

DOMESTIC POLITICS AND SINO-AFRICAN INVESTMENT  
RELATIONS: THE CASE OF CHINA-CAMEROON

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# Abstract

During the last two decades, the world has witnessed China's intensified investment activities in Africa. The growing interest in China's economic relations with the African continent in general and in Sino-African investment cooperation in particular, as well as the increasing number of investment related issues that are of concern to citizens in developing countries highlight the need to better capture the many factors and mechanisms that shape China's investment cooperation with African nations. Although China has been interacting with the African continent for more than five decades, its involvement as a major actor in Africa is much more recent. China's intensified economic activities within the African continent surely did not go unnoticed. Attempts to understand the dynamics within Sino-African economic encounters have furthered our understanding of China's economic involvement with African nations and of their outcomes. However, the literature focusing on China-Africa's investment relations has been mainly dominated by a Chinese-Centered approach at the expense of an African perspective. This project attempts to fill that gap by inserting an African perspective within Sino-African investment discussions. It does this by highlighting the presence and the role of an Africa agency within Sino-African relations. It also specifically looks at how the domestic political context within African nations shapes how agency is expressed within specific Sino-African bilateral investment negotiations.

# Dedication

To my God. The Almighty on whom I lean. Who has blessed me with this unique blessing to become a PhD candidate at SNS and Who kept me going even when I was too weary and confused. To my God, my strength, my all, I am forever grateful. To mum and dad. Who never allowed me to believe that where I came from could be a hindrance to the realization of my dreams. Thank you for always encouraging me to go as far as my mind could allow me to dream. Even though sometimes you did not really understand what I was doing, you kept your ears and arms opened to support every one of my attempts. Thank you for your prayers and sweat. I pray I will continue to make you proud. To my older sister Christiane Ambassa. The one I affectionately call our second mommy. Thank you for always being there for me. To my supervisor, Manuella Moschella. Your support and constant availability made me feel seen. You have not only increased my confidence that I could do it but you have also helped reduce the loneliness of the process. May God bless you abundantly. Thank you for your dedication. To all the beautiful people I met along the way, those I have known and the strangers. A special thanks to my close friends and companions of the journey Mounia Drissi, Galina Selivanova, Alper Almaz, Aliaksandre Ruzhantsou, Aleksei Gridnev, Christian Buhl-Madsen and Leo Atanga. I cannot name you all here but you know how grateful I am to have met all of you. Last but certainly not least, to Gaetano Pistone.

# Contents

<b>1</b>	<b>Introduction</b>	<b>8</b>
<b>2</b>	<b>China - Africa Investment Cooperation: What Makes It Different?</b>	<b>13</b>
2.1	First Argument: Sino-African Investment Deals as Choices of African Governments . . . . .	15
2.1.1	Sovereignty . . . . .	17
2.1.2	China: The Newcomer and its Need for Legitimacy . . . . .	22
2.1.3	China-Africa Relations: The Absence of a Colonial Past . . . . .	25
2.1.4	The Issue-Area . . . . .	28
2.2	Second Argument: Domestic Politics and Choices of African Governments . . . . .	29
2.2.1	The Systemic View of International Relations and the Concept of Power . . . . .	30
2.2.2	On Strength and Weakness of States . . . . .	31
2.2.3	Power in Interstates Relations: Definition and Measures . . . . .	33
2.2.4	China's Power and Sino-African Relations . . . . .	35
2.2.5	Power and Context . . . . .	36
<b>3</b>	<b>Literature Review</b>	<b>39</b>
3.1	International Relations: The salience of Domestic Politics . . . . .	41
3.2	Domestic Politics in International Relations: The Literature . . . . .	42
3.2.1	The Role of Domestic Politics . . . . .	43
3.3	Domestic Politics in Sino-African Economic Relations . . . . .	50
3.3.1	China's Investment in Africa : The motives . . . . .	51
3.3.2	China in Africa: Role and Impact . . . . .	52
3.4	Conclusion . . . . .	55
<b>4</b>	<b>Theoretical Framework</b>	<b>56</b>
4.1	Conceptualization of Key Concepts . . . . .	58
4.1.1	Sino-African Investment Cooperation . . . . .	58
4.1.2	Political Context and Regime type . . . . .	60

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4.1.3	Sino-African Investment Relations and Governments' Behaviours	62
4.2	Theoretical Framework . . . . .	64
4.2.1	The State . . . . .	65
4.2.2	Linking Domestic Structures and African Governments' Foreign Behaviours . . . . .	70
4.3	Research Design and Methodology . . . . .	78
4.3.1	Research Design . . . . .	78
4.3.2	Methodology . . . . .	85
<b>5</b>	<b>China-Africa Relations: Historical Analysis</b>	<b>90</b>
5.1	Laying the Foundation: 1955 - 1975 . . . . .	91
5.2	The Expansion: 1976 - 1999 . . . . .	95
5.3	The Consolidation: 2000-2014 . . . . .	99
5.3.1	China's Going Global Policy . . . . .	100
5.4	Conclusion . . . . .	106
<b>6</b>	<b>Cameroon's Domestic Political Context</b>	<b>107</b>
6.1	The Economic Context of Cameroon . . . . .	108
6.2	Cameroon's Domestic Political Context . . . . .	111
6.2.1	Cameroon: History and State Building . . . . .	113
6.2.2	Cameroon's Domestic Politics in the Post Ahidjo Era: 1983 - 2006 . . . . .	119
6.2.3	Domestic Politics in Contemporary Cameroon . . . . .	120
6.2.4	Cameroon's Society: Regional Cleavage, Ethnic Fragmentation and Politicization . . . . .	128
6.2.5	State-Society Relations: The State, Patron-Client Networks and the Creation of Hegemonic Alliance . . . . .	131
<b>7</b>	<b>Case Study: China - Cameroon Investment Relations</b>	<b>143</b>
7.1	The Cameroonian Government's Objectives . . . . .	145
7.1.1	The State-Led National Development Strategy . . . . .	146
7.1.2	Government Objectives in Sino - Cameroonian Investment Cooperation . . . . .	149
7.2	Sino - Cameroon Investment Negotiations: Context and Process . . .	152
7.2.1	Sino-Cameroon Investment Negotiations Context . . . . .	153
7.2.2	China-Cameroon Negotiations Processes: State Monopoly and Incoherence . . . . .	157
7.3	The Choices . . . . .	161
7.3.1	Patterns of Investment Decisions . . . . .	162
7.3.2	Nature of Deals . . . . .	169

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7.4	Sino-Cameroon Investment Cooperation: Explaining the Choices . . .	182
7.4.1	Deviation from Stated Objectives . . . . .	183
7.4.2	Focus on Capital Intensive Infrastructure Projects . . . . .	185
7.4.3	Unfavorable Infrastructure Agreements . . . . .	188
<b>8</b>	<b>Conclusion</b>	<b>191</b>
8.1	China-Cameroon Investment Cooperation and the Host Government .	192
8.2	Africa in International Relations: The Way Forward . . . . .	193

## List of Graphs and Tables

1. Image: Cameroon map
2. Figure: Tanzania Railway Line
3. Number of Projects per year 2007-2016
4. Number of Projects by Cost 2007-2016
5. Chinese Infrastructure Financing by Categories 2007-2016
6. Number of Investment Projects by Financing Categories 2007-2016
7. Number of Investment Project by Sector 2007-2016
8. Chinese Investment in Cameroon by Sectors 2007-2016
9. Infrastructure Projects by Categories 2006-2016
10. China-Cameroon Investment Cooperation Phase 1: Definition of Objectives
11. China-Cameroon Investment Cooperation Phase 2: Bilateral Negotiations
12. Figure: Overall Infrastructure Quality Versus Public Investment, Cameroon and Competitors 2011-2015

# Chapter 1

## Introduction

The literature on the effect of transnational capital flows shows that Foreign Direct Investments (FDIs) have the potential to foster the socioeconomic development of host countries. This literature cites employment creation, income growth, human capital improvement, technology transfer and productivity spillovers as the main aspects through which host countries may benefit from an increased flow of foreign capital (Hermes and Lensink 2003; Borensztein, De Gregorio, and Lee 1998; Azman-Saini, Baharumshah, and Law 2010; Alfaro 2003).

Foreign direct investments are also regarded as a key element for international integration (OECD 2002). This is mainly because of its ability to create direct, stable and long-lasting links between economies, to foster the transfer of technology and know-how between countries and to strengthen the capacity of recipient governments to finance important development projects (OECD 2002).

All these potential gains mainly explain why developing nations around the world and those in Africa in particular have been encouraged to and do in fact, actively seek to increase the stock of foreign capital within their national borders by adopting policies and facilitation measures such as large scale tax incentives to encourage prospective investors to invest in their nations.

Long are gone the days when African countries' marked skepticism towards foreign capital inflow characterised their approach to foreign investors (Jensen et al. 2012). The years 1980s can be seen as landmark years that saw a shift in how FDIs were perceived within the African continent (Jensen et al. 2012). The understanding of the nature and role that foreign capital may play within an economy (Jensen et al. 2012), as well as the increasing need of capital to finance development projects that the continent faces<sup>1</sup> seem to have changed the way most governments in Africa<sup>2</sup>

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<sup>1</sup>OECD 2018 "Development Aid at a Glance" statistics by region: Africa"

<sup>2</sup>The term Africa in this project refers to Sub-Saharan Africa only. Both terms Africa and Sub-Saharan Africa are used interchangeably in the course of the project. Both refer to Sub-Saharan African unless stated otherwise



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perceive and approach Foreign Direct Investments (FDIs). The entrance of foreign investors that was previously seen as a tool for economic infiltration by imperialist powers (Offiong 1982b) was later perceived as an important building block on the road to development. As a result, attracting foreign investments have now become both an instrument for economic development and a goal in itself.

In the face of severe underdevelopment and archaic infrastructure systems that impede all efforts of improvement, the continent's development issues seem obvious, but finding solutions to these issues is a more complicated matter. Infrastructures for instance are an important driver of economic growth, yet the continent lags far behind the rest of the world in terms of both quality and the quantity of its infrastructures (Kirkpatrick, Parker, and Zhang 2004). Addressing extreme poverty and the infrastructures' deficit in the continent requires considerable amount of capital to be made available. The African Development Bank has estimated to USD 93 billions per year the infrastructure needs of the continent<sup>3</sup>.

