.

This shift resulted in reduced economic aid from China to Africa, a decline in bilateral trade and a plunge in the number of mission medical teams to Africa. Furthermore, China was now emphasizing policies based on "Peace and Development" and "Diplomacy serves the economy" over policies based on "War and Revolution" and "Economy serves diplomacy". China's relations with Africa became more practical in their approach to assistance and general relations. The focus became "developing together" and the Chinese Premier announced the four principles for their relations with Africa. The four principles were based on economic and technological cooperation with Africa (Anshan, 2007: 72-73).

Scholars such as Venkataraman and Gamora (2009: 7): Cheng and Shi (2009: 91) posit that the post-cold war era plays out as the third phase and that it commenced in the late 1980s. Cheng and Shi (2009: 91) suggest that the Tiananmen protests and state breakdown that took place in June 1989 in Beijing, China and the sanctions which followed prompted China to re-evaluate its foreign policies and to turn to its old friends in Africa since in those crucial moments the third world showed its sympathy and support. As noted by Konings (2007: 342) and Venkataraman and Gamora (2009: 7), China was previously closer to the West in the second phase and had reduced its engagements with Africa. As a result of the Tiananmen protests and state breakdown Cheng and Shi (2009: 90) argue that Chinese leaders were pressured by the Bush administration as well as other Western governments through sanctions to push the Chinese government to respect human rights of its citizens. This was after Beijing's massacre of hundreds of protestors who congregated in Tiananmen Square in pursuit of greater democracy and more freedom. Thousands of protestors

were arrested and imprisoned. This incident and its aftermath provided a moment of reflection for China as the beginning of the third phase for Sino-Africa relations. Upon this realisation soon after the 1989 events, Chinese foreign minister Qian Qichen visited a number of countries in Africa and the Middle East on a re-engagement exercise. Through these visits China hoped to resume and develop relations with Africa and the Middle East after its clash with the West. These visits were also used as a means to boost China's international profile among Third World countries and as a platform for their renewed commitment despite all the setbacks experienced. China's foreign policy towards Africa, in the post-cold war era is described as having three main objectives. These objectives are articulated by Payne and Veney (1998: 868) as the preservation of world peace and promotion of justice, national reunification and economic development. China's policy toward Africa has evolved over the years as has been discussed through the work of different scholars (Payne & Veney, 1998; Shelton, 2009; Konings, 2007) the change in China's foreign policy objectives toward Africa is highlighted. That is, from the first stage where China sought to support Africa in its struggles with imperialism. In that stage which started in 1955 China prioritized its support for revolutionary change in Africa. During the second stage of Sino-Africa relations, China adopted a pragmatic stance. It also advocated for mutual benefit in its engagements with Africa. Now, in the post-cold war era China's foreign policy objectives towards Africa are centered on economic development and peace. This shift is seen through China's prioritization of increased trade and investment starting from the early 1990s.

## **2.4 UNDERSTANDING THE COMPONENTS OF ONE BELT ONE ROAD INITIATIVE**

### **2.4.1 The Silk Road and Maritime Silk Road**

When referring to the OBOR the Silk Road Economic Belt (SREB) and the Maritime Silk Road Initiative (MSRI) come up as components of the initiative. Du (2016, 30) suggests that the OBOR initiative does consist of the SREB and MSRI. It is important to note that these two initiatives of the OBOR are different even though they are sometimes examined concurrently. Blanchard and Flint (2017: 223) posit that the MSRI and SREB are cousins and that collectively they are referred to as the "Belt and Road" or "One Belt, One Road" (OBOR) initiative. These "cousins" were proposed separately in 2013 by the People's Republic of China (PRC), a point that Lim (2015: 2) agrees with. However, there is contention about who within the PRC government proposed the two initiatives within the government. Scholars (Blanchard & Flint, 2013; Du, 2016; Chen, 2016)

all agree that the OBOR was through the two components were announced separately in 2013 by President Xi Jinping. However, Pop (2016: 2) details that although the SREB component was announced by the President Jinping, the MSRI component was mentioned by Premier Li Keqiang at the 16<sup>th</sup> ASEAN-China Summit in Brunei on 10 October 2013.

#### 2.4.2 The Silk Road

According to Li et al (2015: 7267) The popular “Silk Road” that is constantly referred to while mentioning the OBOR was established over 2100 years ago during the Han Dynasty (206 BC-24 AD). Peters (2019) agrees with Li et al (2015) but refers to the Silk Road as a passage from China to Europe and the Middle East in the second century BCE. Scholars (Li et al, 2015: 7267; Farooq et al, 2018: 403) posit that it was established for the purposes of promoting trade and cultural development between China, Asia, Africa and Europe. In contrast, Peters (2019: 1) suggests that the Silk Road as a passage was facilitated the trade of silk and silk based products but also including precious stones and jewellery. Furthermore, Li et al (2015: 7267) suggest that the Silk Road was a catalyst for development for many centuries, the exchange of goods, culture, art, history, and religion between China and the West.

For the dynasties that would follow they would benefit from this route. This route would later also be used by Buddhist monk Xuan Zang during the Tang Dynasty. Using this route he travelled to Tianzhu (currently India) to obtain the original sacred scriptures. During the 16<sup>th</sup> Century Buddhist monk Xuan Zang’s pilgrimage was documented in one of the “four great classical novels” of Chinese novels. This road has also been travelled by Europeans, the Venetian explorer and trader Marco Polo became the first Westerner to reach China over 700 years ago using the Silk Road. In 2014, UNESCO recognized the Chang’an-Tianshan corridor of the Old Silk Road spanning from Central China to the Zhetsyu Region of Central Asia as a World Heritage Site. This was due to its importance of the transcontinental trade route (Li, 2015: 7267).

The OBOR according to (Du, 2016: 30) is therefore the injection of vitality into the ancient Silk Road. It seen as a revitalization since it is relies on the existence and planned linkages from various regions of within China and beyond drawn from the ancient Silk Road (Pop, 2016: 1). Chen (2016, 178) reveals that the new Silk Road aims to bring together China, Central Asia, Russia and Europe (the Baltic). It will link China with the Persian Gulf and Mediterranean Sea through Central Asia and West Asia and also connect China with Southeast Asia, South Asia and the Indian Ocean.

### 2.4.3 Maritime Silk Road

The second component of the OBOR which is MSRI according to Chen (2016, 179) is designed to start from China's coast to Europe through the South China Sea and the Indian Ocean using one route. Then further traverses from China's coast through the South China Sea to the South Pacific in the other. Therefore, the MSRI component is an economic development zone that "maps along the key ports and maritime trade routes of South China Sea and Indian Ocean" (Lim, 2015; 2). Blanchard & Flint (2016) and Pop (2016) argue that the Maritime Silk Road (MSR) is not entirely new. Blanchard & Flint (2016: 226) state that the ancient maritime Silk Road began in Fuzhou, China. From there it spread over to the Southeast Asia through the South China Sea and then, via the Malacca Strait, Indian Ocean and Mediterranean, Europe. Pop (2016: 2) however asserts that the Maritime Silk Road began when the Chinese advanced into Southeast Asia which was traditionally called Nanyang. Pop (2016: 2) further adds that this was during the Song Dynasty (960-1279), The ancient MSR and the ancient Silk Road share similarities in that served as a passage for exportation of China's silk, ceramics and tea and also as a network for commerce and peoples. The difference is just in the fact that MSR did this across water bodies whilst the Silk Road on land and various routes. The MSR routes for exportation in ancient times traversed over bodies of water such as the East China Sea, the Bay of Bengal and the Arabian Sea (Blanchard & Flint, 2016; 226),

The 21<sup>st</sup> century MSRI announced by President Jinping in 2013 features the African continent and it is through it that Chinese investment on the continent will intensify. This is in infrastructural projects which include the construction of railways, airports and deep-water ports (Lim, 2015; 1). Blanchard and Flint (2016; 226) mention that the primary end destination of the MSRI is Europe via the Suez Canal and Mediterranean. However, the 21<sup>st</sup> century MSRI will also branch to various Eastern African countries which include Kenya, Djibouti, Madagascar, Mozambique and Tanzania. For participating countries under the MSRI, the development of *hard* and *soft* infrastructure will be at centre. The MSRI will see to the development of enormous hard infrastructure in a form of high-speed railways, highways and truck roads, air and sea ports, utility stations and power grids. oil and natural gas pipelines and telecommunication networks. Investment through the MSRI will be in shipping, construction, energy, commerce, tourism,

information technology and alternative energy. Along those different projects will be facilitated and support economic activity along the entire breadth of the MSRI.

## 2.5 CHINA'S VISION THROUGH THE OBOR

### 2.5.1 Battle for Power

The OBOR's framework has been interpreted differently by a number of scholars. Greer (2018) posits that OBOR is intended to spread Chinese wisdom to benefit poorer regions outside China by using President Jinping's adapted model of modern socialism. He further argues that Chinese academics and policy analysts only articulate "down-to-earth" goals for the initiative when they state that OBOR promises to integrate China's internal markets with those of its neighbors without emphasizing China's gains through the initiative. He further refers to the energy secure China that will materialize through OBOR-funded transport routes. He ends by stating that China will gain an upper hand over other major countries such as the US and Japan through OBOR since it prioritises common development over power politics.

Aoyama (2016) had also earlier stated that OBOR as President Jinping's foreign policy is aimed at the "great revival of the Chinese people". She indicated that the progression of OBOR exposes a power game at play and thus concurs with Nantulya (2018) on the matter. To get further in this game, China tries to cooperate with the United States in order to expand its influence in the international community. Hence the need for the stability of China-US relations which bring China closer to its goal of reviving the Chinese people, China is also setting out to improving its relations with its neighbors such as Japan. Japan is known to be more aligned with the U.S and China knows that softening its relations with the two powers can accelerate its strategy (Aoyama, 2016).

Nantulya's (2019) study titled *Implications for Africa from China's One Belt One Strategy* argues that the OBOR initiative aims to restore China as a Great Power and to achieve national rejuvenation. He further adds that attaining great Power status for China is a quest embedded in the founding of the People's Republic of China. The difference is that President Xi Jinping accelerated this mandate, in this light other Chinese leaders embrace OBOR as a national strategy with various components which include economic, diplomatic, and military elements. Lastly, at a macro level, OBOR seeks to remodel the world economic order. The world economic order will be reshaped in such a way that China will likely attain the Great Power Status (Nantulya, 2019). However, Hart-Landsberg's (2018) article *A critical look at China's One Belt, One Road initiative*



narrows down the initiative to a simple means to drive China's future economic vitality. The different arguments on China's foreign policy demonstrate how China is and will use the OBOR to fulfill its own strategies of regaining power. This study intends to analyse China's strides towards the attainment of power through the OBOR in Ethiopia, Tanzania and Kenya. Articles by Aoyama, 2016; Greer, 2018; Nantulya, 2019 are centred on the OBOR as China's foreign policy which prioritises the shift of power from mainly the US. This study draws from these views and further analyses the OBOR footprint in Ethiopia, Tanzania and Kenya to analyse the strides towards the attainment of China's Power.

### 2.5.2 Quest for economic growth

Other scholars have also argued that the main driving force behind OBOR was China's desire to promote sustained economic growth. Hart-Landsberg (2018) posits that through the 1980s, 1990s, and 2000s China's production and investment grew rapidly due to China's integration into regional cross-border production networks. As production and investment peaked, China became the world's biggest foreign direct investment recipient in 2002, and in 2009 China became the world's biggest exporter challenging Germany. He adds that China has an export-oriented strategy which is vulnerable to world economic recessions. After a world-wide economic recession in 2008, China was faced with excess productive capacity in nine sectors. These sectors are related to energy, infrastructural construction, and real estate development and thus the overcapacity of steel, cement, plate glass, electrolytic aluminum, coal, ship-building, solar energy, wind energy, and petrochemicals. To counter this problem Chinese business people moved their money outside the country. 2015 was marked as the year of Capital flight capacity which was worrying for the Chinese government since it had the potential to trigger currency devaluation. A new strategy had to be adapted to address all this and since economic growth was stagnant within China, the OBOR initiative expanded economic growth beyond national borders (Hart-Landsberg, 2018).

Echoing Hart-Landsberg's sentiments, Cai (2017) argued that the aim of OBOR is to promote the Chinese industry while also exporting Chinese standards. To him, China has a history of being "a world factory" but with time its main advantages in this regard such as low labour costs have started to diminish. This reason has led to the Chinese leadership capturing the higher end of the global value chain. Thus, the OBOR is expected to facilitate in the exportation of higher-end Chinese manufactured goods. This is also in line with China's "Made in China 2025" industrial

plan which promises the production of high-end goods making China the global leader in innovation and manufacturing (Rubio, 2019). Under OBOR markets will emerge and Chinese policymakers suggest that these developing markets will likely be willing to accept Chinese higher-end industrial goods in comparison to North American and European markets. Additionally, through OBOR China hopes to encourage the acceptance of its standards particularly technological standards (Cai, 2017). The arguments made by Hart-Landsberg (2018) and Cai (2017) show that OBOR is a foreign policy created to benefit China economically whether it is to address the stagnation of the Chinese economy or to promote Chinese industry.

Rosen and Wright (2018) countered these views on economics and argued that China intends to spread its political influence through the OBOR initiative and not necessarily her economic prowess as argued above. These findings are important as they show both economic and political intentions behind the OBOR, economic and political factors are crucial for the determination of shift of powers in hegemony. Contrary to this argument, Rosen and Wright (2018) argue that the OBOR is more a political rebranding of prior policies than a new grand strategy. To concur, Constantinescu and Ruta (2018) in a World Bank article titled *How Old is the Belt and Road Initiative? Long Term Patterns of Chinese Exports to BRI Economies* indicate that the announcement of the OBOR is not a dramatic shift from trends in China's trade relations. According to them it is simply the reenergizing of China's ongoing trade relations which became evident when the OBOR was launched in 2015. Prior to the launch, China already exported infrastructure related goods to the now OBOR signed countries such as Vietnam, Kenya and Laos. The launch resulted in the increase of infrastructure related goods exports to these countries as the OBOR is infrastructure focused in participating countries (Constantinescu & Ruta, 2018). Rosen and Wright (2018) further stipulate that OBOR is more understandable as a political campaign under President Xi Jinping's administration to promote Chinese diplomacy.

The different views on OBOR are largely between the struggle for Power. Through this observation, China seeks to be restored as a Great Power whilst others debate that the OBOR is simply a Chinese policy concerned with promoting the Chinese industry. Moreover, if it is simply for the promotion of the Chinese industry then it can be considered as an economic-oriented strategy which has little to nothing to do with Power. However, the researcher views OBOR as a foreign policy masked to attain power through an economic approach. That is, China financing

projects through the OBOR to create markets for its excess products while dominating recipients and financially creating dependency

## 2.6 ROUTES COVERED BY THE MARITIME SILK ROAD INITIATIVE (MSRI) IN EAST AFRICA

The One Belt One Road initiative can be broken down to try and understand what it really entails and especially for its route coverage. According to Chen (2016: 178) the ‘One Belt’ part is for the ‘Silk Road Economic Belt’ component while the ‘One Road’ part is for the ‘21<sup>st</sup> Century Maritime Silk Road’ component. The ‘One Belt’ is comprised of *Land-based routes* that connect China with Europe through Central and Western Asia. The ‘One Road’ is comprised of *Ocean based routes* that connect China with Southeast Asian states, Africa and Europe. Initially Africa was not one of the major regions along the belt and road initiative (Chen, 2016: 178). However, on 27 January 2015 the African Union and China signed a Memorandum of Understanding (MoU). The MoU was in relation to the cooperation on infrastructure construction which will connect all 54 African countries as part of the framework within the African Union’s Agenda 2063. Pop (2016: 2) reveals that the connection will be through transportation infrastructure projects which include modern highways, airports, and high-speed railways. Chen (2016: 178) further added that these kind of projects were already in progress and were started by Chinese enterprises in Ethiopia, Djibouti, Kenya and Nigeria. In terms of the routes the MSRI will cover, Africa scholars weigh in on the matter differently. For instance, Blanchard and Flint (2016: 226) indicate that the MSRI route will branch to some East African countries which include Djibouti, Kenya, Madagascar, Mozambique and Tanzania. While ZiroMwatela and Changfeng (2016: 11) only focus on the African coverage of the belt and road initiative in Kenya, Djibouti and Egypt. They argue that these three countries are the ones that are directly involved in the African section of the One Belt One Road initiative even though the extent of their involvement is unclear.