It might be worth pointing out, however that increased capital availability alone might not suffice to successfully tackle Africa's development issues and the shortage of capital within the continent (Moyo 2009a). Pressing economic needs in the region, and the continuous decline in capital availability, have forced governments in Africa to mainly rely on foreign investments and other external financing sources such as international loans to sustain their development efforts.

However, as far as international loans are concerned, most available credits are not only based on the assumption that the debtor will be able to repay the loan, but they are also often attached to conditions that considerably limit their accessibility to most African governments (Kittilaksanawong and Dai 2016). However, securing consistent flows of foreign direct investments is not less complex. Most investors, especially those from Western industrialized nations are sensitive to stability, governance and to the rule of law in host nations (Wernick, Haar, and S. Singh 2009; Dixit 2012) in their investments' decisions. As a result, they tend to respond to variations in those elements and their absence or flaws is often a quite serious deterring factor (Staats and Biglaiser 2012; Gani 2007).

Ironically, these elements are those often found to be lacking or flawed within the African continent which considerably reduces African countries' attractiveness to western investors. In the mist of a Western financing system that is marked with conditions, Chinese capital represent an alternative that comes with promises of mutual gain (the win-win rhetoric) and of non-interference into host nations' domestic affairs offering to African governments what often seems to be a too-good-to-be-true chance to secure the much-needed funds (Brautigam 2010).

In the recent two decades, the world has witnessed China's intensified invest-

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<sup>3</sup>African Development Bank report 2007

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ment' activities in Africa(Bräutigam and Xiaoyang 2009; Brautigam 2009; Alden, Large, and Oliveira 2008). Although China's interactions with African countries were initiated over five decades ago, it is the intensification of the country's investment activities in the region of the last two decades that attracted the most attention<sup>4</sup>.

The numbers clearly illustrate the trends. Sub-Saharan Africa's imports from China soared from about 16 billion USD in 2006 to 37 billion USD in 2017<sup>5</sup>. Although trade transactions between China and African countries are still marked by an ever increasing import-export deficit, Sub-Saharan Africa's exports to China went from about USD 8 billion in 2006 to USD 180 billion in 2012<sup>6</sup>. As for Chinese Foreign Direct Investment flows to Sub-Saharan Africa, they went from USD 1 billion in 2006(Van Dijk 2009) to approximately USD 3 billion in 2012(Pigato and Tang 2015) after having reached the peak value of USD 6 billion in 2008.

These rapid changes in China's economic interactions with African nations led to a growing interest in Sino-African relations. Attempts to understand the dynamics within which Sino-African economic encounters take place populated the international relations literature and have, by the same token, furthered our understanding of China's economic involvement with African nations and of their outcomes.

The interest in China's economic relations with the African continent in general and in Sino-African investment cooperation in particular, as well as the increasing number of investment related issues that are of concern to citizens in developing countries in now shedding light on the need to understand and capture the many factors and mechanisms that shape South-South economic interactions in general and China's investments in African nations in particular.

If there is no doubt that questions concerning the specific character of Sino-African economic encounters and the motive behind China's interests in Africa have been thoroughly and quite successfully addressed by a non-negligible segment of the international relations' literature(Van Dijk 2009; Alden 2005; Butts and Bankus 2009; Kittilaksanawong and Dai 2016; Brautigam 2009; Butts and Bankus 2009; Pigato and Tang 2015), two important gaps remain still remain to be filled.

The first gap makes reference to the China-centrism that have characterized the Sino-African investment literature of the last two decades. A common trend within this literature is its excessive focus on China and the little attention given to African countries to position as active participants in international relations. While China's

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<sup>4</sup>Indeed, China's contacts with Africa can be traced back to casual visits of Chinese leaders to African countries in the early 50s when the "Middle Kingdom" supported movements for independence and anti-colonial activities in Africa(Kaplinisky and Morris 2009). The relationship between China and Africa went from what Kaplinisky(2009) rightly termed as the "Third world solidarity" to China recently becoming one of the major economic players in the continent(Van Dijk 2009).

<sup>5</sup>Source:World Integrated Trade Solution database(WorldBank:<https://wits.worldbank.org>)

<sup>6</sup>Source:World Integrated Trade Solution database(WorldBank:<https://wits.worldbank.org>)

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actions, motives and activities in Africa have been broadly and thoroughly assessed, scrutinized, criticized or approved, the role of African governments in Sino-African investment relations have often been reduced to one of passive bystanders. Whether they are critical or carry a tone of approval, studies that focus on the China-African investment phenomenon, have been, for the most part, concentrated on the analysis of China's motives, policies and actions within the continent and this often at the expense of an inclusive approach that could have given voice to African governments, their objectives, motives and choices.

The second gap discussed in this chapter concerns the one-size-fits-all approach to the African continent that has prevailed within the Sino- African literature. The scholarship on Sino-African relations has often treated Africa as one box within which all countries fit without much regard to the internal and country-specific attributes of individual countries, such as the regime type, culture and history that are not similar across the continent and that have important implications in shaping not only how life is organized within each nation but also African governments' behaviours in international relations(Held et al. 2000). This perception of African countries as a homogeneous group has led to generalizations being made in the nature of economic interactions countries in Africa have with China and in the outcomes of these interactions.

This dissertation is an attempt to narrow down the aforementioned gaps by contributing in the construction of a new way of perceiving and understanding Sino-African investment relations. It shies away from the continual focus on China to center the analysis on African governments, the role they play in bilateral investment relations with China and how they shape the outcomes of these interactions.

The intention here is to draw attention to the importance of an African agency within Sino-African economic encounters, the domestic political context within African nations and to highlight the role domestic politics plays in shaping how individual governments interact with China.

I argue that when it comes to China's investment relations with African countries, context is indeed crucial. Yet, building an argument in favor of the importance of context demands the elaboration of specific elements that highlight the reasons behind such argument prior to addressing the context-specific aspects of countries as well as how these aspects play in Sino-African investment relations.

For this reason, the first chapter of this dissertation analyses the general context within which China's investment relations with African countries takes place. It investigates the specific components of their relationship that make it interaction particular thus providing the necessary space that gives voice and expression to the specifics of each African nations allowing their domestic political configurations to consistently affect the outcomes of investment relations with China.

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After showing that the context of Sino-African investment relations is indeed particular, the chapter two is an extensive literature review that addresses the issue related to how domestic politics shapes international relations and how such issues have been discussed in the literature. The third chapter discusses the dissertation's conceptual framework, laying down the theoretical and conceptual foundations that guide the empirical analysis that follows. The fourth chapter of the dissertation is a historical analysis of China's economic relations with African countries. A historical background assessment is important because of the contribution that past events have had in laying down the foundation of modern days China-Africa economic relations. Attempting to understand the present without revisiting the past may create a sense of disconnect within the analysis. This thus justifies the need to include within the project a chapter specially designed to address the events that have characterized past interactions between China and African governments.

In the Chapter five, I draw a detailed picture of the socio-economic and political context of my case study Cameroon, which economic relations with China will serve as an empirical illustration of the arguments made within this dissertation.

Finally, the chapter six is the project's empirical case study analysis. The chapter investigates China investment relations with Cameroon in the 2007 -2016 period and aims to illustrate with a concrete example of Sino-African investment cooperation how indeed the domestic political context of African countries mainly shapes their investment interactions with China.

## Chapter 2

# China - Africa Investment Cooperation: What Makes It Different?

### Introduction

One of this project's main claim is that China investment relations with African countries have been different from Africa's economic encounters with its traditional partners. The main question that this chapter thus tries to answer is related to how different China-Africa investment relations been and the implications of these particularities for African countries engaged with China.

First, it can be said that China's investment relations with African countries have been different because they took place in a context within which African governments were given much more space and room for maneuver than they have had in their encounters with the continent's traditional partners.

The environment within which China's investment relationships have taken place have given African governments the necessary space to make their own decisions, advance their interests and to shape the nature and outcomes of investment cooperation with China.

This chapter is particularly designed to discuss the particular character of the China-Africa investment relations and the reasons why China's economic relations with African countries should not be seen only through the lenses of power and perceived in the way Africa's relations with the West has been perceived.

This is important because African countries international participation have been mainly discussed through the continent's relations with Western industrialized nations. The colonial history that is part of the West's encounters with the continent, the habit of aid and assistance from the west and the history of constant dependence

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of African countries on their Western counterparts(Moyo 2009b; Nnam 2007) have contributed in giving to Africa an image of a helpless continent in constant need of rescue. The colonial legacy and the complexity of Africa's relation with the West have shaped the relationship between African nations and the West creating an image of a relation between the strong savior and the weak and helpless continent.

In this context, African governments were perceived, rightfully or not, as passive bystanders with no choice and say in what was done within their national borders and the decisions that sealed their fate.

Africa's relations with its former colonizers can rightly be characterized as complex. Power balance components are difficult to identify and how they affect what goes on within the continent can be difficult to isolate. It has therefore become convenient both for scholars and African decision-makers to consider the continent as being at the mercy of foreign powers.

It is convenient because removes the need to dig deeper within the complex domestic context of African nations in order to understand what may be going on inside that the balance of power may not be able to explain. It is also convenient for African decision-makers because it becomes part of a blame-avoidance strategy that helps to remove the pressure of accountability. Playing or accepting the victim card pushes the responsibility to perform away.

An analysis of Africa's encounters with Western countries is beyond the scope of this project. However, the perception of Africa's helplessness that has characterized Africa's encounters with the West has been conveniently extended to its relationship with China. Therefore, arguing that the outcomes of Sino-African investment relations and the results of the choices made by African governments in Sino-African investment relations have been mainly shaped by the domestic political elements within individual African nations represents a significant departure from the traditional view of the continent and the usual expectation.

Because these arguments depart so radically from the usual framework, it becomes crucial that they are further elaborated. This is why even though the analysis of Africa's relations with Western nations is not relevant in the context of this analysis, it is still necessary to very briefly and perhaps a bit sparingly address them within this project because they serve as a background against which the specifics of China investment relations with African countries will be addressed.

The purpose of this first chapter is not only to give an explanation as to why the context within which China-Africa economic cooperation takes place is different although it is the main reason. The chapter also aims to further illustrate and highlight the main arguments that are discussed within the project including the important role that host countries domestic politics plays in shaping the choices of African governments within investment interactions with China.

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The first part of the chapter further elaborates on the argument that the deals and agreements signed within Sino-African investment relations are the choices made by African governments in investment negotiations with China. The second part of the chapter addresses the second claim which argues that the choices made by African governments in investment cooperation with China are shaped by the domestic political context within which they are embedded.