Blanchard and Flint (2016: 226) posit that the MSRI component of the OBOR will connect the Southeast Asia, Oceania, East Africa and North Africa and the Mediterranean in the long run as part of the long-term plan of route coverage. Scholars (Blanchard and Flint, 2016: 226 ; ZiroMwatela and Changfeng ,2016: 11) agree that the MSRI countries to be covered by the African section are Kenya, Djibouti and Egypt even though no project list had been readily available for the public. The MSRI also involves various eastern coast ports of Africa, the Horn of Africa and North Africa ( Farooq et al, 2018: 411). On the other hand, Mukwya and Mold (2019: 2) also

discuss the various East African countries that are part of the OBOR without specifically pinning them as part of the MSRI . They mention countries such as Djibouti, Ethiopia , Kenya and Tanzania. Overall, according to Farooq et al (2018: 411) the Kenyan route as part of the MSRI is very instrumental as its Mombasa port is linked to Europe, the Middle East and the Asia Pacific region. Mukwaya and Mold (2019: 2) demonstrate this by explaining that OBOR projects in the East Africa region connect together the various ports of Mombasa and Dar-es-salaam to Kenya, Uganda, Tanzania and Rwanda. Therefore whether scholars differ in terms of the OBOR/MSRI in East Africa, it is evident that Kenya, Egypt and Djibouti are the three central countries that are part of the east Africa MSRI route (ZiroMwatela and Changfeng, 2016: 11). Moreover, amongst the three centre piece countries the Kenyan route plays a huge part in developing MSRI links through its Mombasa port to those in Europe, the Middle East and the Asia Pacific region (Farooq, 2018: 411).

## 2.7 THE HORN OF AFRICA

For the purpose of this study the researcher focused on countries that are in the east African region on the horn of Africa. According to the World population review, (2020) East Africa is the region on the easternmost region on the African continent. This region is known to have different sub regions within its confines that include the East African community, African great lakes region, Horn of Africa, Central African federation and the British East Africa Confederation. The World Population Review (2020) further explains that countries in the Eastern African region lie along the Atlantic Ocean. The countries that directly lie on this Atlantic Ocean coast include Djibouti, Somalia, Kenya, Tanzania, Madagascar and Seychelles. The six countries that are part of the East Africa Community (EAC) are Burundi, Kenya, Rwanda, South Sudan, Tanzania and Uganda. The World Population Review (2020) points that there are four East African countries on the Horn of Africa which are Somalia, Eritrea, Djibouti and Ethiopia while earlier Shinn and Eisenman (2005: 6) mentioned five countries on the horn of Africa. They listed the countries as Sudan, Ethiopia, Eritrea, Djibouti, and Somalia/Somaliland. Other countries that are part of the offshore East African community and are island nations are Mauritius, Seychelles and Comoros. The other countries that are under the French territory but part of East Africa are Mayotte and Reunion.

Madagascar and Mozambique are also considered as part of East Africa even though they are also classified as part of Southern Africa (World Population Review, 2020)

The OBOR on the African continent through the MSRI involves various ports which lie along the eastern coast of Africa, Horn of Africa and North Africa. The eastern coast of Africa and the Horn of Africa are of geographical importance in the grand scheme of the MSRI. Their locations provide the MSRI with port accessibility in an economically relevant hinterland (Flint & Blanchard, 2016: 233).

## 2.8 STRATEGIC SIGNIFICANCE OF THE THREE COUNTRIES (KENYA, TANZANIA AND ETHIOPIA)

As a symbol of China's commitment to Africa, Chinese leaders have promoted the revival of trade routes. These trade routes are along China's ancient Silk Road which link China to East Africa (Nantulya, 2019 ). Mukwaya and Mold (2019:1) noted that countries in East Africa participating in the OBOR which include Djibouti, Ethiopia, Kenya, Rwanda, Uganda and Tanzania are of strategic importance. Roboredo (2017) also argued that with regard to the OBOR, China's focus will be specifically on East African countries of Kenya, Tanzania and Ethiopia. These countries will be connected through a standard gauge railway which will also connect ports, it is already under construction. The significance of this standard gauge railway is its expectation to facilitate affordable transport costs in the region, also have an impact on trade and welfare (Mukwaya and Mold, 2019: 1).

Amongst all the countries in East Africa, Kenya forms a key point of entry as part of the MSRI which journeys strategically from Asia into Kenya (Farooq et al, 2018: 410). They further mention that because of Kenya's location, its route will be instrumental for China advancing the MSRI even into the remote African parts in the future. The Mombasa port is also a strategic port because China can use it to serve as a port of call for the Horn of Africa region in the event of a security challenge. Because of this, within Kenya alone, China has funded the upgrading of the Mombasa Port, a new construction of a port in Lamu and a standard gauge railway line that links Nairobi to the neighboring land-locked countries. A number of ports will be constructed under the MSRI and these include the Bagamoyo port in Tanzania, the Santa Clara port in Gabon and the Djibouti port in Djibouti. Both the railway and pipeline will link Kenyan ports to oil fields in South Sudan,

Uganda, Ethiopia, Rwanda and Burundi. This interconnectivity through pipelines and the railway will facilitate exports for those linked countries (Farooq et al, 2018: 410; Roboredo, 2017).

## 2.9 CHINA'S RELATIONS WITH TANZANIA, KENYA AND ETHIOPIA

### 2.9.1 China-Tanzania Relations

Sino-Africa relations though can be traced to ancient times, were only formalized in 1956 with Egypt establishing diplomatic relations with China. With Egypt being the first African country to strike diplomatic relations with China they paved a way for Sino-African relations on the continent (Kinyondo, 2019: 130). Tanganyika and Zanzibar which are now known as the United Republic of Tanzania then followed suit. This was after they both gained independence, Tanganyika in 1961 and Zanzibar in 1963. Jansson , Burke and Hon (2009: 2) posit that relations between China and Tanzania have remained intact since 1964 and since then bilateral relations have led to extensive political, economic, military and cultural cooperation. They argue that relations between Tanzania and China are strategic because of Tanzania's geographical advantage on the continent. Scholars (Farooq et al: 2018; Flint & Blanchard , 2016) agree with Jansson et al (2009:2) on that point, they argue that Tanzania is an important partner because of its access to the Indian Ocean which is a gateway to the mineral-rich southern Africa region.

Since inception of formalized relations between the two countries, China has aided Tanzania with over US\$ 2 billion for cooperation projects and programs (Jansson et al, 2009: 2) A generous amount of the interest free loan went towards financing of the famous Tanzania-Zambia (TAZARA) railway. It was China's third-largest infrastructure development project and was constructed between 1970 and 1976 (Jansson et al, 2009; Monson, 2009). The railway links Tanzania's capital Dare es Salaam with Zambia's Kapiri Mposhi in the Copper Belt. The TAZARA (Tanzania Zambia Railway Authority) railway would create a link to the sea for the landlocked Zambia, this link would liberate Zambia from dependency on Rhodesian, Angolan and South Africa rails and ports. Aside from the construction of the TAZARA, China has since financed many other projects in Tanzania.

Relations have continued even in the Post- cold war period. Jansson et al (2009: 2) noted that after the 2006 FOCAC summit, China made a number of specific pledges towards Tanzania. As part

of the FOCAC commitments, China pledged an agricultural demonstration centre, three primary school, a specialist cardiology hospital, an increase in zero-tariff African exports to China. They also committed to educational assistance and partial debt cancellation from the Chinese government. In 2009, a further US\$22 million and US\$56 million was made for a 60,000 seater sports stadium financed by the Chinese government. Other discussions between China and Tanzania are about the possibility of an investment in Tanzania's Special Economic Zone (SEZ) for stimulation of trade and employment creation. The SEZs would be in Bagamoyo and estimated to cost US\$ 2 billion after the inclusion of an international airport, a deep sea port and satellite communications equipment. The other SEZ is expected to be established in Kigoma. According to Jansson et al (2009: 4,) Kigoma is one of the busiest ports on Lake Tanganyika and has a functioning railway connection and a direct link to the seaport at Dar es Salam. With the proposal of its infrastructure improvement with the assistance of Chinese funding, the conditions for trade are expected to change.

In recent years the Bagamoyo port that China was supposed fund under the OBOR has been suspended (Breuer, 2017: 6). According to Just Earth News (2019) Tanzania has decided to suspend the \$10 billion port construction project which would have been the largest in the East African region. The reason for scrapping the project is rooted in the disagreement that the government of Tanzania has with the Chinese government in relation to the binding terms and conditions once the port is operational. a President Magufuli of Tanzania reported that the Chinese government required a guarantee of 33 years and a lease of 99 years. He further added that once operational, the Tanzanian government would not have a say in whoever invests there. President Magafuli's statement comes after China-East Africa relations were under immense heat with claims of China trapping participating countries with debt. However, though this project was suspended, the Tanzanian government with the assistance of China will still focus on the upgrade of the Dar es Salaam and Mtwara ports (Breuer, 2017: 6).

### 2.9.2 China-Kenya Relations

Scholars (Farooq et al., 2018; Mukwaya & Mold, 2019; Dossou, 2018) indicate that Kenya will play a big role in opening up East Africa as a hub under the OBOR. An analysis of the history of China-Africa relations reveals an array of arguments signaling the dates of interaction between

the two. Scholars such as Venkataraman and Gamora (2009) give the earliest date of interaction between China-Africa, they argue that it was in 200 BC. While Dossou (2018: 4) posits that the two have relations dating back to more than 600 years ago . This was when Chinese Ming Dynasty's great navigator, landed in Malindi, Kenya and would subsequently return on a frequent basis (Dossou, 2018: 4). Not too far in history, Robert Rotberg as cited by Kioko (2011: 8) argued that in the nineteenth century China was attracted to the ivory exporting inhabitants of the now Tanzania and Kenya.

From the founding year of the People's Republic of China to its economic opening (1949-1978) China's Africa policy was immensely influenced by ideology. It took on the lead in pressing issues in the third world which involved the struggle against colonialism, imperialism and revisionism (Anshan, 2007: 70). He further mentions that during that period, fuelled by ideology, China supported independence movements in Africa and assisted with weapons for the purpose of cultivating military and political power for the movement. Analysed and available literature does not directly point to China and its stance during the Mau revolt which took place from 1952 to 1956 but of existing economic ties at the time (Veileux-Lepage & Fedorowicz, 2015: 177; Chege, 2008: 20). Chege (2008) demonstrates that before Kenya's independence and during the cold war, Kenya exported raw materials such as sisal fiber, raw cotton, wattle bark extract and pyrethrum to China to be processed in the 1950s and early 1960s as a British colonial state.

During this period of economic exchange between the two, the Mau Mau rebellion challenged their then British colonial master in Kenya with various grievances. At the time of the revolt, China's support to Kenya in terms of military aid or weapons is hard to trace. However, Anshan (2007: 70) states that China supported African independence efforts and political efforts. It is also argued that the Mau Mau revolt set Kenya on a road to independence despite their defeat (South African History Online, 2018). Although there were interactions between the two, relations between Kenya and China became heightened after Kenya attained independence in 1963 (Kioko , 2011). According to Kioko (2011: 11), diplomatic ties between China and Kenya post-independence started on December 14<sup>th</sup> 1964 and these ties covered Anti-piracy Corporation, roads and bridges cooperation, oil exploration and others.



In recent times, their diplomatic ties can be traced to the 2000 FOCAC summit which the Kenyan delegation attended in Beijing and other subsequent FOCAC conferences. FOCAC can in many ways be viewed as the stepping stone to the OBOR as China's grand strategy. Zhiquin (2018) argues:

FOCAC can be a mini-version of multilateral cooperation that aids the implementation of BRI projects...Africa is expected to be more deeply engaged with China's grand vision of the Belt and Road Initiative (BRI).

According to Taylor as cited by King (2019), FOCAC can be considered as "the formalization of China's links with Africa that go back to the founding of the People's Republic of China". From these arguments, the shift and importance from FOCAC to OBOR is displayed. These forums through the participation of Kenya in both of them illustrate their ties and commitment post-cold war.

### 2.9.3 Ethiopia-China Relations

China's ties with Ethiopia date back to the cold war in 1949 (Thompson, 2005; Venkataraman and Gamora, 2009: 7). Venkataraman and Gamora (2009: 8) argues that these ties were not in any way economic related, but were in the form of some political support and were part of China's rebuilding exercise after the war. He further asserts that China's economic reforms were only undertaken from the late 1970s, meanwhile, China-Africa trade ties were still maintained. Cabestan (2012: 54) noted that in 1970 Emperor Haile Selassie established diplomatic ties with the People's Republic of China. These ties became shaky due to the 1974 revolution which led to the emergence of a regime with links to the Soviet Union, their strained relations lasted until the late 1980s. Their ties were only restored and strengthened in 1991 after the fall of the Mengistu regime, and the rise of the Ethiopian People's Revolutionary Democratic Front (EPRDF) to power (Cabestan, 2012: 54).

The EPRDF attained power with the assistance of the USA, but since the US and China were not allies, China-Ethiopia ties again weakened. In 1995, the Ethiopian government revised her foreign policy especially towards Russia and China. The emphasis on China was mainly for Ethiopia to draw lessons from China's "Socialist market economy" and agricultural development. Cabestan (2012: 54) further states that in that same year, Ethiopian Prime Minister Meles Zenawi and the

Chinese President, Jiang Zemin signed an ambitious agreement on Trade, Economic and Technical Cooperation (ATEC). The agreement was renewable after every three years until 1998 when the Joint Economic Commission that meets annually was created. Cabestan (2012: 54) articulates that the agreement led to Ethiopia's new status of "most favoured nation", this status supports Ethiopia-China economic cooperation in the areas of investment promotion in a form of joint venture or private entities, maritime transport, or the exchange of "technical personnel".

Since 1998, Sino-Ethiopian relations have continued to thrive. This is seen through the participation of Ethiopia in the first FOCAC meeting held in Beijing in 2000. The next conference was hosted by Ethiopia in Addis Ababa and after that, Ethiopia attended subsequent FOCAC conferences held in different countries (Cabestan, 2012: 54). As a part of FOCAC, Ethiopia is one of the African countries participating in the OBOR. Goulard (2020) argues that Ethiopia, along with Kenya, is one of the key African countries in the OBOR with several signed memoranda of understanding and many other agreements across different sectors.

#### 2.10 CHINESE GOVERNMENT FUNDED PROJECTS FOR KENYA AS KEY PIVOT POINT UNDER THE OBOR (THE MSRI COMPONENT)

Kenya is one of the participating African countries in the OBOR as part of the Maritime Silk Road Initiative and as such, China has identified Kenya as a key maritime pivot point (Farooq et al., 2018: 404). ZiroMwatela and Changfeng (2016: 12) they argued that though Kenya is of the OBOR routes, both governments had not made any official declarations. This is in contrast to Farooq et al, (2018) who have official declarations of the OBOR projects and financing in Kenya due to the developments that took place since 2016 when ZiroMwatela and Changfeng published their article. As part of China's investment in Africa and specifically in Kenya, the MSR has to pass through Kenya as a link to Europe. Farooq et al., (2018) mentions that for this to happen, two ports in Kenya, Mombasa and Lamu will be linking the ports to expand trade and connectivity on the African continent. A spread of projects funded by the Chinese government will include the building of a new ultra-modern port in Lamu, upgrading of the Mombasa port. Moreover, the construction of a new 609 kilometre standard gauge railway line which will link it to neighboring countries (Farooq et al., 2018: 404 ; ZiroMwatela & Chagfeng, 2016 ).