## 2.1 First Argument: Sino-African Investment Deals as Choices of African Governments

When it comes to China's economic relations with African nations of the last two decades, the common wisdom and the general expectation have been that deals and agreements that resulted from China's investment cooperation with African countries - Whether they were beneficial for African nations or detrimental- were somehow imposed and controlled by China. When the deals were perceived as detrimental for African nations, they were often criticized as being the result of China's neo-colonial activities in Africa. When the deals were perceived as positive and beneficial to the continent, the conclusion was often that it was China that was helping Africa and that had the potential to perhaps finally lift the continent out of its cliff of poverty and underdevelopment.

Africa's perception as a passive and helpless continent, and its perpetual image of a victim have been around for so long that it no longer needs to be questioned, challenged and re-evaluate. Africans have had little responsibility in the events that unfolded within the continent during the colonial era and right after decolonization<sup>1</sup>. However, decades after decolonization the context is no longer the same, especially when it comes to African economic interactions with China. In fact African governments have played a crucial role in shaping the extent to which China invest in their countries as well as the nature of these investments.

The habit of underestimating this role and of overlooking agency issues in Africa that is prevalent within the Sino-African literature has limited our understanding of the behavior of African governments post-colonization in general. More specifically, it has also considerably limited our capacity to grasp and understand the dynamics and forces at work within Sino-African economic relations.

My first argument therefore highlights the decisive role played by African governments within sino-African investment relations. It is a radical departure from the usual "victim" "bystander" and "oppressed" that has been assigned to the continent.

***Argument 1:*** *The investment deals and agreements signed within Sino-African*

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<sup>1</sup>This argument is further elaborated in the sections that follow

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*investment relations were not the result of China's unilateral expression of power upon African countries. They are the choices freely made by African governments in negotiations with China*

The argument that Sino-African investment deals of the past two decades have been the choices freely made by African governments put an emphasis on the concept of choice, the preferences of African decision-makers and their decision-making capacity within their economic interactions with China. The argument clearly requires to be further elaborated especially considering the habitual perception of African governments as passive bystanders and the continent historical record of weakness and passivity. What then made the case of Sino-African investments relations different?

Among the many reasons that are discussed in this chapter, there is the particular nature of foreign direct investments. Foreign Direct investment is a type of transnational flow which implementation takes place within the territorial borders of a nation different from the one of the investor (Borensztein, De Gregorio, and Lee 1998). They transcend the national boundaries of the investor's country to be implemented within the territorial borders of another nation. The transnational character of foreign direct investments, the formulation of related policies and the elements that direct implementation are all important aspects that demand the cooperation and the active participation of host governments. National governments exercise key controls over their own territories and can determine, to a large extent, the conditions under which access to that territory will be granted to a foreign actor (Ikenberry, Lake, and Mastanduno 1988). Therefore, the investor, whether it is a private actor or another government, has to comply with the demands, interests, laws and requirements of the host nation while attempting to make propositions that aim at furthering its business and/or political interests. Given its sovereignty over its territory, the government that is the recipient of foreign investments becomes a necessary actor that is capable, to a larger extent, of shaping the nature and trajectory of those investments in accordance with its own laws and preferences.

This Chapter aims to emphasize the capacity of African governments for deliberate action. This capacity is mainly grounded on African nations sovereignty rights that confer to their governments the legitimacy and the ability to choose how they want to engage with China. However, other elements specific to the context of Sino-African investment relations are crucial in shaping an environment within which African governments have had more room for maneuver and power than they have been given credit for. These elements together provided an environment within which African governments could shape and define the trajectory and nature of China's investment activities within African countries.

This section thus discusses among these elements, the issue of sovereignty and



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what it means for Sino-African investment relations. I also discuss China's position as a new comer in Africa and how that defines its relations with the continent. Moreover, I also address the historical element that is colonialism and how the absence of a colonial legacy within China's interaction with Africa affect the relationships between China and Africa. Last but not least, the last paragraph addresses the specifics of the issue-area element and it plays out within Sino-African investment encounters.

### **2.1.1 Sovereignty**

The concept of sovereignty has been used in many disciplines from sociology to international law and political science albeit not with the same meaning(Krasner 2001).

The definition of sovereignty that I choose to use here combines components of the international law definition of sovereignty. International lawyers see individual states as the basic building blocs of the international system. They see states as sovereign in the sense that they are juridically independent and are free to enter into treaties that will promote their interests as they themselves define them(Krasner 2001). What is crucial in this view of sovereignty is not the substance of the agreements states may enter into but rather the fact that states are not coerced into entering them. The freedom of choice aspect of this definition is one important point that this sections attempt to stress.

Therefore, in addressing the concept of sovereignty and what it means for Sino-African investment relations, I also follow Krasner's(2001) conceptualization of sovereignty. Krasner does see sovereignty as a non-organic whole but rather as a concept of different components built on four specific elements that happen to have important implication for this study. He highlights four important elements of sovereignty(2001)<sup>2</sup> that are briefly discussed within this section in connection with their relevance for Sino-African investment relations.

#### **Sovereignty: Independence, State Control and Autonomy**

Interdependence sovereignty refers to the right and the ability of a government to regulate the movement of goods, capital, people, and ideas across its borders(Krasner 2001). The focal point of this element of sovereignty is the control that the state has over trans-border movements. As sovereign entities, states posses ultimate authority over the delimited territories and their inhabitants(Reus-Smit and Snidal 2008). State control encompasses the ability of national authorities to control the

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<sup>2</sup>Namely the Interdependence sovereignty, Domestic sovereignty, international legal sovereignty and the Westphalian sovereignty

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trans-border movements of capital, goods and people(Krasner 2007). It confers to sovereign governments the right to rule and the national control over policies and outcomes even when they are aid recipients(Brown 2013). Therefore, it can safely be argued that as authority figures of sovereign nation-states, African governments did in fact exercise key control over their own territories and entry within their borders. They could therefore determine, and this to a very large extent the conditions under which access to their territories was granted to China(Katzenstein et al. 1978).

Many scholars and observers have claimed that globalization and new technological developments have undermined the ability of states, especially poorer ones, to regulate movements across their own borders. According to these critics, globalization is threatening the sovereignty rights of the nation-state.

Yet, as Krasner(Krasner 2001) pointed out, interdependence sovereignty is entirely a matter of control rather than authority. This means that, even if a sovereign state was to be unable to govern a particular form of activity this would not mean that the authority of the state in that area - its right to regulate - will be challenged. Even when rulers could be always, to some extent constrained by the external environment, yet this does not make them powerless and at the mercy of other international actors. Sovereign governments are still able to freely choose what they want within the potentially constrained space (Krasner 2007).

Furthermore, sovereignty as conceived by international lawyers is mainly connected to the perception of sovereign states as autonomous actors that have the right and the ability to enter into contractual relationships(Krasner 2007). The contracts and agreements do not need to be structured in accordance to a particular model, they can take any form and be concerned with any issue such as foreign investment provided they are entered into voluntarily.

The concept of voluntary action pointed out in Krasner's argument brings forth another crucial concept that is crucial in this argument - "free choice". A right that all African states possess and could exercise. Therefore, the commitments by which African states did bind themselves in advance to principles, policies or rules did not constitute a surrender on sovereign power but rather a free and liberate exercise of it(Krasner 2001).

Rulers of sovereign nation-states are the ones who through their decisions, engage their nations in specific international or bilateral agreements. Rulers, not states - and not the International system -make choices about policies, rules and institutions(Krasner 2007). Therefore, as governing bodies of a sovereign nation-states, African governments enjoyed complete autonomy within their borders. Their nature as sovereign entities granted them the right to make decision and engage their nations in any international agreement with China on behalf of their citizenry.

Another important point to note is that the basic rule in the Westphalian aspect

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of sovereignty is that it conveys to the host state domestic authority. It is concerned with the "de jure" independence of states which is the exclusion of an external authority structure from the territory of the state as well as the "de facto" autonomy of the state which gives it the right and ability to choose within a somehow potentially constrained set of possibilities and alternatives (Krasner 2001). It is thus important not to equate voluntary surrender of this right or the foolish and corrupt use of such control to its absence. As pointed out by Ikenberry (1988) some governments will use such controls over their sovereign territories foolishly or corruptly. However, when states use them wisely to further their own objectives, they can in fact hardly be accused of forfeiting their sovereignty.

Therefore, and according to this logic, it is important to consider that when it comes to China-Africa's investment relations in the last two decades, China's control over certain aspects of host countries' affairs was the result of host governments' voluntary choice to surrender aspects of their power and autonomy<sup>3</sup>.

### **Sovereignty and Agency in Sino-African Investment relations**

Sovereignty and the idea of autonomy it encompasses were - and still is - a crucial aspect of Sino-African investment relations. It is especially important in the context of investment relations as captured within the specific time frame of our analysis<sup>4</sup>.

As heads of sovereign nations, governments in Africa have had the right and the capacity<sup>5</sup> to independently and freely make choices regarding the nature and the trajectory of China's investment within their borders. Additionally, they had the space to impose requirements and make demands that reflected their preferences and real interests. By the simple fact that they exist as sovereign nations, governments of African nations have had the ability to design specific policies with regard to China's involvement in their countries. They could thus shape and channel China's investments' activities, the flows of Chinese capital, people and goods that crossed their national borders regardless of China's international capabilities and power. Now whether this ability and right were used and how is the topic for another discussion.

Decades of slavery and colonial occupation have made the concept of sovereignty

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<sup>3</sup>Rulers can choose to legitimate external authority structure for a variety of reasons that may include financial gains to compromise this freedom of choice and Independence aspects of its sovereignty, Westphalian sovereignty does guarantee that any external actor be excluded from domestic decision-making (Krasner 2001)

<sup>4</sup>Time Frame of the study is from 2006 to 2015. Further elaboration related to the importance of the selected time frame for the analysis are further elaborated within this chapter and the following ones

<sup>5</sup>The argument here is limited to the time frame of the analysis because I expect that in some case this ability is weakened by increased dependence. This argument is further discussed within the next chapters of the project

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quite foreign and blurred for many Africans. To the majority of African nations and for most of their existence, sovereignty has remained a dream and an unknown attribute. It is only from the 1960s, when the wave of decolonization swooped the continent that many countries in Africa were recognized as and attempted to see themselves as - although at first with great difficulty - sovereign nation-states, a privilege enjoyed only by independent countries.

As it is often said, with power comes responsibility. The joy and excitement generated by African nations' newly gained freedom from colonial rule were quickly replaced by the demands for self-determination and the accompanying development and emancipation obligations that rest upon all sovereign nation states.