In 2018, the estimated cost of this railway line was US\$25 billion and the bigger portion of it was to be covered by China EXIM bank. A further \$4 billion was earmarked to be spent on the construction of a pipeline from Kenya to South Sudan and lastly \$27 billion on building the Lamu and other related ports. These projects are massive and for a country with a GDP of \$64 billion, Kenya needs external funding. Therefore, the financial muscle of the OBOR and related entities is needed to assist Kenya's vision (Farooq et al, 2018).

To date, Kenya is a major partner to China with several signed agreements between them. Despite this, Goulard (2020) argues that OBOR-related projects in Kenya face challenges, a point that was reiterated by the BBC Current Affairs Correspondent Africa (2020). This is due setback involving the construction of the railway line that connects Mombasa to Nairobi in relation with "Kenya Railways Corporation" and the "China Bridges and Railway Corporation". The setback came as a result of Court of Appeal which declared the contract as illegal on June 25, 2020 (Goulard, 2020). Current Affairs Correspondent Africa (2020) added that the State-run Kenya railway as part of the OBOR failed to comply with the country's law in terms of procuring the Standard Gauge Railway (SGR). Before the judgment was handed out, the railway had already extended to Naivasha in the West with the prospects of creating a link with Uganda. The new line had also been operational since June 2017 for the purposes of transporting passengers and freight (Goulard, 2020). Further complications with OBOR projects in Kenya involve the construction of a coal-fired power station near Lamu, the project has received criticism from residents who have raised environmental impact concerns. Its construction was supposed to commence in 2018 but has since been delayed but may still be continued once a new environmental impact assessment is conducted. Despite all these setbacks, Goulard (2020) argues that such developments will not jeopardize China-Kenya partnership in the OBOR. He however reiterates that the first OBOR projects have weaknesses related to little consideration for environmental issues and a perceived lack of competition thereby favouring Chinese companies for OBOR projects. Dezenski's (2020) monograph addresses some of the weaknesses that Goulard (2020) articulated. She mentions that China-Kenya officials in relation to the OBOR projects are faced with insurmountable debt incurred from the railway budget that went overboard and was never completed. She further argues that this is a result of "implausible expectations, opaque contracts, and a closed bidding process."

Other views on the OBOR in Kenya consider it an important initiative for Kenya's economy. Trade Mark East Africa (2019) is of the opinion that OBOR has really taken on a vital role in Kenya's economy since the construction of the Mombasa-Nairobi railway. That the project has increased commercial connectivity and trade in East Africa as a result of the investment Kenya chose to make through the OBOR and its magnitude. They further mention that in their opinion the OBOR is not a debt trap as suggested by the American unilateralism and protectionism.

## 2.11 CHAPTER SUMMARY

This chapter has explored the history of China in Africa from the earliest recorded times. The body of scholarly work that was consulted shed a light into the origins of the One Belt One Road initiative. The study viewed the OBOR as China's foreign policy. Since it was regarded as a foreign policy initiative, the countries that China had relations with were identified and the focus was narrowed down to three east African countries, namely Ethiopia, Tanzania and Kenya and these were reviewed to understand their relations with China even prior to their participation in the OBOR.

The chapter looked at the details of the relationships of China and these countries. It highlighted the history of their relations and narrowed them down to the post-cold war period. The era that China launched FOCAC which gave way to relations with African countries in their participation under the OBOR. The chapter explained in detail, the difference between the Silk Road component and the Maritime Silk Road Initiative component as well as their history. The chapter also explored the importance of these countries' participation in the MSRI component of the initiative.

## CHAPTER 3: THEORETICAL FRAMEWORK

### 3.1 INTRODUCTION

This study takes the phenomenological/interpretivist approach which emphasizes the fact that human beings are continuously committed to understanding their world (Babbie & Mouton, 2002: 28). Furthermore, Kiyunia and Kuyini (2017: 34) state that this approach deals with human behavior and that by nature human behavior is contextual and can be opened to multiple interpretations of reality. As a result, a researcher cannot duplicate the same results however, they can make inferences based on the researcher's construction of meaning. Kiyunia and Kuyini (2017: 34) further explain that the researcher's inferences and interpretation can largely be regarded as dependable this however is reliant on the researcher's abilities and skills. These are particularly important they as will guarantee the authenticity of the findings from the supposed gathered data and its analysis for the research.

The Phenomenological/interpretivist approach also as a paradigm has a wide range of methodologies and amongst them is the case study methodology which will be used for this study (Kivunja & Kuyini, 2017: 37). This study seeks to understand the power and dependency dynamics that trend within the literature on the OBOR initiative. That is, the supposed power that China seeks to regain and the dependency African states will have on China with regard to the financing of OBOR projects. To understand Power, the Italian Marxist Antonio Gramsci's theory of Hegemony is used. However, it is important to take note that the concept of hegemony remains highly contested with a variety of definitions (Bohm, 2018: 4). For this study a definition by Lull (1993) was selected, and according to him, hegemony can be defined as one social group that holds power over others through power and dominance (Lull, 1993: 33). Hegemony stresses dominance and subordination and ensures asymmetrical interdependence where this interdependence may be political, economic or cultural and actually takes places between or among nation-states or social classes within a nation. The application of the concept of Hegemony is largely concerned with understanding dominance, gaining power and ultimately maintaining it (Lull, 1993: 33; Bohm, 2018: 4).

Moreover, Gramsci (1971) developed the concept to aid in the understanding of knowledge as well as its depth on the dynamism of power relations. It also involves interactions between nations within the global society. The term hegemony connotes leadership and is derived from a Greek

expression "hegemonia" to describe asymmetrical power relation. Gramsci (1971) further states that in hegemony consent is key for the assumption of power rather than coercion or force. Thus, for a state to be regarded as hegemonic, it has to acquire a leading position as the dominant state amongst other states. Its leadership role should be unchallenged in the international system, its unchallenged position can be achieved through its promotion of national core interests as the interest of each tendency.

According to Choi (2018), the representation of status is important for a dominant nation, its status aids in its engagement in the global system or in its capacity as a powerful nation over other nations. Another characteristic of a hegemonic power as asserted by Nye (2002) is the ability of a specific country to persuade others to cooperate. This persuasion can be achieved through the use of soft and hard power in compelling other countries to believe in mutual interest. Factors such as the management of a country's military power and economic capabilities can contribute to either the emergence, demise and exchange of hegemonic status overtime (Kennedy,1987). China as a rising superpower according to Goldman Sachs will be the world's largest economy by 2027 based on its GDP. Moreover, China has already rolled out a military modernization program along with double-digit growth (Telegraph, 2011). All these components are essential for the emergence of a hegemonic status as described by Kennedy (1987).

Since the development of Gramsci's concept, it has since become a central concept in the field of international relations (Bohm, 2018; 4). In this context, the concept of hegemony addresses questions of world politics and global order in the same field. Bohm (2018) also credits Gramsci's concept of hegemony for its contribution to the advancement of the international relations (IR) theory. Bohm further notes that the IR theory is more applicable to contemporary global challenges because of the advancement of the theory of hegemony which enables an in depth understanding of global relations.

### 3.2 THE INTERNATIONAL RELATIONS THEORY AND ITS RELATION TO HEGEMONY

The international relations theory has a number of theories which include the Hegemonic stability theory (HST). Mohd and Yazid (2015) stress the importance of the Theory of Hegemony. They explain that the theory fosters the understanding of roles played in the international structure in relation to hegemonic power, the relations with the economic development and political stability (Mohd & Yazid, 2015: 68). They further indicate that, at the core of this theory is the presence of hegemonic power. The hegemonic power must be single and dominant in the international economic and political system since a single dominant power ensures stability in the international economy and politics. This single hegemonic power becomes the international rule maker. With this power, the hegemonic leader can facilitate orderly exchanges amongst countries as well as punish transgressors using predictable penalties. The system of punishment for transgressors is important since its might threaten the existing hegemony and its strength as a hegemonic power. Therefore, the success of issued punishments to transgressors validates the position of the existing hegemonic power and thus maintains international stability.

Mohd and Yazid (2015) further state that a hegemonic power is a leader and stabilizer in the international structure of the state system. A look into history shows that the hegemonic power seat has all along been occupied by a few Western countries. Mohd and Yazid (2015: 68) posit that the inter-war years (1919 to 1939) saw a change in the international political and economic system. This was due to Germany's defeat in the First World War and Great Britain's inability to play the role of a hegemonic power because of its weakness and the United States' refusal to take up the role at the time. During this period, a hegemonic power was absent leading to unstable international relations due to poor regulation of the international system.

The United States as a new hegemonic power only emerged after World War II and therefore the period from 1919 to 1939 was a period of 'absence hegemonic' or 'absence of a hegemonic condition' since the US had not achieved a full status as a hegemonic power. Furthermore, The United States or any hegemonic power as a hegemon has to provide the 'public goods' such as peace which is critical for development. Only those with shared values with the power can benefit from the peace that the hegemon can provide. Moreover, the hegemonic power can provide further 'public good' due to his dominant status and strong position in the areas of the military, economy and politics. With this ability, he can ensure order and security which can also be translated to a

stable economy and politics. Institutions whether international or regional need a strong support of the hegemonic power to ensure their effectiveness.

### 3.3 AMERICA'S HEGEMONIC POWER

Scholars indicate that the United States started to assert its power in the post-World War II period. Lull (1993: 33) points out that it was also at the same time when America showed interest in other countries other than the African continent as part of hegemonic order crafting. The United States at the time was the only country that was still strong enough to assume the new hegemonic power status, Britain and most European powers had emerged from the war broke and shuttered by the war. Mohd and Yazid (2015: 70) also describe America at the time as country with hegemonic power characteristics which include:

1. Its military must be the strongest in the world and thereby undeniably stronger than that of all its rivals
2. Its economy must be the largest and advanced technologically in the world
3. The hegemon has a wide array of relations in the form of political allies and friendly relations with most nations and other major powers
4. As a power, she creates most of the rules that govern the global and political economics and along with her allies they control most of the international institutions
5. As a world hegemonic leader, she determines most terms of discourse in global relations.

A possession of this combination of characteristics contributes to a hegemon's strong economic and political position. As a whole, the hegemonic state needs an additional combination of military, institutional and ideological factors to create hegemonic stability. In Mohd and Yazid (2015) they cited Susan Strange and mentioned four elements of structural power. These elements are the security element, the production element that involves the ability to control the global system in terms of production of goods and services. The financial element includes the ability to shape the international capital market of finance and credit as the knowledge which is for the transfer of knowledge and the ability to direct development and accumulation. Strange further mentions the presence of the four elements assist in contributing greatly to the strength of a hegemonic power and the weaknesses in more than one element will affect the hegemonic power within the global system.



Robert Keohane also in Mohd and Yazid (2015) on the other hand highlights the fact that a country must have access to raw materials in order to be considered hegemonic in the world political economy. It should also have the ability to control major resources of capital, sustain a large market for imports, have advantages in goods with high value added and the ability to yield considerably high wages and profits, Keohane mentions that a country needs to be strong with regard to these elements as a whole to be considered.

### 3.4 COUNTER- HEGEMONY AND CHINA

Counter-Hegemony or Counter-Hegemony alliance can be defined as countries that oppose hegemonic states. Mohd and Yazid (2015) posit that American hegemony in the post-1945 period was initially challenged by the Soviet Union and China while Germany, Italy and Japan opposed Great Britain in 1930s. As opposition, the Soviet Union had a strong military element but a weak economic element that would later contribute to her collapse in 1991. To maintain a strong hegemony or counter hegemony position, states need a strong combination of all elements as stated by Strange in order to survive. The Soviet Union, although possessing military strength lost its position because of its weak economic position which negatively affected its political position. As a result, British power started declining in the early 1900s. As much as Strange argues that all the elements are important in understanding hegemonic power, the economic and political elements are seen as sufficient in maintaining a hegemonic power.

For the purpose of this paper, it is also important to revisit the issue of China as an alternative hegemon and linking it to its current state as a Counter-Hegemon to the United States. Peng (2018) suggests that at the outbreak of the Cold War in the late 1940s, China was caught in between two historical blocs. The Western –dominant capitalist international system and the USSR socialist international system. Peng (2018) further indicates that from 1949 to 1971 through the two sub phases of “Leaning to One Side” and “Two Fronts”, China maintained a hostile attitude against the Western-dominated international governance. It went as far as also rejecting and adopting an anti-hegemonic strategy through the means of the war of maneuver.

After the Second World War, China as the second largest socialist country, boasted a great economic and military potential. It also maintained a high political status as a high ranking socialist country. Peng (2018) notes that its position between the two superpowers (the United States and Russia) made China an indispensable power between the two. However, the relationship between

the United States and China was rocky, the United States in its hegemonic standing refused to grant China the recognition it required for the legitimacy of its new government. China then regarded the United States as its main threat because of its national security and ideology. China's relationship with the USSR also changed from being allies to enemies in the late 1950s and 1960s. On the other hand, China and United States' fallout intensified, the Kennedy administration regarded China as more "aggressive" and therefore more threatening than the USSR. China's deteriorated standing with the two superpowers resulted in a consensus approach. The two superpowers dealt with China as a united front in some areas. The USSR and China eventually cut ties in 1962 under the strategic guidance of the "Two Fronts". At that point, Mao Zedong had unapologetically outlined China's struggle against imperialism and revisionism as its primary task. He communicated his belief that within 50 years to 100 years that the time would be favourable for a complete social system in the world.

To stay true to its outlook, China put forward a slogan "continued revolution". With this, China became a major supporter of armed liberation struggles, in Southeast Asian countries as well as African countries, led by revolutionary movements. By 1973 it had hit a historical high in foreign aid. China's approach to promoting world revolution can in a way be regarded as the war of maneuver as part of its radical anti-hegemonic strategy (Peng, 2018: 61). This ideological opposition saw China being excluded from the international governance system and international organisations such as the United Nations led by the US policy of isolation and blockade. China remained under much isolation because of its cold shoulder towards the Western international organizations. It adhered to its own independent foreign policy principles and called non-interference from the Western powers. That period can be summarized as a time of mutual hostility and rejection between China and Western-based international governance (Peng, 2018: 61).

This was followed by a period (from about 1971) characterized by change and China was being accepted and more integrated, Peng (2018: 62) demonstrates that China became more responsive and began to recognize Western-based international/global governance. This move led to its integration into the system and it consequently benefitted a lot. China's realization that the USSR posed more danger than the United States contributed to China's openness towards to then US Nixon led government. Upon his visit to China in 1972, President Nixon advocated for reconciliation between the United States and China with the aim of suppressing the Soviet Union jointly. Their cooperation and reconciliation gave birth to Sino-US relations in 1979, which

changed the landscape of world power relations. The three decades from 1978-2008 marked China's significant growth as the driving force of the East Asian and global economic growth through its "Reform and Opening-up" grand strategy (Peng, 2018: 62). The "Reform and Opening-up" proposition involved the realization of domestic development and economic modernisation. The second consideration was to revamp China's international image and reputation after years of isolation from the international governance system. As part of the second consideration, Deng Xiaoping advised China to keep a low profile and to adopt self-restraint. It would further restrain itself from seeking hegemony or taking the lead. This new adopted approach meant China began gradually conforming to the ideas and norms attached to the Western-led international order (Peng, 2018: 63).