These demands in turn required acceptable levels of political and economic maturity. However, in the context of acute underdevelopment and the extreme poverty in which they were left, the newly independent African nations found themselves having to juggle with the rules and norms of an international system that was created in their absence and within which they were now asked to exist and perhaps, expected to thrive.

It quickly became evident that meeting the demands of their positions as newly 'free and sovereign' nations would not be possible without the help of those from whom they had just been freed. Thus for most of these nations, if not all, began a long journey of international aid dependency (Moyo 2009b; Nnam 2007).

The story of international Aid as told to most Africans, is the story of industrial nations' solidarity towards a poor and weak continent. Yet it has also been the story of dependency and violations of sovereignty (Moyo 2009b). Aid after Independence further perpetuated the link of dependency of African nations towards the western industrialized world. The concept of sovereignty and the rights it bestowed upon the newly independent nations was again threatened and pushed to the background before what it meant for Africans was understood. African nations needed international assistance, and international assistance was "given".

However, as it has been shown, although it was helpful to some extent, international development assistance to African countries have had the effect of undermining the sovereignty of African nations (Brown 2012), hampering and retarding the continent's development (Moyo 2009b), and overshadowed the need of African governments to be accountable while also weakening African nations' ability for effective auto-determination.

The term sovereignty became more associated with African nations as the voices of critics of the Western industrial nations' Aid policies became louder.

Most critics mainly focused on the inception of structural adjustment conditions in aid clauses from the late 1970s as being elements that denied and challenged the sovereignty of African nations (Especially regarding the policy autonomy of these

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nations)(Brown 2013) <sup>6</sup>.

However, the increasing demands of globalization and increased patterns of interdependence that have characterized international relations in the last few decades added to them Africa's historical dependence towards the developed world seemed to have again completely eluded African sovereignty from conversations.

After gaining their freedom from colonial rule, African countries seemed to show no other benefit of decolonization than their mere existence and representation in International organizations.

Does the perception of Africa as a needy, powerless and helpless continent, its dependence and the interference of external actors in its affairs that have characterized Africa's relations to the West pre- and during the colonial era mean that sovereignty and agency are not part of the continent's realities? Or do African governments truly have no say in what happens within the borders of their nations? even today? These are complex questions that demand more than a PhD dissertation to be answered. However, I can say with confidence that sovereignty and agency are indeed realities in the continent and that when it comes to China's investment cooperation with the African nations in the last two decades, African governments played a crucial role in shaping their nature and trajectory.

It can also be argued with a certain degree of confidence that expression of the capacity and right of African governments to decide and choose is certainly not limited to their investment relations with Chinese. Even when it comes to issues such as foreign aid, where the receiver's hands are often tied to the donors conditions and requirements<sup>7</sup>, still states, even poor ones, have proved capable and willing to add "national content" to general doctrine of pro-poor aid efficiency and structural reform. This is because the interests and values held by domestic actors such as bureaucrats, industrial lobbies and civil society all play an important role in the formulation and implementation of foreign aid strategies(Petermann 2012).

Yet one question remains to be answered: What is it that made African agency and sovereignty so much more relevant in Sino-African investment relations than it has been in Africa's economic encounters with the West?

In the next section, I discuss aspects specific to the context of China's investment relationship with Africa that make the relationship particular. These aspects are

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<sup>6</sup>These conditions included economic conditionalities, structural adjustment programmes, political conditionalities around respect of human rights and governance ; and "partnership" policies involving intensive and extensive redesigning of policy formation and budgetary processes in recipient countries

<sup>7</sup>Petermann presents the three main types Official Development Assistance (ODA) tying that donors have pursued: (1) Aid contracts may restrict procurement to a specific project or programme (project tying); (2) They may also be related to particular commodities or services (referred to as Product tying) and last but not least (3) they may introduce limits on the eligibility of the location (referred to as source tying) (Petermann 2012)

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crucial in defining the context and in giving more expression to the sovereignty rights of African nations that can freely be expressed. Moreover, these elements are useful in sustaining the argument in favor of Africa governments' ability to shape the nature of their investment relations with China through their choices of deals and agreements.

As discussed above, these elements include the position of China as a new-comer in Africa, the absence of a colonial legacy within Sino-African economic encounters and the particularity of investment-related issue-area.

### **2.1.2 China: The Newcomer and its Need for Legitimacy**

Although China's presence in Africa can be traced back to as far as the 50s, its involvement in the continent as one of the main players is only a matter of the last two decades as opposed to industrialized Western nations who have been major players in Africa since the 80s<sup>8</sup>. Large scale aid from industrialized western nations started in the 19th century when in 1896, the US provided overseas assistance in the form of food aid to African nations followed by the British government administered grants for infrastructure projects that took place under the colonial development act in 1929(Moyo 2009b).

China first large scale aid intervention in Africa only came in the 1970s when China provided a zero-interest loan to two African countries for the construction of the Tanzania-Zambia railway<sup>9</sup>. When it comes to Foreign investment, the gap is also quite astonishing. Africa started receiving consistent amounts of Foreign Direct Investments in the 70s. Between 1983 to 1987, the main traditional foreign investors in Africa were the United States, France, Germany and the United Kingdom<sup>10</sup>.

From 1987 to 1997, the so called traditional triad - European Union, Japan and the USA - remained the main sources of FDI inflows to Africa. In 1992, four countries - USA, France, Germany, UK - accounted for the three-quarters of FDI stocks in Africa<sup>11</sup>.

It is only in the years between 2008 to 2012 that China appeared in rankings of Africa's top FDI investors (UNCTAD 2010). In fact, China was named second most promising investor's home in 2010 right after the United States of America(UNCTAD 2016). These trends in investment flows also confirm the nature of China as a newcomer on the table of global powers, but most importantly, as a major actor in Africa.

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<sup>8</sup>European nations activities in African can be traced back to the years 1880s. First as colonial powers prior to engaging with the continent on bilateral and multilateral basis after independence

<sup>9</sup><https://www.brookings.edu/opinions/chinas-aid-to-africa-monster-or-messiah/>

<sup>10</sup><https://unctad.org/en/Pages/DIAE/FDI.20Statistics/FDI-Statistics-Bilateral.aspx>

<sup>11</sup><https://unctad.org/en/Pages/DIAE/FDI.20Statistics/FDI-Statistics-Bilateral.aspx>

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As China arrived in Africa and tried to expand its presence in the continent, many traditional powers were already quite grounded within the continent with strong interests to defend. China's global ambitions and its needs of support from African nations that these ambitions generated made the continent one of the main target of China's foreign policy strategy.

China thus began to put into place a strategy to win-over African nations. As China attempted to ground itself in the continent, the country faces fierce competition and resistance from Africa's traditional "partners" and the lack of trust from Africans whom China desperately needed to convince of its good intentions <sup>12</sup>.

This particular context provided by China's ambitions, position and its need to negotiate its entry into the continent and the competition with traditional industrialized nations with strong interests in Africa that this generated provided African governments with the room for maneuver and the space they needed to voice their preferences and bring their own interests on the table of negotiations with China.

Suddenly with China's arrival and ambitions, not only African countries had an alternative to the Western model, but competition between China and the West gave them more authority in negotiations with China.

In fact, China's ambition to assume the leadership position of the developing world as a first step to its ascension to the rank of global powers from the late 1990s through the late 2000s has provided African countries with a context favorable to their expression and the opportunity to take advantage of foreign competition and act upon their sovereign status to make their voices heard. Because of its challenging position, China was more likely to give them the space and the opportunities that it felt they did not complete have with their traditional partners.

The literature on regional leadership and its theory of positioning argue that a community of states can position a state as leader or a state, wanting to assume leadership responsibilities can attempt to position itself as regional leader (Van Langenhove, Zwartjes, and Papanagnou 2016). Regional leadership <sup>13</sup> is a function of three determinants namely the willingness of the aspiring leader, its leadership capacity and the acceptance of its leadership claim by other actors (International and especially regional) (Van Langenhove, Zwartjes, and Papanagnou 2016).

If China's willingness<sup>14</sup> and capacity <sup>15</sup> to assume the role of leader of the devel-

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<sup>12</sup>Especially in the time period covered by this analysis 2006-2015

<sup>13</sup>Here i consider the region the community of developing nations

<sup>14</sup>Observable through the content of the many political discourses of Chinese leaders expressing China's intentions to fight hegemony, western imperialism and to assist poorer nations in their quest for development as well as by the ever increasing flows of capitals, goods and people between China and developing nations in Africa and around the world

<sup>15</sup>Measurable through indicators such as military and economic capabilities (Van Langenhove, Zwartjes, and Papanagnou 2016). Although China is still considered a developing country, its impressive economic growth (averaging nearly ten per cent per year) has made the country the world's second largest economy well capable - economically and militarily speaking - of assuming

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oping world can now hardly be contested today, its acceptance <sup>16</sup> as the leader of the developing world by developing nations has been more progressive. China needed to convince those that it wanted to lead, especially Africans, that it could be a credible and committed partner endowed with the needed capacity to be a leader.

One of the main strategies used by China to convince was focused around the use of discourses that stressed common interests and persecuted past. The country relied on the continuous use of discourses to align African nations to its causes. However, discourse alone was rarely enough. The projection norms and the focus on common interests needed to be accompanied simultaneously by the offering of material incentives such as investments and Aid-related grants (Van Langenhove, Zwartjes, and Papanagnou 2016).

For China to challenge the status-quo, it needed developing countries, and as the continent gathering the majority of developing nations<sup>17</sup>, Africa was and still is crucial important in these calculations. China needed Africa just as much as -if not more than - Africa needed China. For the first time there was an opportunity for African nations to engage with a foreign nation on common grounds.

The nature of China's condition and ambitions <sup>18</sup> and material needs <sup>19</sup> - created a need for the African continent that provided African nations with a favorable framework for self-expression. Indeed, The context within Which China's relations with African nations have existed between 2007 to 2016 was one that gave far more weight to the expression of African agency and the interests of African governments than it had ever been before.

Such a context provided African governments with the opportunity to leverage China's global ambitions, position within the continent and its for acceptance for the space to affect and shape China's economic activity within their territorial borders.

Moreover, as China tried to cement its position as a global power, a greater need appeared to engage in global powers activities and to send a message of importance and responsibility towards the weak. One of such global powers activities is related to the provision of foreign aid as an expression of solidarity towards weaker nations (Apodaca 2017). Commercial interests have been shown to affect the nature and distribution of foreign aid to poorer countries and foreign assistance is

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the leadership position of the developing world

<sup>16</sup>Acceptance of leadership tend to be difficult to identify and quantify, however, indicators have been used such as the demand on the regional leaders to display more responsibility and appeal on the regional leader in terms of cultural products and educational institutions (Van Langenhove, Zwartjes, and Papanagnou 2016)

<sup>17</sup>The African continent is home to 90 per cent of the world's developing countries and is a crucial and very needed ally for China's ambitions

<sup>18</sup>By their mere existence and membership in the world community and its organizations, African nations capacity to influence agendas on many important issues - whether they are security issues or fair-trade practices - by their votes and alignment to a specific cause.

<sup>19</sup>As natural resources power houses



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commonly used by governments to fulfil a moral obligation of solidarity. However, foreign assistance is very often used as a political tool very much used to promote their reputation and further their causes (Apodaca 2017). In fact, Foreign aid has been shown to be used predominantly to promote geostrategic interests, to facilitate cooperation, gain foreign allies (Apodaca 2017) and to project an image of generous global citizen (Van der Veen 2011). In the particular case of China, Apodaca (2017) stresses for instance that China provides aid to countries that accepted it as a legitimate government of the Chinese people while Dreher and Fuchs (2011) confirm that political considerations do indeed play a pivotal role in channelling China's foreign aid allocations.

Therefore, as the continent with the biggest count of developing nations, many of them being on the list of the world's poorest nations, Africa was also a fertile environment for China to display an image of solidarity and responsibility that was necessary to allow the country to further shape its "global power" image.

### **2.1.3 China-Africa Relations: The Absence of a Colonial Past**

The absence of a colonial component in the history of Sino-African relations brings in new perspectives and possibilities. In fact without the shadow of colonialism or the presence of remaining colonial ties that have affected Africa's relations with the West to this day, both China and African countries could claim to base their engagement with each other on "equality" and freedom of choice and of action.

This absence of the legacy of a colonial past potentially affects Sino-African economic relations in two main ways. First, it changes the nature of African agency by removing the possibility of routinized practices (by both the West and African nations) that have been inherited from the colonial era. The relations between African countries and the West (especially former colonizers) have been for a huge chunk of their history a sort of "colonizer-colonized" type of relationship before changing to former colonizer and former colonies types of relationships after African nations had gained their independence.

The colonizer-colonized relationships that lasted decades were mainly characterized by Africa's complete dependence of Africans on the colonizing powers. There was no possibility for self-determination for African colonies whereas the colonizers exercised complete control over the territories, the political, cultural, military and economic aspects of the colonies they governed (Nnam 2007; Moyo 2009b).

This was the nature of Africa's contacts with the world up until decolonization. With decolonization, there had been a change in African nations' international position. They were no longer colonies and started to exist in their own rights

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as sovereign nations. However, despite their new international posture, very little change was observed in terms of the space and opportunities available for true self-determination.

Right after what Daniel Offiong (1982a) called "pseudo-independence", new nations found out to their detriment that very little had changed and that their economic and political affairs were still controlled at a certain degree by their former metropole(Offiong 1982a).

This continued status-quo was mainly due to the desire of colonial powers to preserve their former interests - the remnants of colonial ties - but also connected to the so called African "colonial-mentality" inherited by Africans during colonization (Nnam 2007).

As part of the remnants of the colonial age in post-colonial years, elements such as the economic entrenchment of the colonial power before independence, the continuity of economic dependence after recognition of national sovereignty, and the direct monetary dependence of those newly independent states whose finances remained in the hands of and directly controlled by former colonial powers were recognized as some of the greatest threats to both the sovereignty and the development of the newly independent African countries(Offiong 1982b).

Also worth mentioning among these controversial remnants of colonisation is the increasingly problematic currency monetary agreement between France and her former colonies(Engberg 1973). A particular point in this agreement is the CFA franc<sup>20</sup> and its operations in Sub-Saharan Africa. The CFA franc was created on 26 December 1945 by two multi-national central banks in Paris. It is the common currency of the fourteen African countries belonging to the franc zone<sup>21</sup>. This monetary agreement was built on three main pillars that include: (1) A fixed rate of exchange with the euro (This was previously done with the French franc); (2) The guarantee of unlimited convertibility of CFA to Euro by France and (3) A centralization of foreign exchange reserves. It is usually the third pillar that appears to be the most problematic.

Since 2005, the foreign reserves of the central banks - the Central Bank of Central African States (BEAC) and the Central Bank of West African States (BCEAO) are pooled by the different economic regions and are then deposited in the french treasury operating system <sup>22</sup>.

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<sup>20</sup><https://www.bceao.int/en/content/history-cfa-franc>

<sup>21</sup>Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo, which make up the West African Economic and Monetary Union (WAEMU), whose central bank is the BCEAO ;Cameroon, Central Africa, Congo, Gabon, Equatorial Guinea and Chad, which form the Economic and Monetary Community of Central African States (CEMAC), whose central bank is the Bank of Central African States (BEAC)

<sup>22</sup>In fact between 50 per cent and 60 percent of these regions foreign currency reserves are deposited in the french treasury.Immediately after decolonization, the requirement was to actually

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Many critics have voiced their concern by arguing that such an arrangement robs concerned nations of their monetary sovereignty by allowing France to hold a de facto veto on the boards of the two central banks whereas the European Central Bank dictates the monetary and exchange rate policies affecting the fixed exchange rate between the CFA franc and the Euro.<sup>23</sup> Many African governments whom countries are involved in the agreement are increasingly demanding modifications to be made on the content of the agreement with regard to greater flexibility in national credit policies and some control over accumulated foreign exchange reserves (Engberg 1973). This is in brief one example of post-colonial arrangement that still ties African nations to former their former colonizers and that may affect Africans ability to make autonomous sovereign choices in their interactions with some of their former colonizers.

Moreover, the colonial mentality is another element of the colonial legacy that affects Africa's interactions with the West to this day.

The so called 'African colonial mentality' was inherited from the colonial past. It has been defined as the unintentional attempt by Africans themselves to continue to live and behave, even many decades after decolonization, in the same fashion they did during colonization (Nnam 2007).

This perpetuation of the colonial mindset among Africans has not only had an impact on the acknowledgement and expression of an African agency in relationships linking Africa to the West but also on the behaviour of African governments vis-a-vis their former colonizers. More specifically, it has obscured the sense of agency within the continent transforming it into a habitual and repetitive process within which the capacity for purposive and deliberate action has been rendered ineffective (Giddens 1979).

This type of transformation it has been argued, tends to lead to an environment that is characterized by a sense of continuation and routine and within which actions are repeated despite changes in the status of actors (Giddens 1979). This means that when they face their colonizers, African governments may still behave as though they were still colonies regardless of the changes in their international statutes.

This view I argue may also potentially explain the apparent absence of expression of an African will within Africa's interactions with the West as well as the continent's continual and habitual dependence on its former colonizers. A vast literature on the legacies of colonization mostly stresses the impact that this colonial past has had not

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deposit the totality (100 per cent) of their foreign exchange reserves in a special French treasury operating account (Engberg 1973)

<sup>23</sup>After the reform of the BCEAO in 2010, the responsibility of monetary policy has been assigned to a monetary policy committee. Furthermore, while a French representative enjoys the position of a voting member within the committee, the president of the WAEMU Commission attends only in an advisory capacity

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only on African nations development prospects but also on their relations with the West in general and with their former colonizers in particular (Nnam 2007; Offiong 1982b; Moyo 2009b).

It is difficult to believe - although it is often expected - that the Western approach to Africa, the behavior of African nations and their approach to the West were suddenly changed as a result of their freedom from colonial rule.

Exactly because as discussed, independence and the autonomy that comes with decolonization did not take hold in many cases. This colonial past gives Africa's relations with Western nations an ambiguity that does not exist within Sino-African encounters. The absence of such ambiguity in turn removes the fear and the complexity that may exist within Africa's relations with the West bringing in a sense of newness - At least during the first two decades - , of common past and shared values as well as the perception of real opportunities for mutually beneficial outcomes that did not exist within Africa's economic encounters with Western nations.

Considerations of the historical past of Africa's relations to Western nations consequently bring to the forefront important questions to consider, namely: (1) Is a former colony really able to negotiate equitable agreements with a former colonizers? and (2) how can a former colony make demands to its former colonizer towards which it has been for quite a long time - and is still to a certain extent - so entrenched? Unfortunately, answering these questions is beyond the scope of this discussion, however, they highlight the complex background that constitute the framework of Africa's relations with the Western world.

#### **2.1.4 The Issue-Area**

Last but certainly not the least important that influence China investment relations with African countries is the nature of the issue at hand. The issue-area is decisive in determining the degree of control and autonomy that host nations have in the international agreements they enter into. This distinction regarding the issue-area is also relevant within Sino-African relations.

As Pempel(1977) rightly points out, the assessment of the relative importance of domestic and international forces demands the researcher to be sensitive to the nature of different issues (Pempel 1977).

This study focuses on investment cooperation between China and African nations at its booming stage. The issue-area . investment - is quite important as it determines not only the degree of authority of African governments over the decision-making process that leads the agreements that they sign, but it also influences the type of interactions that takes place between the actors. Investment relationship by nature are assumed and expected to take place within a non-coercive environment

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that facilitates free choice<sup>24</sup>.

Issues related to foreign investments are quite particular. In this case, even if a country is deemed too weak, too small or too insignificant to possibly have any impact on the nature of its relationships with other more powerful nation-states, the same country could enjoy a greater degree of power and autonomy over the decisions that are made within this investment relations. This is mainly because the implementation of international relations' economic decisions (Related to issues such as aid and Investment) takes place within the recipient country territorial space. This confers to the recipient state - having sovereignty over its territory - a greater authority over the decisions that are made. At the minimum the host nation can always exercise its power to simply reject any proposition made by another country.

This view was confirmed by Brown (2013) who he argued that Sovereignty rights remain the very basis upon which aid relations for instance are conducted and thus, the base from which recipients nations are able to shape the terms of aid relationships. This is mainly so because of the need for most aid decisions to be implemented within sovereign nations that are under the control of sovereign governments. The shaping power of host governments is even greater in the context of investments relations because of risk they involve and their capacity to generate profit for both parties - the investor and the recipient.

Therefore, the responsibility of African governments over the decisions that were made within Sino-African investment relations is amplified. The increased capacity to choose and advance their preferences that the context provided bestowed to African governments the space and the power to affect and shape the content and the nature of Chinese investments' deals.