The period from 2008, when the world was in recession saw a change in China's approach towards global governance. It adopted a more proactive role in global governance while also displaying great willingness to join and mould the architecture of global governance. In this era, China intends to acquire more structural power meaning "the power to choose and to shape the structures of the global political economy within which other states, their political institutions, their economic enterprises, and (not least) their professional people have to operate" (Peng, 2018: 65).. This approach has thus led China to being described as an emerging power. As an emerging power, China's achievements that include replacing the United States as the largest manufacturing power in 2010. Added to that Peng (2018) highlighted that, over the years China achieved significant technological and organizational capabilities.

From 2012, China's new leadership under President Xi Jinping adopted a new idea of governance, which was the principle of "wide consultation, joint contribution and shared benefits". It is through this idea that China proposed a couple of innovative ideas that would address varied areas of global governance. Amongst these innovative ideas included the Belt and Road Initiative proposed with the purpose of promoting regional development and integration in Asia. Another innovative idea was for the proposal of the New Asian Security Concept as well as joining other prominent global Western-dominated international organisations. Moreover, in line with the principle of joint contribution, China joined Brazil, Russia, India, China and South Africa (BRICS). As a member, it displayed great cooperative mechanisms as it played a more complementary role. withal this was due to its intention to play a complimentary role in the already established global governance (Peng, 2018).

This change however can be seen as China's way of adopting a counter hegemony strategy since it is working hard to acquire all the characteristics required to become a hegemon. As aforementioned, they include the military, politics, the economy and terms for global relations discourse. The Belt and Road initiative, which was then supposed to promote regional development and integration in Asia has now expanded significantly and thus covering Africa. It is for this reason that this research covers the Belt and Road Initiative on the African continent and specifically in Kenya, Ethiopia and Tanzania.

In summary, the theoretical framework of this research takes on the phenomenological approach as a paradigm. This paradigm has a wide range of methodologies; the case study methodology is one of them. The case studies are Ethiopia, Kenya and Tanzania. A suitable theory for this study is the hegemony theory by Antonio Gramsci. The researcher further went on to incorporate the International relations theory called the Hegemonic stability theory (HST). . This theory enables the researcher to pin point the different layers of hegemony and particularly counter-hegemony. Counter-Hegemony sheds light into China's position as an emerging power while the Hegemonic Stability Theory as a whole provides a template of the dynamics involved for country to be hegemonic or counter-hegemonic.

### 3.5 CHAPTER SUMMARY

# CHAPTER 4: METHODOLOGY

## 4.1 INTRODUCTION

Figure 1. The World Regions covered by the OBOR in 2018



Source: Lowy Institute.

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This study seeks to understand China-Africa relations through the OBOR initiative. The OBOR serves as one of China’s ambitious projects targeting the African continent. The realisation that the OBOR also targets Ethiopia, Kenya and Tanzania sparks a debate on China’s interest in these countries. Through this, the study intends to establish the type of projects the OBOR facilitates in these countries as part of the Maritime Silk Road and their cost. These projects track Chinese funding in these countries and showcases investment patterns within the OBOR. Having realised

also that China's increased investment through the OBOR also brings about an angle of debt diplomacy, the study intends to establish its existence and various categories in the three countries. Qualitative methods are used to extract and analyse the different themes with the OBOR as an investment platform for China. In this study, the nature of Chinese lending is closely analysed to determine the conditions of Chinese loans to Ethiopia, Kenya and Tanzania. China's position as creditor is investigated against it as a superpower with a motive on the African continent. The power dynamics are thus discussed using the Critical Discourse analysis. This chapter is dedicated to the explanation of the qualitative research paradigm, dimensions of research data collection, data processing procedures, data analysis techniques, research ethics and research quality.

## THE QUALITATIVE PARADIGM

This research will be analysed using the qualitative paradigm. Babbie and Mouton (2001: 53) explain the qualitative paradigm as a method that researchers use to define and understand research and not to explain and predict human behaviour. This method of research is suitable since this study is concerned with defining and understanding hegemony as a phenomenon. Moreover, since this is a case study, data is collected from secondary sources such as books, newspapers and journals to clearly understand the One Belt One Road (OBOR) initiative in Ethiopia, Tanzania and Kenya. This research will further explore Chinese lending to African governments for infrastructure development, and the motives behind such lending in these three East African countries, as case studies under the OBOR initiative. These three countries will be analysed because of their geographical position on the African continent. To clearly gauge the data, statistics and other forms of secondary data will be used to explain the phenomenon in greater detail.

### 4.2 RESEARCH DESIGN

A research design is an outline of how research is conducted so as to find a solution to a particular problem being investigated and therefore serves as a blueprint for the study. The research design has to be linked to the research problem, and follow a logical order to reach a solution (Babbie & Mouton, 2001: 74). As previously mentioned, this study will be qualitative. The qualitative method of study allows the researcher to find small truths that might have been overlooked in a quantitative study (Glicken, 2003: 151). The goal of qualitative research is to provide understanding by using

observational methods. For the purpose of this study, written material on the topic will be consulted. When analysing qualitative data, a great deal of emphasis is placed on grounded theory and inductive analytic strategies. The case study design will be used to understand the OBOR initiative as a Chinese investment in Ethiopia, Kenya and Tanzania.

The case study research design makes an intensive investigation of a single unit, however, some case studies can examine multiple variables (Babbie & Mouton, 2001: 281). The interaction between the unit of study and its context is very important as part of the investigation, case studies can take multiple perspectives into account while also attempting to understand the influences of multilevel social systems on subjects' perspectives and behaviour. With time, researchers can also just measure a few variables while ignoring the context altogether (Babbie & Mouton, 2001: 281). An important defining characteristic of a case study is its emphasis on an individual unit but, it can also investigate multiple individual units. Furthermore, the case study design has general principles such as the role of conceptualization in case study research, the importance of contextual detail and in depth description, using multiple sources of data and analytical strategies in case study research. Research questions can be appropriately answered through the examination of units of analysis (Babbie & Mouton, 2001: 281).

### **4.3 DIMENSIONS OF RESEARCH**

#### **4.3.1 The phenomenon under study**

This research views investment as a phenomenon and seeks to consider the nature and role of Chinese investment in the context of specific African countries. In order to analyse this phenomenon under study, critical discourse analysis (CDA) has to be employed. Van Dijk quoted in Ulinuha, Udasmoro and Wijaya (2013) stipulated that the CDA is a special discourse analysis approach that implicitly treats identities as effects of the ideological work. The CDA is neither a theory nor a single method, or a sub-discipline of discourse analysis. It is rather considered as a perspective of conducting research. Its focal point is on discursive conditions, components, and the ramifications of power abuse imposed by dominant groups which are also considered as the elite. Van Dijk (1995) further explains that it can also examine patterns of access and control over contexts. Moreover, genres, text and talk, their properties, as well as 'the discursive strategies of mind control'.

Ulinuha et al., (2013: 263) further noted that Van Dijk's (1995) research studies discourse as well as its functions in society. It also scrutinizes forms of inequality in the way it is expressed, represented, legitimised and reproduced in both text and talk. His view is that the CDA is against groups and institutions that abuse their power, that it sides with dominated groups. Here, the CDA highlights and denounces the discursive dominance and cooperates in the empowerment of the dominated groups. This perspective is in the role of language in the transmission of knowledge, incorporation of hegemonic discourses and the configuration of institutional life (Ulinuha et al., 2013: 263).

#### 4.3.2 The nature of the study

This study is qualitative in nature and involves the use of various methods of data collection on the case studies at hand. This research uses the case study method. A case study can intensively investigate a single unit and in this case, imperialism. Most importantly, qualitative studies use techniques that increase the researcher's depth of understanding regarding the phenomenon under investigation. This study also allows the researcher to flexibly explore new areas of interest while trying to understand the phenomenon (Wimmer & Dominick, 2014: 48). Being qualitative, this research belongs to the interpretivist tradition, which emphasises 'subjective understanding or interpretation' of human action (Babbie & Mouton, 2001: 30).

#### 4.3.3 Approach to research

The critical discourse analysis as a special approach in discourse analysis will be the best way to conduct this study. It is used to articulate findings from the three countries under study, the impact of Chinese investment through the OBOR, foreign policies applied between the case study countries and China and the different conditions of their contracts/arrangements entered into with China particularly when it comes to lending. The discourse analysis approach allows for this as it is concerned with articulating discursive conditions, components, the repercussions imposed by dominant (elite) groups and institutions. In the case of this specific research, the dominant (elite) groups and institutions are seen as the United States as a hegemon and its allies. China is viewed as a rising power and a counter power.



#### 4.3.4 Population

Babbie and Mouton (2001: 100) postulate that a population for a study is a group of people which we intend to draw conclusions from. For this study, it would mean all the countries where Chinese influence is prevalent could have been used as case studies. However, it is not possible to study all the eligible case study areas and thus only Tanzania, Kenya and Ethiopia were selected to represent the entire group that we are interested in.

#### 3.3.5 Units of Analysis

For the purpose of this study social artefact/cultural objects will be studied. These objects will be books, newspapers, journals and other written material for the sole purpose of describing and explaining (Babbie & Mouton, 2001: 87). Typically, individuals are usually the units of analysis but in this study, the case studies are the units of analysis since geographic regions are being studied (Babbie & Mouton, 2001: 86).

#### 4.3.6 Samples and sampling

Sampling involves the selection of a smaller group of subjects to echo the answers of a larger population if it had been asked questions (Glickens, 2003: 175). Qualitative researchers are less interested in sample representativeness, they are more concerned with finding cases that will enhance their learning and processes of a social life in a given context. Moreover, qualitative research uses nonprobability sampling, this means that the qualitative researcher chooses cases progressively while also focusing on their content as a reason for selection (Neuman, 2006: 222).

For this study, purposive sampling is the most appropriate method of sampling since it targets subjects with relevant qualities essential for the study at hand (Glickens, 2003: 185). While selecting cases to explore Chinese investment through the OBOR, their qualities will increase their chances of selection. Recently, China-Africa economic relations have dominated mainstream news with different quarters questioning the nature of the bilateral agreements between China and a number of African countries which have overall been kept secret. This has significantly influenced the researcher's decision to use Tanzania, Kenya and Ethiopia as case studies. In addition to this, the researcher was fascinated by the OBOR as one of China's mega projects which it primarily funds, its spread to the African continent which was initially not part of the OBOR route and the

geographic location of the participating countries. This has prompted the need to conduct a detailed study on the motives behind the OBOR on the continent as part of China's foreign policy.

#### **4.4 DATA COLLECTION**

The process of collecting data involved considering a large amount of work produced by theorists on China-Africa relations during the colonial era and post-Cold War period. The data collection process considered the development of the phenomenon throughout time and sought to accurately analyse the data to indicate the different turns that the phenomenon took until today. Therefore, dates and different role players such as the African, European, Americans and the Chinese were documented. The researcher used various policies such as Forum on China-Africa Cooperation Beijing Action Plan (2019-2021), Beijing Declaration-Toward an Even Stronger China-Africa community with a shared future, the fifth ministerial conference of the forum on China-Africa cooperation Beijing Action Plan (2013-2015), the Commonwealth and World Trade Policy. Moreover, journal articles were used while textbooks and various official websites were consulted and they provided updates on China-Africa relations.

#### **4.5 DATA PROCESSING PROCEDURES**

Since this study is about case studies, the researcher used the critical discourse approach to analyse the data. This enabled discourse on the relations of China with Tanzania, Kenya and Ethiopia through their participation in the OBOR. The discourse looks into the nature of China's investment in these countries, the conditions of participating and the lending. Moreover, the involvement of other major investor countries such as the United States as China's competitor China's involvement with Africa inherently involves the United States since it is the World's superpower. Therefore, the relations between the United States and China were drawn out through the concept of Gramsci's hegemony.

#### **4.6 DATA ANALYSIS TECHNIQUES**

The analysis technique used in this study is the Critical discourse analysis (CDA). Van Dijk (1995) cited in Ulinuha, Udasmoro and Wijaya (2013) describes the CDA as a special approach in discourse analysis. It engages and critiques power relations in both text and talk (Van Dijk, 2004). It is useful in the intervention of various political issues by examining how language allows people

to say things, do things and be things (Gee, 2011). Van Dijk (2008) further articulates that CDA calls for the demonstration of power abuse and its reproduction in society. Moreover, it demonstrates the manner in which social inequalities are perpetuated and how symbolic elites control public discourse. CDA is a method of inquiry that singles out political language and its various uses (Dockweiler, Putney & Jordan, 2015). According to Luke (2002) this analysis approach is embedded in critical social theory and draws from the works of Foucault, Bourdieu, Gramsci, Althusser and the Frankfurt school. The CDA does not only study power, dominance and inequality but also underlying ideologies involved in the reproduction of or resistance against dominance or inequality as well as consequences (Van Dijk, 2008).

#### 4.7 RESEARCH ETHICS

Although this research did not involve engagement with any human subjects, it received ethical clearance as per university regulations for all research studies. The dissertation abided by ethical guidelines which require it to be truthful and objective. I reported unexpected findings that were not in the pre-planned analytical strategy as suggested by Babbie and Mouton (2001: 526). The researcher avoided plagiarism of any work as much as possible by the acknowledgement of all sources used in the study (Babbie & Mouton, 2001: 527). Furthermore, the Harvard referencing method was used for in-text referencing and the bibliography and to guarantee that no plagiarism was committed the Turn-It-In similarity check software was used.

#### 4.8 RESEARCH QUALITY

The qualitative research methodology is concerned with providing meaning and understanding of the phenomenon under study. It cannot in anyway generalize its results to the larger population because of its low representativeness, to solve this, objectivity, validity and reliability can be used as paradigmatic factors (Babbie & Mouton, 2001: 274). The study at hand falls under the interpretive paradigm, therefore, to enhance validity and reliability triangulation was used. Trustworthiness was used to argue research quality, four principles of trustworthiness can be used to measure trustworthiness. They are credibility, transferability, dependability and confirmability (Babbie & Mouton, 2001: 276). According to Babbie and Mouton (2001: 276) the notion of trustworthiness is the key to good qualitative research, through trustworthiness an inquirer asks of ways the audience can be persuaded that the findings reported are sound. Moreover, for that

trustworthiness to be considered as valid it needs to be reliable, transferable to be credible and can only be deemed credible when it is dependable (Babbie & Mouton, 2001: 276).

#### **4.9 CHAPTER SUMMARY**

Research methodology is by far the most critical part of the research process, it carves the route the research will take. The choice of the correct research methodology ensures research quality, research can be proven to be credible because of the method of analysis it uses. The CDA was used to analyse data. The data in a form of text allowed for critical analysis of all the themes pertaining to the study of China's OBOR. Through the CDA, China was identified as dominant and as a competitor of the West. The CDA also allow for the analysis of China as a possibly abusive power in its capacity as an investor in Africa. The theme of debt diplomacy in the study explored that.

## CHAPTER 5: RESEARCH FINDINGS AND DISCUSSION

### 5.1 INTRODUCTION

The analysis of data is an important step in the research process. Neuman (2011: 507) suggested that data analysis enables the researcher to organise data collected while also integrating and examining it to make sense of it. For this research, three case studies were chosen. OBOR as one of China's major projects has gained great attention in recent times. However, the researcher hoped to breakdown the OBOR initiative and process data for the three case studies as components of the Maritime Silk Road Initiative (MSRI). Moreover, the relevant data was collected from reliable sources with the intention to bring out and even highlight the most crucial details of the OBOR in Africa. To understand the OBOR as an investment strategy in East Africa, the importance of geographical positioning of Ethiopia, Tanzania and Kenya will be explored, as well as projects that were planned and those that have already been completed under the OBOR. The role of finance and debt within the OBOR will also be observed to highlight contrasting opinions on China-Africa relations. China's loan footprint in Africa as a whole and in Ethiopia, Kenya and Tanzania will also be highlighted in this chapter.

As one of China's most ambitious projects, the OBOR is ever evolving new countries come on board all the time. Therefore, it is no secret that the number of members from its announcement to the present day have increased significantly particularly in Africa. While at first the OBOR had mainly targeted the East Africa and North Africa, Nedophil (2020) reports that today we see a growing number of members from all parts of Africa, these include Zimbabwe, Nigeria, Mali and the Republic of the Congo amongst many other members. The focus on East African countries provides an insight into the dealings of China in one of the first countries on the MSRI route in Africa.

### 5.2 GEOGRAPHIC POSITIONING OF ETHIOPIA, TANZANIA AND KENYA

China's revitalized foreign policy includes its OBOR initiative which is aimed at countries of Asia, Oceania, Europe and Africa. The intention as articulated by Ehizuelen et al (2017) is to boost growth and human development through infrastructural connectivity, augmented trade and investment. This initiative thus promises to offer Africa opportunities for international economic cooperation. Africa as a participant falls under the 21<sup>st</sup> Century Maritime Silk Road component, it is considered to be amongst the key global growth points. Its inclusion in the OBOR was sparked

by its interaction with China through the Forum on China-Africa Cooperation. Ehizuelen et al (2017: 287) mentioned that although Africa is involved, it does not play a huge role in the OBOR since the OBOR route only touches a few countries in East Africa. Most of these participating African countries have ports or have access to them, their participation therefore qualifies them to be under the Maritime periphery. According to Lim (2015: 2), the maritime component covers key ports and the maritime trade routes of South China Sea and the Indian Ocean. The MSRI is therefore a passage mainly across water bodies. However, modern highways, airports, and high-speed railways have been included into the component.

(Blanchard & Flint, 2016; ZiroMwatela & Changfeng 2016; Mukwaya & Mold, 2019) note that the participating east African are Djibouti, Kenya, Madagascar, Mozambique, Ethiopia, Tanzania and Egypt. As of 2020, Nedophil (2020) mentions that there are about 138 countries that have signed the memorandum of understanding as part of the OBOR. 38 of these countries are in Sub-Saharan Africa, 17 of these countries are in the Middle East and North Africa, 34 countries are in Europe and Central Asia, 25 are in East Asia and pacific, 18 are in Latin America and Caribbean and 6 countries are in South East Asia.

Table 1: African countries in the One Belt One Road Initiative (OBOR)

Country	Region	IncomeGroup
Algeria	Middle East & North Africa	Upper middle income
Angola	Sub-Saharan Africa	Lower middle income
Bahrain	Middle East & North Africa	High income
Benin*	Sub-Saharan Africa	Low income
Burundi	Sub-Saharan Africa	Low income
Cabo Verde	Sub-Saharan Africa	Lower middle income
Cameroon	Sub-Saharan Africa	Lower middle income
Chad	Sub-Saharan Africa	Low income
Comoros*	Sub-Saharan Africa	Low income
Congo, Rep.*	Sub-Saharan Africa	Lower middle income
Côte d'Ivoire	Sub-Saharan Africa	Lower middle income
Djibouti	Middle East & North Africa	Lower middle income

Country	Region	IncomeGroup
Egypt, Arab Rep.	Middle East & North Africa	Lower middle income
Equatorial Guinea	Sub-Saharan Africa	Upper middle income
Ethiopia	Sub-Saharan Africa	Low income
Gabon	Sub-Saharan Africa	Upper middle income
Gambia, The	Sub-Saharan Africa	Low income
Ghana	Sub-Saharan Africa	Lower middle income
Guinea	Sub-Saharan Africa	Low income
Iran, Islamic Rep.	Middle East & North Africa	Upper middle income
Iraq	Middle East & North Africa	Upper middle income
Kenya	Sub-Saharan Africa	Lower middle income
Kuwait	Middle East & North Africa	High income
Lebanon	Middle East & North Africa	Upper middle income
Lesotho	Sub-Saharan Africa	Lower middle income
Liberia	Sub-Saharan Africa	Low income
Libya	Middle East & North Africa	Upper middle income
Madagascar	Sub-Saharan Africa	Low income
Mali	Sub-Saharan Africa	Low income
Malta	Middle East & North Africa	High income
Mauritania	Sub-Saharan Africa	Lower middle income
Morocco	Middle East & North Africa	Lower middle income
Mozambique	Sub-Saharan Africa	Low income
Namibia	Sub-Saharan Africa	Upper middle income
Niger*	Sub-Saharan Africa	Low income
Nigeria	Sub-Saharan Africa	Lower middle income
Oman	Middle East & North Africa	High income
Qatar	Middle East & North Africa	High income
Rwanda	Sub-Saharan Africa	Low income

Country	Region	IncomeGroup
Saudi Arabia	Middle East & North Africa	High income
Senegal	Sub-Saharan Africa	Low income
Seychelles	Sub-Saharan Africa	High income
Sierra Leone	Sub-Saharan Africa	Low income
Somalia	Sub-Saharan Africa	Low income
South Africa	Sub-Saharan Africa	Upper middle income
South Sudan	Sub-Saharan Africa	Low income
Sudan	Sub-Saharan Africa	Lower middle income
Tanzania	Sub-Saharan Africa	Low income
Togo	Sub-Saharan Africa	Low income
Tunisia	Middle East & North Africa	Lower middle income
Uganda	Sub-Saharan Africa	Low income
United Arab Emirates	Middle East & North Africa	High income
Yemen, Rep.	Middle East & North Africa	Low income
Zambia	Sub-Saharan Africa	Lower middle income
Zimbabwe	Sub-Saharan Africa	Low income



### 5.3 MARITIME SILK ROAD PROJECTS

Figure 2: Infrastructure projects being planned and undertaken as of December 2015 in China's Belt and Road initiative.



### 5.3.1 Projects planned for Kenya

As a member of the OBOR, Kenya has found itself as the point of entry for the maritime Silk Road into Africa from Asia (Dossou, 2018: 5). Its positioning has allowed for a new chapter in China-Kenya cooperation. To mark this new chapter, Kenya signed agreements with China which outline China's technical cooperation and financial assistance and an agreement with a framework for strengthening cooperation in productive capacity (Dossou, 2018:5). This bilateral cooperation resulted in plans that were initially made for different projects in Kenya being kick started. These projects included the construction of ports and roads, the 845 kilometre long Mombasa-Nairobi railway line financed with a concessionary loan from China's Exim bank estimated at US\$ 3 billion, in addition to the construction of the Mombasa Port Terminal and Mombasa Special Economic Zone.

Figure 3: Mombasa-Nairobi Standard Gauge Railway (SGR) launched in 2017



Figure 4: Kenya's new terminal at Mombasa port in 2016



Figure 5: Mombasa Special Economic Zone

**Mombasa SEZ at Dongo Kundu**

- ◆ The First-Ever and All-New SEZ in Kenya
- ◆ Proximity to Mombasa Port
- ◆ Industrial Cluster Development

The map illustrates the layout of the Mombasa SEZ at Dongo Kundu. It features several key zones: a Multi Purpose Port, a Freeport Zone, a Residential Zone, a Free Trade Zone, an LNG power plant, an Industrial Zone, and a Highway (Southern Bypass). An inset map shows the location of the SEZ within Mombasa, highlighting its proximity to the port and the city center. The map also includes labels for MICE and a compass rose.



### 5.3.2 Tanzania planned projects

As part of the Maritime Silk Road Component of the OBOR, Tanzania also has a number of projects planned and some already completed since Chinese President Xi Jinping launched the OBOR. As part of the essential route of the MSRI in East Africa, Tanzania is in the best position to benefit from the initiative. Under the OBOR, Tanzania has had numerous bilateral exchanges with China and the two countries have also embarked on a number of infrastructure projects together. The projects include the construction of a road that is expected to link Tanzania's former capital Dar es Salaam with the northern city of Kagera.

In addition, there is the \$135 million Kigamboni Bridge in Dar es Salaam which connects Kigamboni and Kurasini completed in 2019. The Kigamboni project was undertaken by two Chinese companies as joint venture, the China Railway Construction Engineering Group (CRCEG) and China Railway Major Bridge Group (CRMBG). The completed project is 32 metres wide with six lanes, three in each direction and two pedestrian and cyclist lanes with a width of 2.5 metres on each side of the three lanes (Huaxia, 2019). Another project that was initially planned was the construction of the Bagamoyo Port Project, and an agreement for this project was signed in 2013. However, the project was suspended since former President Jakaya Kikwete, President John Magufuli's predecessor, poorly negotiated its conditions. A number of various African organisations condemned the agreement and labelled it as a "killer Chinese loan" to which President Magufuli added that its conditions were equivalent to selling Tanzania to China (Mittal, 2020).

Figure 6: The completed 32 metre wide Kigamboni Bridge



### 5.3.3 Planned projects for Ethiopia

Although Ethiopia is a landlocked country, it is strategically located on the horn of Africa and it is neighbours with countries that have coastlines. Its positioning allows for easy port accessibility with neighbouring countries particularly, Djibouti. Lilley (2018) indicates that Ethiopia can access ports in the neighboring Sudan, Somaliland and Eritrea but prefers the Djibouti port for a number of reasons. One of the main reasons being Eritrea and Ethiopia's historical rivalry which amongst many other issues involved a border dispute in which the two countries were claiming authority over a borderland area (Demissie, 2020).

In 2018, the two reached a peace deal which marked the beginning of economic, cultural and security cooperation. Therefore, given these factors, Ethiopia has been more inclined to Djibouti, also of the two countries' closer political and economic relationship. Moreover, in the entire region, Djibouti has more developed facilities and enjoys political stability and an investment friendly atmosphere due to the presence of the only permanent US military base on the continent. When Ethiopia and Eritrea were at war, Ethiopia had no choice but to rely on the Djibouti ports as it had lost access to the Eritrean port. Since then, Djibouti has processed an estimated 95 percent of Ethiopia's imports and exports while Djibouti has relied on Ethiopia for imports of freshwater and electricity. Annually, Djibouti has been estimated to receive 1 billion USD in profits processed through its ports into and from Ethiopia (Demissie, 2020).

Ethiopia's reliance on Djibouti's ports has led to a collaboration between China and Ethiopia to build an express way with the intention to significantly increase Ethiopia's access to maritime trade. Ethiopia then became the first beneficiary of the initiative to construct the Addis Ababa-Djibouti link (Xuequan, 2018). It is however important to understand that there was a railway line that existed and was originally constructed in 1917 which linked Ethiopia and Djibouti via Dire Dawa and covered 780km. This first railway as a major cargo entry deteriorated because of poor maintenance and management, therefore, its modernisation was inevitable due to its importance.

The modernisation project was owned jointly by the Ethiopian and Djibouti governments and was executed by the China Railway Group and China Civil Engineering Construction Corporation. The modernisation was initiated in 2011 with its construction. The project was then inaugurated in May 2014 with a partial funding from the Export-Import Bank of China and constructed by the China Communications Construction Company using Chinese technology and standards.

Its first freight services were launched in November 2015 and a first train containing 1.125t of international food assistance departed from Djibouti to Ethiopia in December 2015. The year 2016, the Ethiopian side of the railway commenced with a trial service of the train in October followed by the Djibouti section in January 2017. The total investment for the project is \$4 billion, with each side footing the bill. The Ethiopian side of the railway cost \$3.4 billion while the Djibouti government contributed \$878million for its side of the project. \$505m of the \$878m was awarded to the China Railway Construction Corporation (CRCC) as a contract to build the Djibouti section in 2012. Ethiopia received 70% of finance for its side of the project from the China Exim bank and the remainder came from its government (Railway Technology, 2020).

Another project that China invested in through the OBOR in Ethiopia is the Eastern Industrial Zone which was the result of the mutual desire for Economic Zone based cooperation formulated during the 2006 FOCAC conference. An "oriental industrial park" which is located an hour away from Addis Ababa. This area comprises of industries that deal with steel and textiles, these industries are afforded tax incentives offered by the Ethiopian government in order to attract outward direct investment (ODI). From this park alone, 30 companies set up shop there and have employed 15000 people (Lin, Turner & Jackson, 2018). This industrial park is also set to manufacture smart phones. Moreover, through another industrial park, the Hawassa Industrial

Park, China invested \$250 million for the apparel industry in Ethiopia with the aim to employ 20,000 Ethiopians by 2019 (Lin et al., 2018).

Figure 7: The Ethiopia-Djibouti railway line project at the 2016 inauguration



Figure 8: The gate of the Chinese owned Eastern Economic Zone

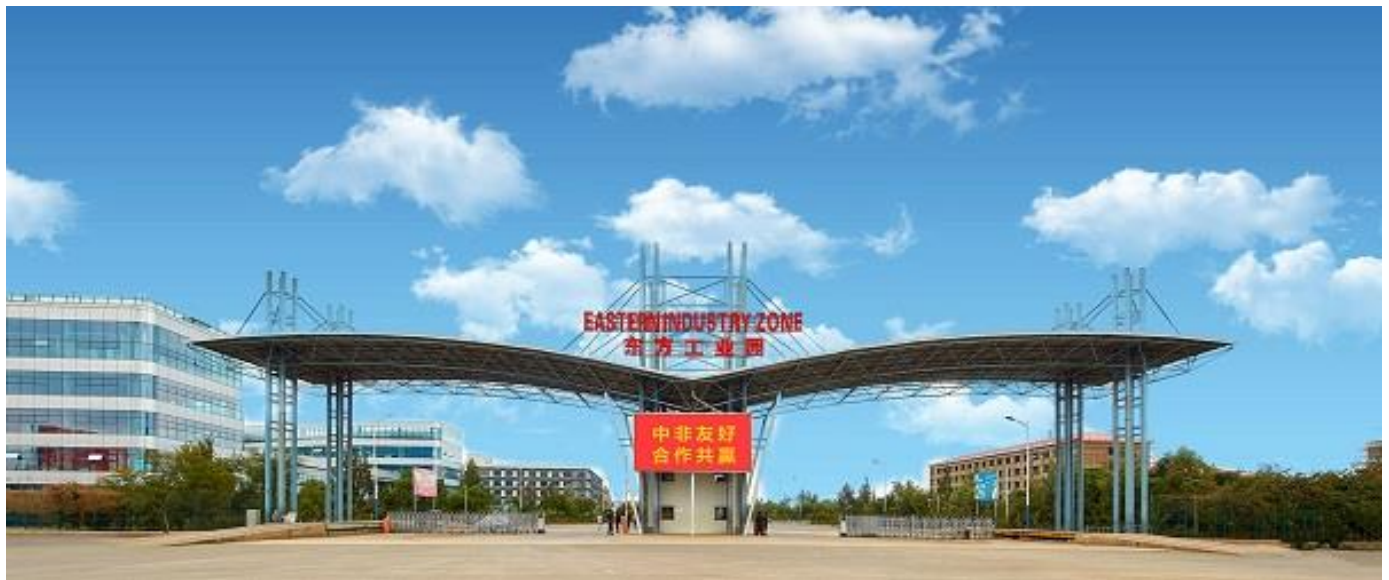


Table 2: Chinese built industrial parks in Ethiopia

No	Name of parks	Site & Location from Addis Ababa	Kms from Addis Ababa	Proximity to the port (Djibouti)	delimited land (hectare)	Phase I (hectare)	Eligible industries (only major ones)	completion period of Phase I
1	Addis Industry village	Addis Ababa	Addis Ababa	863	8.7	8.7	Apparel	operational
2	Bole lemi I	Addis Ababa	Addis Ababa	863	156	156	Apparel	operational
3	Bole lemi II	Addis Ababa	Addis Ababa	863	186	186	Textile & Apparel	2017
4	Kilinto	Addis Ababa	Addis Ababa	863	337	337	Food processing, pharmaceutical, furniture, house appliance, electronic & electrical	2017
5	Hawassa	South	275	998	300	100	Textile & Apparel	2016
6	Dire Dawa	East	473	380	1500	150	Textile and Apparel, vehicles assembly and Food processing	2016
7	Kombolcha	North-East	380	480	700	50	Textile & Apparel, Food processing,	2016
8	Mekelle	North	760	750	1000	50	Textile & Apparel, Food processing,	2016
9	Adama	South-East	74	678	2000	100	Textile & Apparel, vehicles assembly and Food processing	2016
10	Bahir Dar	North-West	578	985	1000	50	Textile & Apparel, Food processing,	2016/2017
11	Jimma	South-West	346	1098	500	50	Textile & Apparel, Food processing,	2016/2017

#### 5.4 CHINESE INFRASTRUCTURE INVESTMENT

The OBOR as a centre piece of China’s foreign economic policy has over the years been highly debated, criticized and at times sparsely praised. It is however undoubtable that this initiative that was primarily intended to focus on the Eurasian continent has had significant impact on the African continent and its infrastructure development as well as many other sectors (Chen, 2018). With China’s backing through the OBOR, Africa’s national infrastructure and regional plans continue to come to fruition. These projects that have been undertaken under the OBOR in participating African countries are for the purposes of accelerating existing African infrastructure growth initiatives, investment in new infrastructure projects and industrial cooperation (Chen, 2018).