## 2.2 Second Argument: Domestic Politics and Choices of African Governments

**Argument two:** *The choices made by African governments in investment negotiations with China are mainly shaped by the domestic political context within which African governments are embedded.*

The argument that the choices of deals made by African leaders investment negotiations with China are shaped by the domestic political context within which they are embedded is again a fundamental departure from the historical perception of Africa's interactions with the world that sees Africa as weak and helpless. According to this common perception of the continent, governments in Africa are not expected

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<sup>24</sup>An environment where negotiations is the most important tool and within which the refusal to sign an agreement or to agree to certain terms of cooperation do not in general lead to retaliation

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to influence the outcomes of their international relations with more powerful nations.

By connecting the choices of African governments to their domestic political environments, this project contributes to the body of literature that assesses the role of domestic politics in international relations. It also contributes to the understanding South-South economic relations and more specifically relations within which power asymmetries are observed.

The argument made within this section is central to the discussion of this project. This section further discusses the reasons why the traditional perception of Sino-African investment relations and its reliance on the realist conception of power - Power as material resources - to explain the outcomes of China's investment relations with Africa has not been able to tell the whole story of China's investment encounters with the continent.

In the next sections, i discuss the shortcomings of a conception of power that is limited to aggregated structural resources and its implications for Sino-African investment relations. I also discuss the limitations of a conception of Sino-African investment relations that are driven by China's power because of Africa's perceived helplessness.

### **2.2.1 The Systemic View of International Relations and the Concept of Power**

After the cold war, the realist view of international relations have dominated the field of international relations with power playing a fundamental role in shaping and explaining the outcomes of these relations.

According to Keohane(1977) scholars who explain states' international behavior as a function of the system - which is the distribution of power among countries that constitute the system - tend to see power as the crucial explanatory variable that explains for instance why states may choose to go to war or refrain from it.

Systemic explanations - mostly realist - of international relations are not only characterized by the way they see the international system, but also by their conception of power and its sources. According to realists (and neo-realists) all states regardless of their political system, their history or culture reside within an anarchic international system that limits the choices they can make(Dahl 1957). As illustrated by Keohane(1977; 1986), many of the scholars sharing this view have in fact long argued that states' foreign policies were solely a product of the international system. When considering China's relations with African countries through these lenses, it is not a surprise that African countries are not expected to affect the nature and the outcomes of their economic encounters with China.

The concept of power itself has been defined by Robert Dahl(1957) as an actor

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A's ability to get an actor B to do something that the actor B would not otherwise do. To most realists, this ability of the actor A to move actor B in A's preferred direction is directly related to actor A's possession of the relevant structural resources such as economic and military capabilities (Dahl 1957).

This view of power and of its role in interstate encounters in turn led to the conclusion that in international relations, the greater the structural resources of an actor, - mainly of military and economic nature - the more power this actor possesses. Therefore, in interstate relations characterized by uneven distribution of power resources, as it is the case for Sino-African relations, the actor in possession of more power is expected to have control over the decisions and the outcomes of its interactions with the actor that possesses less of these resources (Drezner 2008).

China's economic relations with African countries is one of such relations. They are considered asymmetric in the sense that they are relationships that involve states with different levels of aggregated capabilities. China, vis-a-vis its African counterparts may be what the power literature considers to be the "strong" actor whereas African countries occupy the position of the "weak" <sup>25</sup>.

Therefore in accordance with the realist view, the strong party - China - is expected to take advantage of the weak party whereas the weak - African countries - are mainly expected to have no other choice than to submit to China. In the next sections, I discuss in more depth the perception of power in international relations and how this view shaped the understanding of China's economic relations with African countries.

### **2.2.2 On Strength and Weakness of States**

This section focuses on the way state's strength and weaknesses are conceptualized in the international relations literature. What makes a state strong and another weak. This is important here because China's economic relations with the Africa have been mainly assessed through the conception that China as the stronger nation is taking advantage of the African weaklings. Therefore, it cannot be argued that the choices made by African governments in investment relations with China have been shaped by the domestic political configurations without addressing the conceptions of strength and weakness and what they mean for this project.

In conceptualizing the "weakness" and "strength" of states, two main approaches have been prevalent in the international relations' literature.

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<sup>25</sup>The concept of state here is defined as the combination of a fixed territory, population and sovereign control in order that a sovereign power effectively rules over the population within a territory (Siaroff 2013). This definition is different from that of the "state" which refers to the organizationally differentiated political, bureaucratic, legal and usually military system of a country and that will is used later within the project

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The first approach is qualitative in nature. It focuses on factors such as the state's behavior and even takes into consideration the psychological aspects of the state's behavior. The second approach is more quantitative in the sense that it primarily defines the strength of the state on the basis of concrete and measurable criteria (Lehtonen 2009). One of the main proponents of this approach to the conceptualization and operationalization of the strength of a state is Baldur Thorhallsson (2006) who mainly uses four traditional criteria (variables) to identify the strength or weakness of states including measurable variables such as the size of their populations, the size of their territory, their gross domestic product (GDP) and their military capabilities.

Although Thorhallsson's (2006) definition includes the military capacity of a state, it however mainly emphasizes the economic and demographic characteristics of states as being the main indicators of power. Whereas Damijan et al. (2001) push the specification a bit further by adding more details and numeric limitations to the concept of weakness or smallness of a state.

They argue that small states<sup>26</sup> are those with a combination of a GDP that is between 10 to 20 billion, a land size not exceeding 500,000 Square Kilometers and a population between 8 to 13 million. Their measures make possible the classification of states according to their size thus facilitating possible comparison. However, this definition tends to slightly overlook the relative aspect of the concept smallness (or weakness) in the sense that according to these measures, a state can be perceived as weak (or small) in comparison to a stronger one but still be perceived as strong vis-a-vis a weaker state suggesting the need to identify and classify states in relation to other states (Thorhallsson 2006).

An asymmetric bilateral relation (As opposed to a symmetric one<sup>27</sup> is a type of interactions within which two states with different degrees of power interact for a specific purpose. This type of encounter is characterized by disparities in aggregated structural resources between the parties involved.

There is one party with more structural capabilities that is seen as the one that has more power and another party that has less of these capabilities and that is seen as the weak party. The main characteristic of this type of relationships is the unequal distribution of aggregated structural resources which, as stated by Keohane (1977) and Pfetsch (2000), leads to the realists' expectation of domination by the strong and to submission by the weak.

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<sup>26</sup>Small and weak are used as synonym and could be used interchangeably. However, for the sake of simplicity, I decided to use the concepts "weak" and "strong" in this project

<sup>27</sup>A symmetric relation on the other hand is one within which there are no to minimal disparities in possessions between the parties. This type of relationships tends to engage two more or less equally strong or two relatively equally weak nations. In a symmetrical context, the two parties are said to possess equal aggregate capacities, therefore this type of relationship is characterized by more balanced distribution of aggregated structural possessions (Pfetsch and Landau 2000)



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It is through the focus on power and on aggregated structural possessions that the realists mainly analyze international relations and bilateral negotiations in particular. It is also through these lenses (with their strength and limitations) that most assessment of Sino-African investment relations have been done often with little considerations for the particular context within which they take place.

In the next sections, I discuss two important issues related to the conceptualization and the operationalization of the concepts of strength or power and weakness as well as their implications for Sino-African relations.

### **2.2.3 Power in Interstates Relations: Definition and Measures**

Despite its frequent use, the concept of power has been a subject of much debates. Often time, the issue has been located around its correct definition and its sources. Addressing this concern, Robert Dahl (1957) suggests that the definition chosen does not really matter as long as the crucial element of power, which is the basic intuitive notion of A causing B to do something that B otherwise would not have done, is present.

Resources in the neoclassical view are mainly of two kinds: Market-related resources (e.g. The size of the economy) and security-related resources(Dahl 1957). International political economy therefore holds the tradition of understanding power as "the relative size and diversity of an actor internal market". This as a result suggests that the negotiating strength of an actor in negotiations can be derived from the size of its internal market and the dependency of its opponent vis-à-vis that actor (Drezner 2008).

The realists view of International negotiations and particularly of negotiations with asymmetric characteristics tends to take the effect of possessions for granted . Which lead to the assumptions that aggregated structural possession necessarily means power (power-as-resources) and that the party with more possessions (military, economic, demographic depending on the issue at hand) will systematically be the winning party in negotiations, and the side with less of such aggregated possessions will systematically be taken advantage of(Habeeb 1988).

Keohane(1986), further argues that most realists (including neorealists) view states as unitary actors responding to external incentives. He discusses the tendency of realists to take states' internal attributes as given and by assumption as opposed to being treated as variables. Within such context, states are assumed to have stable and broadly similar domestic preferences, decision-making procedures and similar abilities to extract resources from society with the only factor distinguishing them being their relative power position in the international system(Robert

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Owen Keohane 1986). This assumption has led to the conclusion that outcomes of international relations shift solely as a response of a changing international environment but not domestic changes (P. B. Evans et al. 1993).

However as relevant and adaptable to many world's situations this view may be, empirical evidences have shown that "stronger" nations<sup>28</sup> do not always have the upper hand and that weaker <sup>29</sup> nations can and often time do manage to get what they want in negotiations with stronger ones (Habeeb 1988) .

This indeed contradicts most systemic expectations. Moreover, systemic explanations are not only limited in their ability to predict the less powerful to "success" against the powerful, but according to Nye and Keohane (1986) they are also limited in their ability to explain why powerful states sometimes do not use their resources to direct or control international outcomes.

Yet it is this view of power and this conception of international relations that have been systematically used to assess Sino-African investment relations. With the prior expectation that the strong always gets what it wants, little attention has been given to the possibility that other factors specific to the context within which China investment relations with African countries takes place could give more weight to the internal attributes of African nations.

Habeeb's (1988) argument does indeed suggest that, when it comes to most bilateral interactions, it is not much about what the parties aggregated structural possessions are - economic and military possessions - (although important) as it is about the context within which the interactions take place, the nature of the relationship between the parties, the issue at hand, the constraints and preferences of the parties as well as the extent to which they are willing and capable of compromising.

Taking into account these considerations, power thus becomes a relative and fundamentally contextual force which sources can be as diverse as the issues that bring countries to the same table. Having dominated accounts of Sino-African investment relations, realist (Including Neorealist) approaches to international relations have led to the common expectation that the deals and agreements that determine the nature and trajectory of China's investment encounters with African nations are the result of China's unilateral expression of power and domination vis-à-vis its African counterparts.

In the next section, I discuss the issue of power as it has addressed within Sino-African investment relations.

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<sup>28</sup>With strength defined in term of superiority in aggregated structural possessions

<sup>29</sup>Weakness defined in terms of inferiority in aggregated possessions

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#### 2.2.4 China's Power and Sino-African Relations

China's aggregated structural capabilities seen in the country's economic and military superiority have led to a perception of China as an overreaching and unchallenged (by African governments) power in Africa. However, African countries' economic and military limitations as well as the historical perception of the continent as poor and needy have led to African governments being perceived as a powerless, helpless and a passive bystander of China's neo-colonial activities in the continent.

The discrepancy that exist in the way both parties (China and Africa) are perceived - The overestimation of China's power and authority in Africa and the exaggeration of Africa's helplessness - in turn gave rise to the expectation that China's actions in Africa, the nature of its involvement within the continent and the extent to which the country is involved in most African countries are the results of China's unilateral decision making and demonstration of power vis-à-vis African nations.

Such differences in perception is a clear manifestation realists' estimation of power and of lack of power based on structural possessions only. The realist's interpretation of international relations sees the possessions of aggregated structural resources such as economic and military capabilities as the main determinant of the outcomes of international negotiations and of states' behavior in the international relations(P. B. Evans et al. 1993).

Therefore, in the realist's perception of asymmetric relations, - relations where discrepancies in aggregated structural resources between actors exists - the weak actor is not expected to be able to decisively make autonomous decisions and choices that would shape the nature and the trajectory of the relationship. When it comes to China's economic relations with African countries, this perception has led to assessments of Sino-African investment cooperation that tend to underestimate the relevance of an African agency and the role played by African governments in shaping the nature of China's involvement within their territories.

Before going further, it is important to clarify that the above statements are in no way attempts to underestimate the importance of China's aggregated capabilities in its investment relations with African nations. Nor are they attempts to assert that these China's aggregated structural possessions do not have the potential to allow China to guarantee certain outcomes in Sino-African investment relations.

However, the argument here is that, if China's possessions affected the agreements and deals that are signed within Sino-African investment relations, it is so not because African governments have had little choice on the matter. It is also not because the choices they made were forced upon them.

Contrary to the view that have dominated studies on China-Africa economic encounters, this is not the case. It is even less so for the period this study is inves-

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tigating because of the factors specific to the context that were already discussed above. But also because of the specific needs that exist within the Sino-African investment relationship and that affect power dynamics in negotiations <sup>30</sup>.

Power, as the brief discussion in the next section suggests is a highly contextual concept which sources varies according to the environment within which it is applied. Re-conceptualizing power as a context-bound concept enables a reassessment of China's economic encounters with African countries that goes beyond considerations of aggregated possession and their capacity to shape the outcomes of Sino-African investment negotiations.

### 2.2.5 Power and Context

As previously discussed, the realist's approach of depicting power as a possession or property of states has been broadly criticized and challenged by various scholars working in a variety of disciplines for failing to include various dimensions of power and for being too static and limited to a dimension of power that is difficult to apply to other contexts(Habeb 1988; Fearon et al. 2002).

Two very important aspects of the concept of power include the fact that it is both relative and situational. This is because it very much depends on the context in which it is being used and according to the context the sources of power may vary. Therefore, it is also important to consider that not only what represents a potential power "asset" in one situation may just be a power liability in different settings (Fearon et al. 2002) but also that the discrepancy in aggregated possessions between two actors do not necessarily translate into powerlessness for the actor with less of these resources.

Therefore, assuming that China, as a economically and militarily stronger state will automatically control the outcomes of investment interactions with African nations does not only overestimate the capacity of aggregated structural resources to bring about desired results but also means that the importance of the context and issue-related specifications that can greatly impact the choice and efficiency of a particular resource are being overlooked(Habeb 1988).

According to Habeb (1988) most theories of international interactions including game theory, concession-convergence theory and psychological behavioral theory although well-grounded in the concept of power, offer only a narrow understanding of the multifaceted nature of this concept.

Habeb's work focus its argument on power of the weak by criticizing the classical power theory as being inadequate and too static because of its conceptual limitations

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<sup>30</sup>Explanation on the importance of the time frame are further discussed in the chapter consecrated to the research design

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and the general assumption that in bilateral negotiations, powerful actors always achieve their objectives.

Moreover, Habeeb's argument further stresses that argues that most conceptual, methodological and theoretical frameworks dealing with the study of the processes and outcomes of bilateral interactions (including negotiations) do not adequately explain why "weak" international actors have sometimes been able to achieve many of their objectives in negotiations with great powers despite the fact that they did not possess the structural capabilities of their opponent(Habeeb 1988).

The unexpected success of weak nations in negotiations with strong and more powerful ones have shed light on the limitations of this traditional conception of power in interstates interactions. Therefore, the realist view has proved to be insufficient to the understanding of asymmetrical encounters such as it is the case for Africa's investment relations with China.

IT has led to assumptions and conclusions that greatly overestimate the capacity of financial, military and perhaps also demographic possessions to be translated into power and to induce control over outcomes of interstates negotiations. While denying the existence of other instrumental elements of power that differ from usual structural possessions, it has also led to the complete exclusion of any possibilities that the "weak" party can have the upper hand in negotiations with stronger ones.

Habeeb concludes that the possession of aggregated structural resources does not necessarily mean possession of power and neither does it necessarily translates into control over outcomes(Habeeb 1988). His Conclusion is perfectly in line with Zartman's (2002) argument that stresses that although the weak is often both weak and needy whereas the strong is often strong and rich, weak still do have ways of finding strength in negotiation and of turning their perceived weakness into advantage which in turn often enables them to win what he calls a "good deal" in interstates negotiations with stronger nations. The outcomes of negotiations therefore seem to be much more dependent on the specific context rather within which they occur rather than relying on superiority calculations that are only determined by aggregated structural resources.

This is why within this project, resources are not defined to include only aggregated capabilities but instead they are considered to represent all the factors that shape the supply and demand curve specific to Sino-African investment relations.

The definition of power here focuses on factors proper to the context of the relationship that can be used to yield power(De Mesquita 2010).

A preliminary inventory and discussion of these factors within Sino-Africa investment relations is done in the chapter 6 <sup>31</sup>. This discussion aims at strengthening

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<sup>31</sup>The inventory is preliminary because it is a general discussion of the specific elements of power on the African side without considerations for the specific elements of each individual bilateral

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the argument that Africans were not as powerless as they have been perceived to be and to show that just as China, African nations also did possess the resources that enabled them exert power. Because ultimately power is about mobilizing and using one's resources to channel the behavior of others (De Mesquita 2010).

Therefore, the choice to focus on the effect of domestic politics as the main determinant of the choices made by African governments in Sino-African investment relations does not nullify the effect or presence of power nor does it neglect the structure of the international environment and the effect it can potentially have on what African governments choose to do and the agreements they choose to sign. What this project claims is that when it comes to Sino-African investment relations specifically, domestic politics is a crucial variable that has not been given deserved attention in assessments of Africa's economic interactions with China.

## Conclusion

In this chapter, I briefly discussed the view regarding Sino-African investment relations that is prevalent within the Sino-African literature and introduced the first argument based on which this project is grounded. I argued that the deals and agreements that resulted from China investment relations with African countries were not the results of China's unilateral expression of power in the continent but were the choices made by African governments in negotiations with China.

This assumption negates the idea of a helpless and passive continent that is at the mercy of China to draw attention to Africa's agency and on the ability of African leaders to shape the nature and the trajectory of their investment relations with China.

In the second section of the chapter, I focused on the second argument made by this project. I argue that the choices made by African governments in investment interactions with China in the last two decades were shaped by the domestic political context within which they were embedded. This argument brings attention to the role of domestic politics in Sino-African investment relations.

It is important to note that the discussions and arguments highlighted in this chapter only serve as background discussions elaborating on the wisdom and the motives behind the decision to center the analysis on the domestic element of African nations. The theoretical foundations on which the project is built and the specifics that serve as empirical evidence for the arguments made are discussed in the next chapters.

# Chapter 3

## Literature Review

With globalization and growing inter-dependencies, there has been an increased interest in interstates economic interactions, in the outcomes of these interactions and in the understanding of what shapes the choices of governments as they engage with other states and non-states actors in international settings.

This growing interest has resulted in an impressive body of literature that focuses on the study of international relations and international politics. Numbers of scholars and policymakers alike have attempted to explain interstates conflict, cooperation and the outcomes of these interactions by investigating the dynamics within them. The investigations that followed this increasing interest generated an impressive scholarship that can be separated in three main approaches: The systemic and domestic approaches as well as those who combine both the domestic and systemic approaches (Alden and Aran 2016).

As the dominant approach in the study of international relations, the systemic approach is characterized by a focus on states relative power in the international system. This approach sees power as a determinant of states' international behavior and consider the international system as the main and most relevant constraint on states' international behavior. Systemic theorists do have the tendency to mainly focus on international constraints placed on nation-states. The proponents of systemic explanations of international relations believe that all states regardless of their domestic features reside in an international system governed by the distribution of power that limits the choices they can make (Beasley et al. 2012).

The theory of hegemonic stability is one of such approach as it holds that a nation-state's position in the international economy decisively shapes its foreign policy(Ikenberry 1998). Moreover, systemic scholars argue that state power in the international system is the most crucial element that determine how much freedom states have in making foreign policy choices(Waltz 2010).

The argument often holds that dominant states have the capabilities that are necessary to create and impose their preferences on weaker states either by providing

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them with the goods they need or by coercing reluctant states to adhere to their principles and preferences. As a result of systemic perception of power as the crucial element that shapes interstate relations, the domestic components of states and their political attributes are mostly deemed irrelevant and unnecessary to systemic investigations and therefore given by assumption (Evans 1993).

However, even though systemic approaches that rely on realists and neo-realist theories have been relevant and successful in explaining international politics especially during and after the cold war, they nevertheless appeared to be unable to account for many irregularities in expected international outcomes<sup>1</sup>

Realists' (systemic approaches) limitations in explaining recurrent patterns of behavior within the international arena as stated by Ikenberry (1998) and their inability to explain why a particular state made a particular foreign policy move at a particular time (Fearon 1998) have led to the realization of the increasing need to unpack the "black box" that is the "state" and to bring it - the state - back into the analysis of global politics and international relations (De Mesquita 2002).

As De Mesquita (2002) rightly points out, without leaders and their domestic incentives back to the forefront of research we cannot really understand the motivations and constraints that shape international politics and economics.