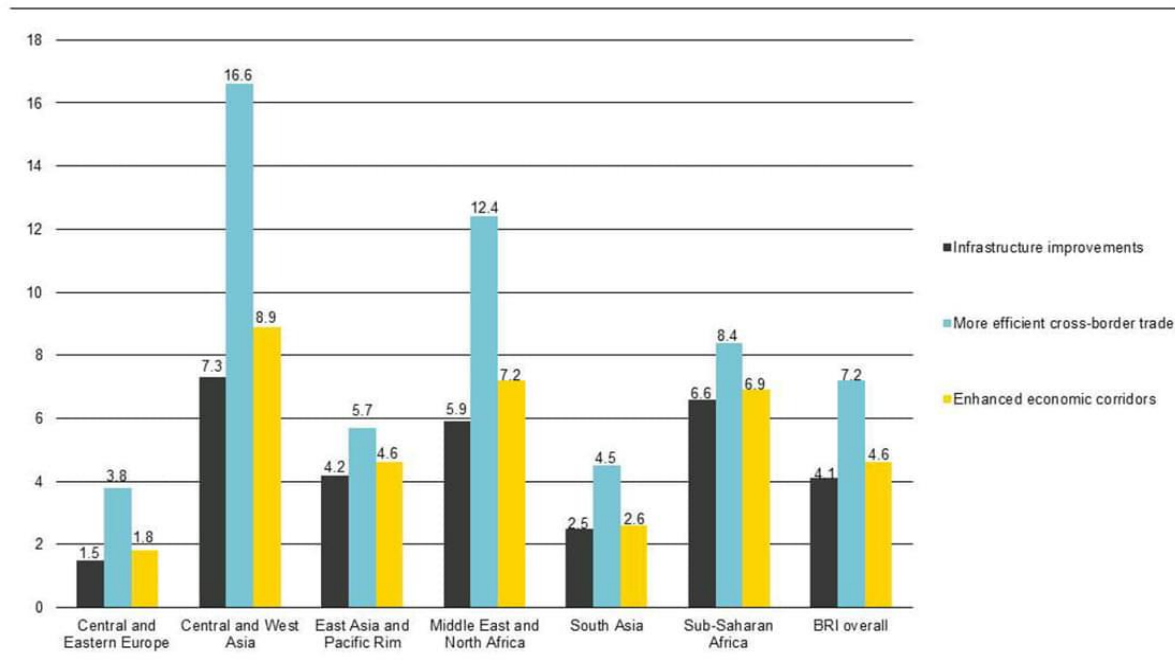
According to Chen (2018) the OBOR is necessary since it addresses Africa’s infrastructure gap while also mobilizing necessary finance. So far, the OBOR’s focus on the continent has primarily been in East Africa and North Africa. The infrastructure projects in those countries have been financed through Chinese loans in order to build ports, transports and industrial infrastructure.



These projects can also be identified in the countries chosen as case studies for this research, Ethiopia, Kenya and Tanzania. These case study countries fall under sub-Saharan countries and research conducted by World Bank in 2019 showed the estimated significant growth in Sub-Saharan Africa. In Sub-Sahara infrastructure improvements are expected to boost trade by 6.6%, efficient cross-border trade by 8.4% and enhanced economic corridors by 6.9%. Overall, the OBOR is expected to have a 7.2% growth in terms of efficient cross border- trade. The five core elements of the OBOR as a driver of GDP growth and trade are growing consumer goods sectors, infrastructure expansion, trade and investment, financial integration and modernisation of global economic corridors. These statistics associated with boost in trade as a result of the OBOR are in line with these five core elements articulated in the World Bank Group's research report "Trade Effects of the New Silk Road" which was published in January 2019 (Investerest, 2019).

Figure 9: Trade Effects of the OBOR published in 2019

**Trade Effects of the New Silk Road**  
World Bank Group study



Source: World Bank Group, "Trade Effects of the New Silk Road" 2019

**5.5 FINANCING FOR CHINA’S OBOR**

China’s support for Africa’s plans for infrastructure development did not only begin in 2013 when President Xi Jinping launched the OBOR. At the turn of the century (around 2000) when FOCAC was launched, China began making plans for its ‘new’ Africa policy. Those plans included the implementation of three-year Africa engagement plans (Marais & Labuschagne, 2018). To finance these infrastructure projects in Africa two policy banks were employed, the China Exim Bank with the expectation that it would provide 67% of the total loans from 2000 to 2015. The other loans would be issued by the China Development Bank and it would cover 13% of these loans. Since then, China has financed an average of US\$11.5 billion of Africa’s infrastructure projects between 2012 and 2016. In 2015 alone, the amount had peaked to US\$20.9 billion for financing larger transport and energy deals.

African countries prefer Chinese loans because they are offered at subsidized and relatively low rates with a maturity of 15 years or more. Other sources of funding are from the China-Africa

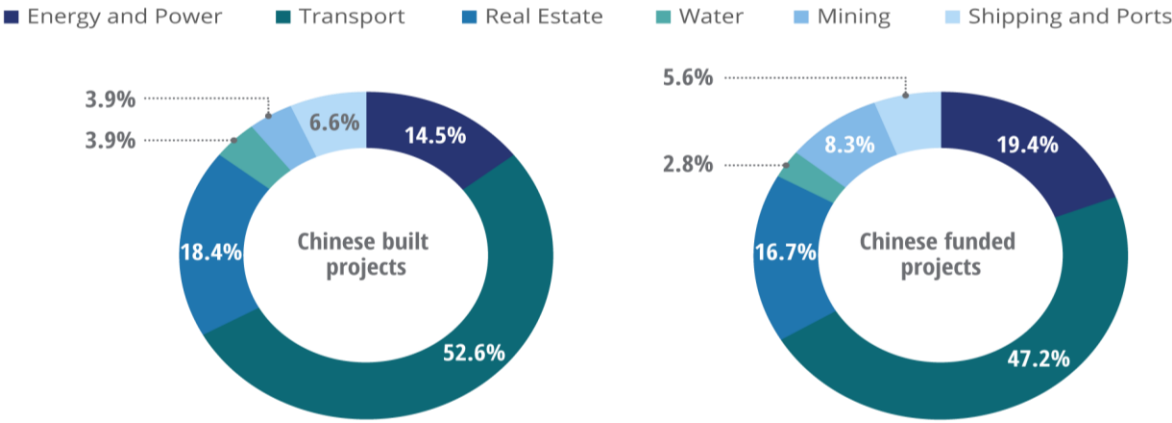
Development fund, by 2018 it had invested US\$4.6 billion in 36 African countries and over 90 projects (Marais & Labuschagne, 2018). They reported that Africa has an investment financing gap of US\$100 billion or more and that China could hardly fulfill that need solely. China however still plays a crucial role in providing funding and this is seen through its continued commitment. In 2018, President Xi Jinping committed to a further funding of US\$60 billion for funding while also exempting a portion of African debt set to mature at the end of 2018. The US\$60 billion funding package comprised of US\$15 billion of interest-free or concessional loans, US\$20 billion of credit loans, US\$ 15 billion of special loans, and US\$10 billion in FDI.

The China-Africa Infrastructure Cooperation Plan which was co-written by China and the African Union (AU) carefully outlines China's intention for strengthening its cooperation with Africa for mutual benefit. They will work together in infrastructure planning, construction, design, operation and maintenance. China will further participate in the construction of a railway, highway, regional aviation, and port and telecommunications infrastructure in Africa (Marais & Labuschagne, 2018).

Since the plan, China has funded various projects in East Africa, its major investment has been in transportation at 47.2% followed by energy and power at 19.4%. China has also funded a total of 16.7% of Africa's real estate projects followed by mining at 8.3%. Shipping and Ports at 5.6% and water at 2.8% (Marais & Labuschagne, 2018).

Figure 10: China's financing and building activity in East Africa, by sector

### China's I&CP financing and building activity in East Africa, by sector



Source: Deloitte Africa Construction Trends, 2018 data.

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### 5.6 DEBT TRAP DIPLOMACY

Across Ethiopia, Kenya and Tanzania, Chinese loans and government contributions have financed various projects which are complete and some still in progress. However, since the commencement of these projects, various stakeholders have questioned the increased lending for proposed infrastructure projects. Chen (2018) stated that the rapid growth in Chinese lending specifically under the OBOR posed latent risks for African economies. The risks involved warrants some scrutiny in terms of sustainability, debt burdens and project impacts.

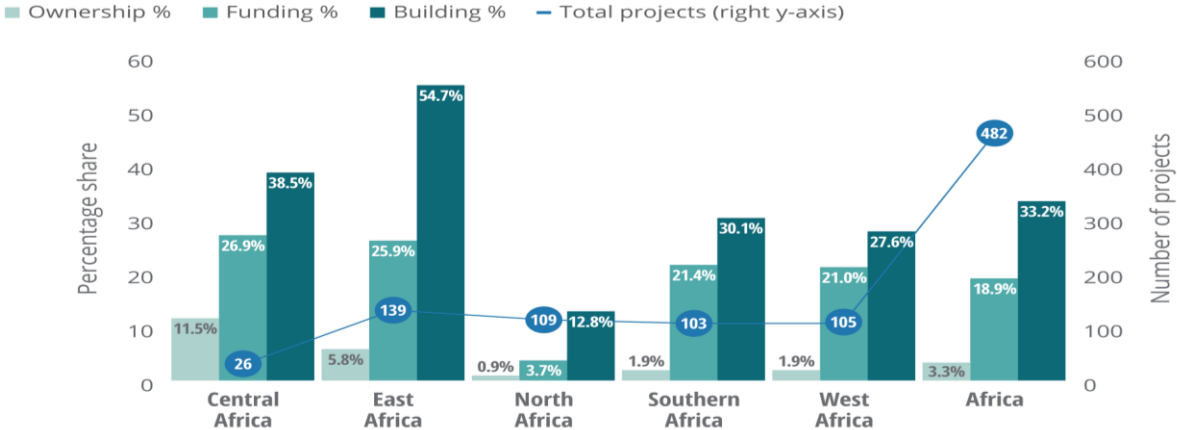
In terms of the risks involved, there has been a rise in articles written on China's foreign policy involving the OBOR particularly sparked by the West. The term that emerged was 'Debt Trap' or 'Debt Trap Diplomacy' particularly referring to the case of Hambantota in Sri Lanka. With that specific case the Sri Lanka government was forced to sign its Chinese funded port away on a 99-year old lease as a result of failure to repay Chinese loans (Carminati, 2019).

Marais and Labuschagne (2018) provide statistics on China's share of regional and continental project activity in Central Africa, East Africa, North Africa and Southern Africa, West Africa and lastly an overview of Africa as a whole. It provides an insight in China's trends in terms of ownership of its projects in Africa. Since some scholars have criticised China and accused it of "Debt Trap", it shows figures of the projects that China own, funded and built. The 2018 Deloitte report shows China building 57% of the projects in East Africa while providing funding for 139

of the projects and has ownership of 5.8% of those projects in East Africa alone. By 2018, China had participated in over 200 infrastructure projects in Africa (Marais & Labuschagne, 2018).

Figure 11: China’s share of regional and continental project activity under the OBOR

**China’s share of regional and continental project activity**



Source: Deloitte Africa Construction Trends, 2018.

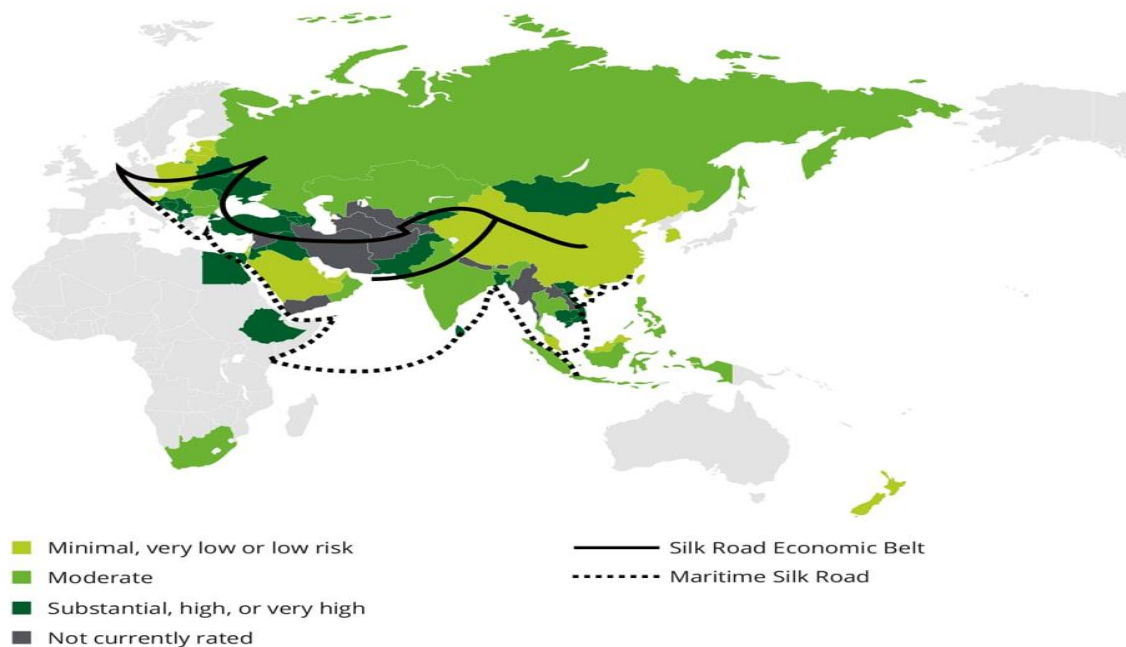
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Moreover, the risks involved are the credit ratings for countries listed under the OBOR. Countries along the horn of Africa display a substantial, high, or very high risk, these countries may also include Ethiopia. The other two countries, Tanzania and Kenya are not currently rated even though they have also qualified for Chinese funding and which is concerning since their consideration could have been driven by political considerations rather than commercial needs. Deloitte (2018) reported that more than half of the countries participating under the OBOR have ratings of “junk” or not graded as in the case of Tanzania and Kenya

Figure 12: OBOR participating countries' ratings

**Risky route**

More than half the nations listed under BRI are rated "junk" or not graded



Source: Chinese government; Bloomberg.

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### 5.7 KENYA, ETHIOPIA AND TANZANIA'S STAKE IN OBOR FUNDING

China has extended hundreds of large loans to Africa through the OBOR and continues to do so. Niambi (2009) stated that in the past two decades China invested more in Africa more than ever to rekindle their old friendship, countries such as Ethiopia have borrowed an estimated 12.1 billion USD since 2000. These loans have different terms and conditions attached to them, for example loans from China's Exim bank are applicable for debt relief. To date, the Chinese government has not released the extent of their loans to Africa. China simply releases amounts that they expect to loan out to countries for example the US\$60 billion it set aside for the OBOR in Africa during the period of 2018. It is from that amount that countries receive a share of their own through preferred and available loans for infrastructure projects. As a result, researchers need to continue to track the loans and the amounts that countries receive from China. Countries usually declare the amounts they received from China as loans but it is in the spending of those loans that the transparency is lost. The China-Africa Research Initiative team at Johns Hopkins University tracked some of those loans. Their 2020 findings indicate that African governments and State-Owned Enterprises (SOEs)

received 1,000 loans amounting to US\$152 billion between 2000 and 2018 from China (Furness, 2020). Overtime, the loans have led to accumulated external debt in Djibouti, Ethiopia, Kenya and the Maldives because of their build up. At the 2018 FOCAC meeting, President Xi Jinping announced that all the interest free loans that China had issued would be written off. This however applied to Africa's least developed countries that have diplomatic ties with China. Moreover, Ethiopia as one of China's highest loan recipient received an extension to its loan repayment timelines. The repayment period was extended from 10 years to 30 years. Ethiopia's high volumes of debt make it challenging for it to receive full write-downs (Furness, 2020).

Furthermore, Chen (2019) states that Ethiopia is one of China's second largest borrower in Africa. She notes that Ethiopia received another Chinese debt-concession for the purpose of funding OBOR related projects. These concessions point out to an ongoing debt-struggle Ethiopia has due to taking on large Chinese funded projects under the OBOR. She points out that Ethiopia had earlier on successfully negotiated for a loan repayment extension in 2018, that particular loan was used for the commercial railway. Another issue she highlights is China's flexibility in terms of the loan repayments, she argues that it is because of this reason that Ethiopia has missed out its repayments. This is diametrically opposed to the lending and repayment relationship between Ethiopia and her European creditors, Ethiopia has never missed a payment since penalties are tougher (Chen, 2019).

At the inception of the OBOR in 2013, China's lending was below US\$100 billion but by 2016 it had reached US\$400 billion. From 2016 to 2019 the loan amounts had almost doubled and exceeded US\$700 billion. These amounts display the rapid lending China has undertaken since the inception of the OBOR in 2013. This type of lending with varying repayment conditions calls for scrutiny into the impact of these loans on the recipient countries.

Figure 8 shows the number of countries with the largest external debt stock as of 2019. The Maldives had the highest external debt at 95%. The East African country that was in the forefront was Djibouti followed by Ethiopia with 50 % then Kenya at 38%. These countries have excessive debt from China due to their participation in the OBOR. They had to acquire funding from China in order to kick start their OBOR projects. Their excessive debt burdens resulted in renegotiations of OBOR projects where they got to state their concerns. China has since altered terms on debt estimated at US\$ 50 billion incurred by African countries. These renegotiations have also led to

countries such as Tanzania to withdraw some of their projects such as the Bagamoyo because of some of the terms that they did not agree with which have the potential land them in a deeper debt crisis with China (Furness, 2020).

Figure 13: China’s cumulative BRI lending

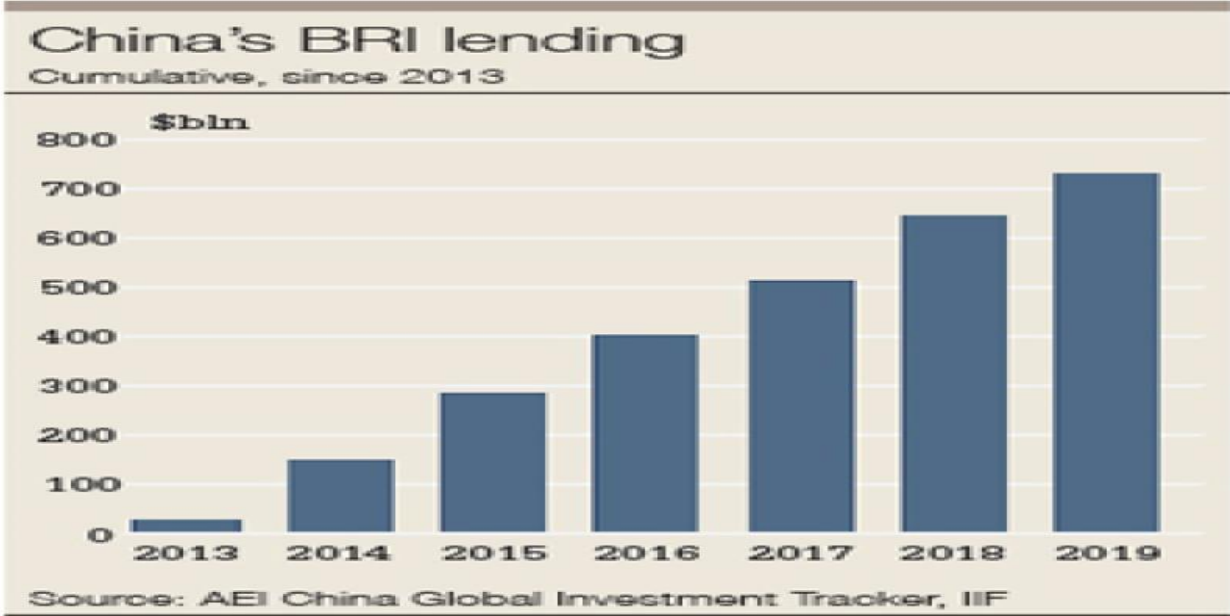
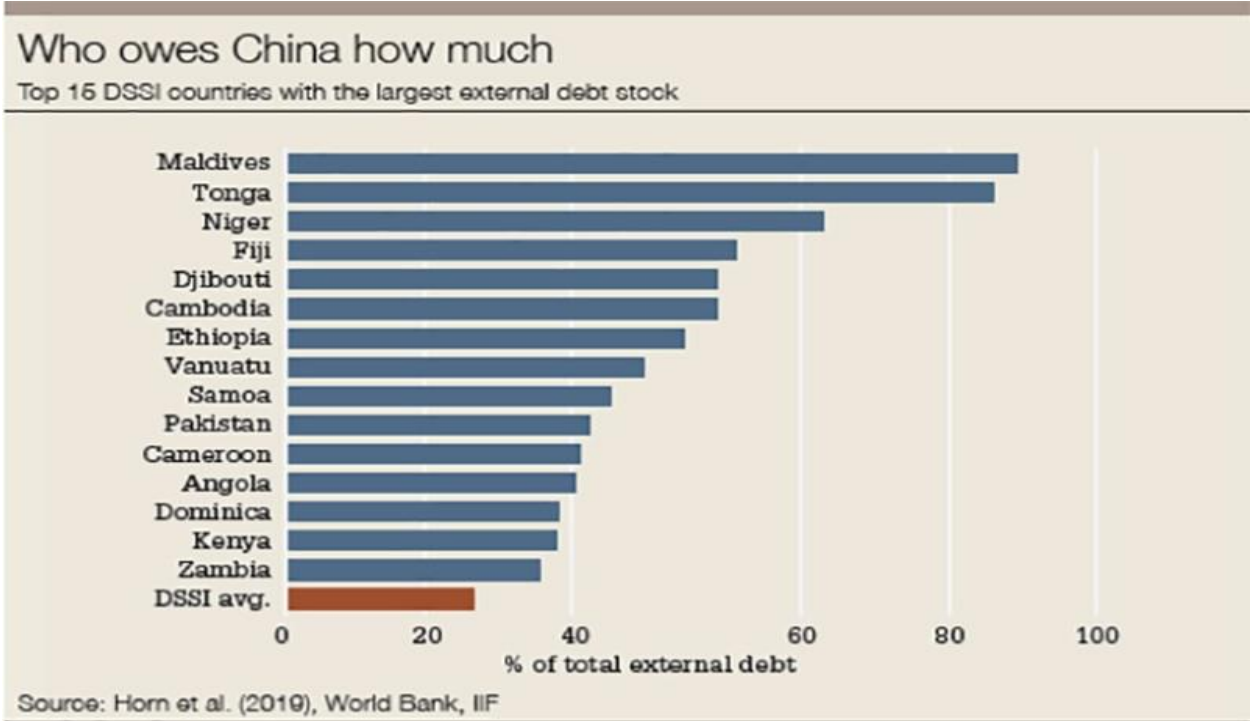


Figure 14: TOP 15 countries with the largest debt stock from China





## 5.8 OBOR CONTROVERSIAL PROJECTS

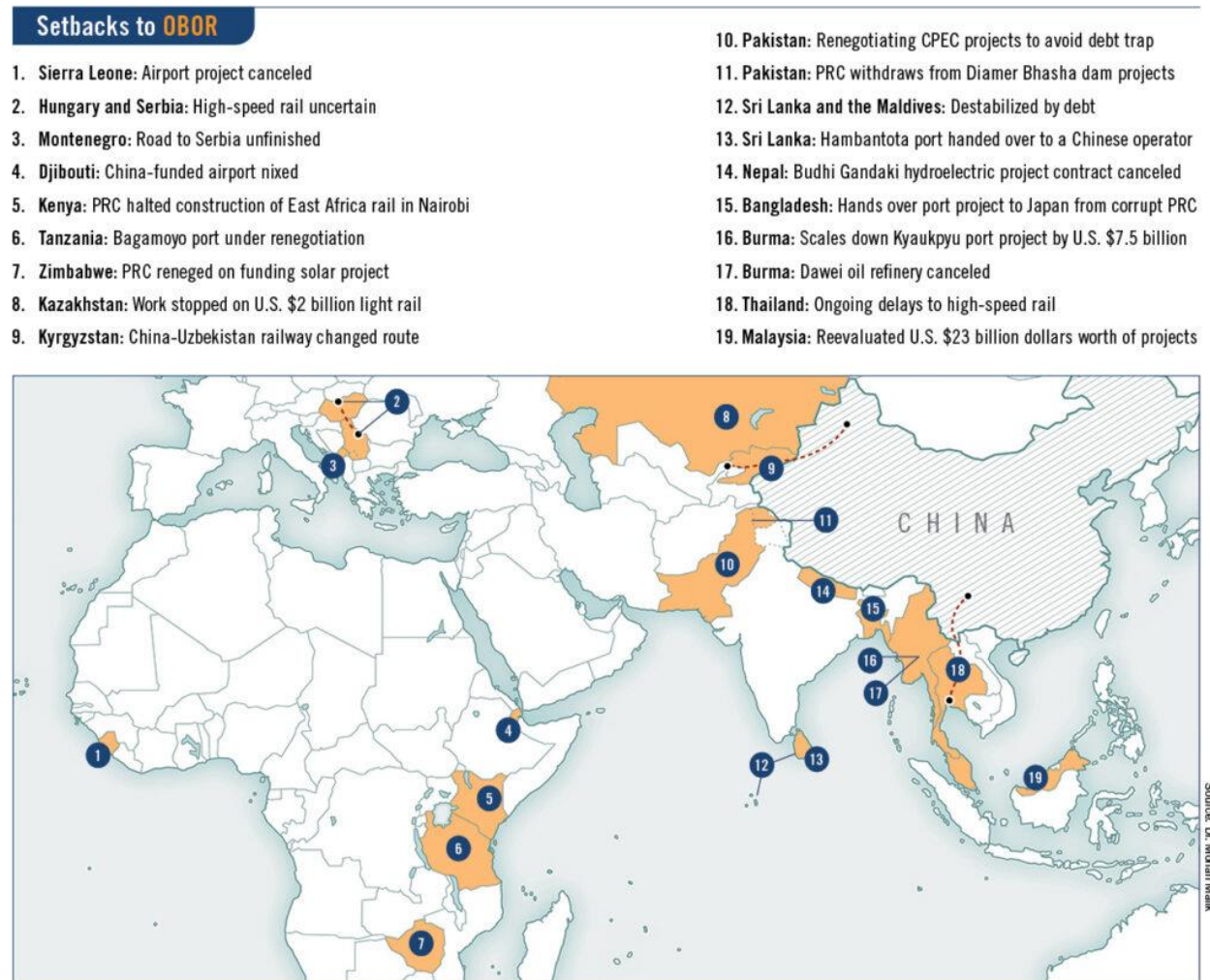
Unfortunately, controversies surrounding the OBOR and its funding strategies did not just end there but actually marked the beginning of the flaws within the OBOR initiative. On the African Continent, various countries have also found themselves in compromised positions because of the agreements they signed with China for the OBOR infrastructure projects. In Tanzania already, the Bagamoyo Port Project was suspended because it was considered exploitative. The project was worth \$10 billion and was backed with Chinese funding. The Bagamoyo Port issue raised concerns because of the hefty amount involved to construct it as well as the condition to lease it China for 99-years. These terms mimicked those of the Hambantota port in Sri Lanka which was later ceased by China after failure to make repayments. After renegotiations, China changed the Bagamoyo Port lease to 33 years with China Merchants Holdings International (CMHI) in 2019. (Mittal, 2020).

The conditions after renegotiation were undertakings to permit China to rent the port while also limiting Tanzania's jurisdiction and thus limiting Tanzania's future potential investments. Tax holidays and special statuses were also removed, the latter meant that electricity and water would be procured by the China merchants at the prevailing market rate. Furthermore, the CHMI was not permitted to run any other businesses on the port. The renegotiated agreement also made it impossible for the Tanzania government to develop any other ports. With these terms on the table, the Tanzania's President cancelled the project in April 2020. The project involved the three governments of China, Oman and Tanzania as well as the China Merchant Group and State General reserve fund (SGRF) In Kenya, a coal power plant in Lamu Island that was announced in 2015 was also halted. This was as a result of protests by locals voicing concerns over the environmental and economic viability of the project. The Industrial and Commercial Bank of China was set to finance the project with a US\$ 900 million loan (Venkateswaran, 2020).

By 2020, various projects that were planned in different parts of Africa especially in East Africa were either completed or encountered challenges. In Kenya, the PRC had halted the construction of the East Africa railway in Nairobi over the eruption of protests over the fact that the railway line crossed the Nairobi national park, the project later commenced after renegotiation. The

Bagamoyo Port went under a series of negotiations as stated by (Mittal, 2020) but was later suspended as the Tanzania government did not agree with the terms after all the negotiations.

Figure 15: OBOR countries with project setbacks



## 5.9 COUNTER ARGUMENTS ABOUT THE OBOR IN AFRICA

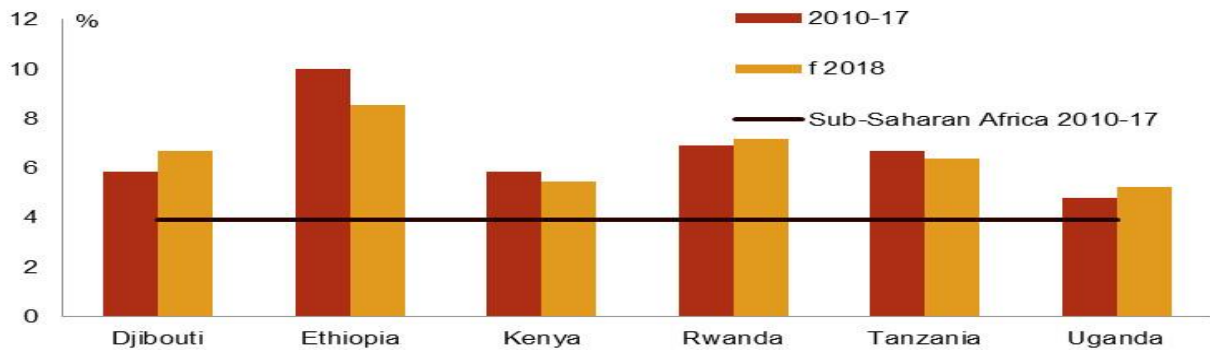
There are different views on China in Africa. Particularly, on the issue of African countries' participation in the OBOR and the loans they have acquired for the purposes of infrastructure development. Regarding the of debt trap claims mostly made by the West, Ethiopia's Prime Minister challenged the claims and that "There are some that say we are adding more debt to the country's already high debt. But borrowing from the IMF and World Bank is like borrowing from one's mother", meaning that the IMF and the World Bank would always support Ethiopia with sound terms whenever in need of financial assistance despite its financial woes (Politico, 2020).

This was after Ethiopia had received a further \$ 9 billion in financial aid from Western donors, the IMF as well as the World Bank with the aim to reduce dependence on China. He also explained that borrowing from China to build a railway linking Ethiopia to Djibouti is what hurt Ethiopia since they had to repay the debt before the completion of the construction (Politico, 2020).

The President of Kenya, Uhuru Kenyatta stated “As the Kenyans know very well, our country has greatly benefitted from Chinese investment, especially in infrastructure”. He further mentioned that it was because of their partnership with China that there is a continued development for roads and transmission lines in Kenya. President Kenyatta further encouraged China to invest in Kenya’s oil sector. Echoing similar sentiments, a Senegalese economist Sanou Mbaye thought that China-Africa relations made a difference on the continent since its investment made a positive impact on African countries. He mentioned that to support his view, countries known to have the best performing economies in Eastern and Southern Africa included Tanzania, Ethiopia, Kenya, Rwanda, Burundi, Ghana, Nigeria, Angola, South Africa and Djibouti with China as an investor (Dossou, 2018). Ethiopia is known for its large percentage of loans acquired for infrastructure projects from China, its GDP showed a growth of 10% between 2010 and 2017 and 8% in 2018 since it participated in developing its infrastructure. Tanzania’s GDP grew by 7 % between 2010 and 2018 while it grew by 6% in 2018. Kenya’s GDP on the other hand grew by 6% between 2010 and 2018 and by 5% in 2018. This data relatively supports the view that Chinese investment through infrastructure in Africa can have positive effects on the development of Africa. It should however be noted that there are many other factors that also contribute to this economic growth other than the Chinese loans under the OBOR initiative.

Figure 16: Large infrastructure investments in Sub-Saharan Africa for GDP growth

**Graph 1: Large infrastructure investments have been one of the driving factors behind the countries' robust GDP growth**













Source: IMF country reports and IMF WEO April 2018

### 5.10 CHINA'S GROWING ECONOMIC PARTNERSHIP WITH AFRICA

China has kept the USA on its toes when it comes to economic participation in Africa. Its active role on the African continent has created trouble for Western policymakers since they have to find ways to ward off the competition for political and economic influence (Smith, 2019). China is however not fazed by these actions and instead it focused on its revitalized foreign policy in Africa through the OBOR. China's strategy involves the rebuilding Africa since it is the fastest urbanizing region in the world. China does this through the development of existing infrastructure or building from scratch. A course that the US has not particularly been able to focus on since it has stricter funding policies that China does not abide by. The US assistant secretary of state for African Affairs mentioned that when African states needed investors "the only person standing there was the Chinese". To date, China dominates the infrastructure sector in Africa, however the US has also dedicated US\$60 billion for financing development in Africa. The US financial investment is said to offer sound alternatives to state-led initiatives in comparison to China's (Smith, 2019). Even though China is a growing investor in Africa particularly in the infrastructure sector, the United States continued to be Africa's number one FDI partner followed by France and the United Kingdom (UK). Therefore, between 2014 and 2018 China was still behind in overall investment compared to its Western rivals.

Figure 17: Foreign Direct Investment (FDI) in Africa between 2014 and 2018

Country	Projects	Jobs created	Capital US\$m
 USA	463	62 004	30 855
 France	329	57 970	34 172
 UK	286	40 949	17 768
 China	259	137 028	72 235
 South Africa	199	21 486	10 185
 UAE	189	39 479	25 278
 Germany	180	31 562	6 887
 Switzerland	143	13 363	6 432
 India	134	30 334	5 403
 Spain	119	13 837	4 389

## 5.11 CHAPTER SUMMARY

This study uses case studies on Ethiopia, Kenya and Tanzania using the critical discourse approach, only study power, dominance and inequality but also underlying ideologies involved in the reproduction of or resistance against dominance or inequality as well as consequences. To decipher the OBOR the analysis of documents, articles and news items were employed. China as a competitor to the West is slowly making a mark on the African continent through infrastructure development. For a country that some still consider as a third world country it has come a long way. China's competitors had a history with some of these African countries as colonisers. China on the other hand only became active in Africa in the 1960s while most African countries were gaining their independence from countries such as Italy, Spain, Britain and France. Therefore, the growing presence that China has today in Africa has proven to be properly planned by its leaders. The establishment of FOCAC in 2000 propelled China-Africa relations tremendously and served as a helpful build up to the OBOR.

When the OBOR was launched in 2013, China-Africa relations had already been rekindled through the FOCAC and China had already been funding projects in Africa. The OBOR simply became the rebranding of China's foreign policy as endorsed by Chinese leaders and their President. This rebranding assisted with increased funding set aside for purposes of investing it in countries that participated in the initiative. The US\$60 billion set aside for OBOR projects in Africa provided

African countries with funding that they would have never had access to due to that varying historical debt. The case studies referred to, Ethiopia, Kenya and Tanzania took advantage of this opportunity to also take part in developing the infrastructure of their own countries.

This model although good also comes with its set of challenges. The challenges are seen through most of the participating countries' cumulative debt since participating in the OBOR. Ethiopia in East Africa is faced with this situation and has had to renegotiate its loan terms with China in order to cope with the debt burden. The negotiations resulted in Ethiopia receiving an extension of repaying its loans in 30 years instead of the initial 10 years the two countries had agreed on. Kenya and Tanzania are not exception even though their debt challenges are not as pronounced as those of Ethiopia. These two countries have gone as far as cancelling projects that they felt would sink the countries into deeper if continued.

East African countries participating in the OBOR have achieved that different infrastructure goals by teaming up with China for their projects. China did not only assist with the funding but constructed most of those projects. An issue that most African countries have cried foul because they feel excluded from participating in the economy as partners as well. With all these challenges involved, the three countries GDPs grew in 2018, a positive reinforcement for projects that were highly criticized. The OBOR as an evolving initiative has unavoidable challenges which can be rectified with time if all parties are willing to renegotiate.

## CHAPTER 6: CONCLUSION

### 6.1 INTRODUCTION

This chapter concludes the study with a summary of the themes and discussions that were undertaken in the other chapters. It also provides suggestions and the limitations of this research on Chinese investment through the OBOR Ethiopia, Tanzania and Kenya.

### 6.2 SUMMARY OF FINDINGS

The aim of the study was to understand different themes that surfaced when researching about China in Africa specifically to do with investment under the OBOR. Different questions were raised that guide us to understand this phenomenon and to draw findings. Below is a summary of findings for the research questions.

- Why is China investing more in Africa lately?

Research conducted shows a number of factors that have contributed to why China is investing more in Africa. China's latest rapid investment was planned decades ago, over the years its foreign policy strategy was adjusted to allow and make room for investment in other continents including Africa. At the turn of the millennium, China formed the FOCAC and partnered with a number of African countries to work together in advancing the continent in various sectors through investment which would aid their development. It is through FOCAC that African countries had access to funding from China because of improved bilateral relations. African countries that were burdened by debt from Western countries and other institutions such as the International Monetary Fund were exposed to funding options usually in the form of loans from China that those institutions they owed would have not approved. Therefore, FOCAC became a stepping stone to another strategy that China would then use to extend its roots in Africa and other parts of the world through investment. This new and ambitious strategy was announced by President Xi Jinping in 2013 as part of China's revitalised foreign policy and it is then that the OBOR was formed. The OBOR initiative extended Chinese investment, through mainly infrastructure development, in participating countries with the aim of connecting the world through land and maritime

development, with China in the lead. This control and influence have the potential to boost China's power not only in Africa but globally.

Other views revealed that China invests so much in Africa particularly in the infrastructure sector because of the excess productive capacity it experienced from the 1980s to the 2000s. The excess production was in the sectors of energy, infrastructural construction, and real estate development, which saw the over production of steel, cement, plate glass, electrolytic aluminum, coal, shipbuilding, solar energy, wind energy, and petrochemicals. China then extended investments to other countries. Under the OBOR, China has shown great interest in infrastructural construction and in most countries it is heavily involved not only in the construction of the planned projects but also makes use of its labour force at managerial levels. It also provided governments with 'cheaper' construction material such as steel and others which is argued that it has an excess of. Most of this material is used to build roads, railways and many other projects in participating countries including Kenya, Ethiopia and Tanzania. The other factor that surfaced was China's thought out plan of being Africa's preferred creditor. When China began investing heavily in Africa it was already aware of most African countries' financial standing. Some of those countries were already deep in debt from other international institutions. This meant that those countries could not borrow more money until they had paid off their debts. Such countries turned to China, under FOCAC China wrote off an excess of debt some countries owed and in some cases extended the repayment periods. Under the OBOR china still uses this method of assisting African countries with their external debt. To date, Ethiopia is one of the countries that owe China exorbitant amounts of money due to debt it incurred while constructing projects under the OBOR. To ease Ethiopia's debt burden which proved to be insurmountable, as well as ineligible to qualify to be written off, China extended the repayment period. China as creditor does not meddle in African countries' political affairs like other creditors such as the US and Europe. The hands-off approach allowed African countries to have the freedom that the West has never provided them with..

In summary, these findings showed that China planned ahead to be one of the high ranking investors alongside the US and Europe in Africa which has allowed it to become a fierce competitor and an emerging superpower, although the discussion showed that the US and some European countries such France still surpassed China in terms of Foreign Direct Investment (FDI). Moreover, claims or views that China invests more in Africa due to excess capacity can be taken into account since China dominates the infrastructure sector in Africa through the OBOR currently.



Lastly, the data about Africa's financial woes because of China's lending showed that China as a lender had a large economic footprint in Africa and assisted by the OBOR and projects.

- Why does China continue to lend to African countries even though most of them such as Ethiopia, Tanzania and Kenya are already struggling to repay their historical debts?

Findings showed that China reaped the rewards of cashing in interests as part of the terms and conditions that it set for issuing loans over an extended period of time. Also, this prolonged relations with Africa allowed China to have access to Africa's resources and prospects for further investment.

- Do African countries have feasible repayment plans for their Chinese loans?

Most of the loans issued under the OBOR were acquired with the expectation that the completed projects would yield results for these African countries. That is, developed roads would improve trade significantly and thus boost the GDP amongst others. In particular, the Mombasa-Nairobi railway which was completed in 2016 run smoothly but had issues securing passengers which meant that it did not generate enough revenue. Such challenges leave African countries

desperate since they cannot pay off the specified instalment amounts for their loans to China. However, GDP growth for those countries since their participation in the OBOR can signal their future ability to repay those loans. Most countries, including Ethiopia, Kenya and Tanzania have recently renegotiated the terms and conditions for their projects with China. That move demonstrate these countries' inability to repay their loans. This was in cases where China extended repayment periods and wrote off the loans or renegotiated interest rates.

- Have the projects that China has invested in yielded any benefits for recipient African countries and their citizens?

There are mixed reactions amongst citizens. These projects have opened up Africa through the construction of roads, ports and the establishment of special economic zones which also employ thousands of these counties' citizens. However, some citizens had to be relocated to allow for the construction of the projects and this bred discontent amongst citizen. There were also concerns over the environmental impacts of those projects in participating countries. In Kenya the construction of the Mombasa-Nairobi had to be halted because the track ran through a nature reserve and locals did not approve. In Tanzania the Bagamoyo project had to be suspended due to

the government and locals' view that it is a bad investment since it involved a hefty financial burden.

### 6.3 MAJOR CHALLENGES OF RESEARCH

The major challenges of this study were narrowing down the OBOR data found that was relevant to the three case studies. This is a very popular topic, there were numerous articles written on the OBOR. However, tracking the projects from their launch in the three countries until completion proved difficult. This was especially with regards to tracing the issued loans since sources reported different amounts used during the process. Some articles were not detailed enough to be included in the study in order to support the claims made and therefore had to be eliminated. All the themes represented in the study were related to the OBOR in Africa and had to be studied individually and narrowed to simply explaining their role in the study which was time consuming. However, even though there was ample data on most the themes it proved to be hard to access relevant graphs and tables that applied specifically to funding used in all three countries at the same time. The other reason was that China in its capacity did not release financial records of the amounts used in East Africa except for instances when it announced amounts that would be dedicated to the OBOR projects in Africa.

### 6.4 LIMITATIONS OF RESEARCH

Due to the nature of this study, it being a desktop study, its findings cannot be generalized. The data selected was based on convenience and the researcher interpreted it. Though the researcher used the critical discourse analysis approach which critiques and engages power relations in both text and talk, the interpretations remain subjective and the findings can still be debated.

### 6.5 RECOMMENDATIONS

The One Belt One Road initiative has the potential to benefit African countries. However, African countries need to negotiate for better and feasible terms with China. Furthermore, African countries should only take on projects that have guaranteed results with regards to generating revenue. In cases where countries like Ethiopia already have soaring debt they should not only renegotiate for payment plans, but avoid taking on loans altogether until they recover. Completed projects need to be monitored and maintained to boost revenue. It would also be beneficial for the

Chinese government to publicly release OBOR financial records as well as official reports on the progress of the projects undertaken.

## 6.6 FINAL CONCLUSION

China-Africa relations have been strengthened by FOCAC and now the OBOR in the recent years. Through these forums China has its own objectives and therefore, Africa as a partner needs to have its own. There is a great need for African governments to negotiate their own terms that benefit their citizens. Countries such as Ethiopia, Kenya and Tanzania are in favourable positions to negotiate with China since they play a critical part as gateway countries in Africa as part of the MSRI. Therefore, as China advances its own objectives, African governments should also be in a position where they prioritize their countries in order to advance economically and end the cycle of debt with China.

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## APPENDIX A- ETHICAL CLEARANCE



### GENERAL/HUMAN RESEARCH ETHICS COMMITTEE (GHREC)

28-Nov-2019

Dear Miss Khalema, Hlolohelo H

#### **Application Approved**

Research Project Title:

**Chinese investment in Africa through the One Belt One Road (OBOR) initiative: The case of Ethiopia, Tanzania and Kenya**

Ethical Clearance number:

**UFS-HSD2019/2069**

We are pleased to inform you that your application for ethical clearance has been approved. Your ethical clearance is valid for twelve (12) months from the date of issue. We request that any changes that may take place during the course of your study/research project be submitted to the ethics office to ensure ethical transparency. Furthermore, you are requested to submit the final report of your study/research project to the ethics office. Should you require more time to complete this research, please apply for an extension. Thank you for submitting your proposal for ethical clearance; we wish you the best of luck and success with your research.

Yours sincerely

**Prof Derek Litthauer**

**Chairperson: General/Human Research Ethics Committee**

Digitally signed  
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