I have made the choice to briefly discuss the systemic approach to explaining states' decisions and choices in international relations. However, I focus the literature review on the domestic politics approach to international relations because of its relevance for this project's investigation. Therefore, in this chapter, I mainly review earlier work that address the domestic sources of states' foreign behavior and I explain how this project relates to this scholarship. The literature that is here reviewed is centered on the salience of domestic politics as a determinant of states' international behavior, and foreign policy choices.

I start the review with a brief discussion of the salience of domestic politics and the need to open the "black box" of the state in a predominantly realist conception of International relations. I then review the different strands of the literature that assess the determining effect of domestic politics on states' foreign behavior. Finally, I present a brief summary of the literature that assesses China's relations with African countries before concluding.

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<sup>1</sup>John Ikenberry cites the findings of Judith Goldstein (Goldstein and Robert O Keohane 1993) who argues that during the 1970 and 1980s, American trade policy, expected to shift because of the United States relative decline within the international economy and the growing import penetration of key sectors of the American economy but yet has remained surprisingly liberal. She attributes this unexpected outcome to the nature of American institutions. Ikenberry also cites the findings of Michael Mastanduno (Mastanduno 1997) who argues that although the US was at the zenith of its hegemonic power in the 1950, the country could still not maintain the East-West trade regime it preferred. An irregularity that as he argues, result from the contradictory nature of the goals of autonomous state' officials.



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### 3.1 International Relations: The salience of Domestic Politics

The shift from a sole focus on the effect of the international system - power - on states' international behavior to emphasize the role of domestic politics does not at all serve as a negation of the importance of the international system.

Indeed the international system continues to put considerable pressure on individual nation-states (Keohane, Milner, et al. 1996). The pressures generated by the system is not only visible within states international encounters but it is also extended within nation-states domestic borders <sup>2</sup>. A consistent part of this literature argues for instance that international forces decisively affect the internal politics, and hence the foreign policies of major countries by affecting interests, power and the coalitions that form in domestic politics (Gourevitch 1978; Katzenstein et al. 1978). Also within this scholarship, Ronald Rogowski (1989) focuses on the international effect on domestic coalitions have been argued by Ronald using the Stolper-Samuelson theorem. He argues that changes in international trade flows do in fact affect national political coalitions and cleavages by changing the returns to factors of production.

However, the idea that we must look within states to understand interactions between states is certainly not new (De Mesquita 2002). Long before states' connectedness became a global trend, many prominent scholars such as Rosenau (1966) already stressed the salience of domestic politics when he argued that studies of international politics would be advanced by paying more attention to the linkage between the domestic political systems and their implications for international affairs. Putnam's (1988) innovative research into two-level games was probably the first to highlight the issues related to agency that come to arise in international politics by noting that one cannot truly grasp international negotiations without also understanding what negotiators can "sell" to their domestic constituents and to their foreign counterparts.

As Bueno De Mesquita (De Mesquita 2002) points out, a vast literature has built on Putnam's notion of two-level game and has added many layers of subtlety derived from the idea that differences in regime type do indeed give rise to different foreign policy choices and international outcomes.

Immanuel Kant (1790) for instance argued in his treatise "perpetual peace" that democracies were inherently less likely to wage war than autocracies exhibiting by this argument the necessity to look within the nation-state to explain conflicting or

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<sup>2</sup>An important scholarship addresses the effect of the system on nation-states domestic politics by mainly looking at how international connectedness and the patterns of interdependence that result from increasing connection between states affect the domestic politics of individual nation-states (Keohane, Milner, et al. 1996)

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cooperative behaviors.

Moreover, despite the rapid circulation of ideas, values, capital and material goods that characterizes the contemporary global setting, domestic politics remains an undeniable determinant of states foreign policy behavior and of the outcomes of interstate interactions. There are some defining features of the international system that allow the reference to the enduring salience and centrality of the domestic environment in shaping foreign policy processes and international politics (Alden and Aran 2016). Among these defining features is the status accorded to the state by the idea of Sovereignty (Alden and Aran 2016) which gives to the state primacy over a fixed territory and its population <sup>3</sup>. In this aspect, Alden and Aran (2016) mention the establishment of tax havens in island states, the movement of multinationals from one state to another in search of the most favorable tax and labor conditions and the utilization of territory to accommodate political refugees as being all signs that states and domestic conditions within them are crucial sites of more or less autonomous political and economic activities.

Alden and Aran (Alden and Aran 2016) work continues to put an emphasis on the deliberate choices that governments can make (for a specific purpose) that depart from expected outcomes. Their argument stresses that decision makers may sometimes seek to boost their standing and position by appealing to international actors yet, ultimately and crucially, their authority is dependent upon domestic sources rather than international ones.

In the next section of this Chapter, I overview the literature that links domestic politics to international relations acknowledging the shaping effect that the domestic political context has on international relations and on the decisions that governments make as they negotiate with other governments and non-state actors. However, I do not only review the literature that link domestic politics to international relations but I also briefly review the literature that integrates both domestic and systemic influences.

## **3.2 Domestic Politics in International Relations: The Literature**

Two schools of thought focus on what De Mesquita (2012) calls the "linkage literature" explore the impact of domestic politics on international politics. These two schools are different because although they all consider and assess the link between domestic politics and international relation with the former affecting the later, the

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<sup>3</sup>This idea is also discussed in more details in this project's Chapter 1 and will therefore not be elaborated here.

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have adopted two different approaches contingent on the domestic localization of states international behavior. These approaches were either focused on the state as the domestic determinant of international behavior or on groups in society.

### **3.2.1 The Role of Domestic Politics**

The linkage schools look within states for explanations of states' international behavior. Scholars belonging to these schools locate the determinants of foreign policy and international relations within the nation-state and argue that although states' constitute the international system (Evans 1993), their behavior in the international system does not respond to it therefore There is always a possibility that states react differently even when they face common challenges.

As early as the 60s, Henry A. Kissinger (1966) focused on the role of countries' domestic structure in shaping their foreign policies and international behavior. His argument starts with a critic of the traditional conception of international relations that take domestic structure as given, partially and often completely negating the possibility of a domestic influence on relations. An influence that does not only exist but is also deterministic in the sense that domestic politics does indeed mold and even potentially shapes international relations. This determining role has been recognized by early 20th century scholars such as Kissinger (1966) who posits that when the domestic structures of states are based on the different conceptions of what is right and wrong, international affairs become more complex as a result and domestic structure becomes decisive in the elaboration of positive goals. Kissinger specifically looks at the impact of states' administrative structure with special regard to the role played by the bureaucracy as an energy gatherer for top executives in reconciling what is expected with what happens.

Thomas Risse-kappen(1991)investigation links the effect of domestic politics on international relations through a model that focuses on the role of public opinion in liberal democracies.

Through a comparative case study approach, he compares the United States of America, France, Japan and the Federal republic of Germany's responses to Soviet policies during the 1980. Risse-Kappen uses the most similar system design to argue that despite the fact that these four countries had more or less comparable trends in the mass public opinion, their response to the Soviet policies appeared to be different. His model shows that public opinion does have effect on foreign policy however this policy impact of public opinion does not depend so much on the issue at hand as it depends on the domestic structures and coalition-building processes. The analysis of the interaction between public opinion and elite coalition-building processes in these four countries revealed that the policy outcomes differ according to variations

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in domestic structures and not according to the international statute of the state. Schneider and Branislav (2018) investigate the domestic political origins of international cooperation through a study that focuses on Germany and the European debt crisis. They look into the timing and process of Germany's decision to agree on a plan for Greece's bailout in 2010. Back then, Greece struggled with a devastating economic crisis to which Euro-group members attempted to provide a solution. However, Germany refused to cooperate with Euro-group members on a bailout plan for Greece until the crisis threatened to derail the entire Euro-zone. Schneider and Branislav investigate into the reasons for the delay in Germany's response which they link to the impact of audience and the fear of electoral backlashes. In fact They argue that Germany's refusal to agree on the plan for Greece's bailout was in fact a strategic move to postpone a domestically unpopular decision that could have backlash during elections. Therefore, German's decision-makers waited until after crucial regional elections to finally decide on the bailout. Schneider and Branislav (2018) then conclude that strong domestic public opinion has been the cause and has acted as a conditioning factor that had a constraining and conditioning effect German's policy maker leading to the sub-optimal foreign policy.

It is the research into the origins of war that more intensively incorporates the domestic political factor in its explanations. The conflict and security aspects of International relations have also been investigated through attempts at understanding how domestic factors play in the decision of countries to go or not to war. The biggest part of this literature examines what it calls "war proneness" of democratic and authoritarian systems. One of the main argument of this literature is that democracies are less likely to initiate war and go to fight each other because of their preference for more moderate leaders and the greatest level of domestic constraints that these leaders face. This scholarship looks at how the domestic political context of a country affects the decisions of that country's decision-makers to go or to refrain from war.

Schweller (1992) assesses how the regime type of a country can potentially explain why countries decide to go to war with another and questions whether democracies are more pacific than other regimes. He focuses on addressing the questions related to how domestic structure may affect the initiation of preventive wars. By bridging factors at the systemic and domestic levels of analysis, he uses a society-centered approach to investigate the role of domestic politics and more specifically the role of public opinion on the likelihood of preventive war. The role of public opinion and the institutional dispositions such as the separation of power in democracies are assessed and their impacts on the possibility of a nation waging preventive wars are investigated. The result ultimately shows that only non-democratic regimes wage preventive wars against rising opponents whereas declining democratic states do not

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have this tendency.

Bueno de Mesquita (De Mesquita 2002) focuses on the role of domestic incentives in shaping states' behavior in international relations. Looking at the self-interested intentions behind leaders actions, De Mesquita argues that leaders are motivated by their own well-being and as a result they are more interested in staying in office than in the welfare of the state. Therefore, their behavior, he argues, is affected by what those who have the ability to keep them in power want.

According to this logic, leaders in office in democracies are more likely to be punished by losing office if they for example lose long and costly wars whereas those in autocracies face a relatively lower level of constraint and as a result, are more likely to engage in war even when their chances of success are pretty small. The sets of domestic incentives and constraints considerably affect states international posture and whether they decide to deal with international issues through negotiations or through war. A fear of electoral backlash which according to De Mesquita appears sufficient to shape their international behavior. Therefore, in accordance with the set of incentives and constraints provided by their domestic environment, leaders are expected to exhibit variations in their international behavior.

In comparative politics, one of the pillar works linking domestic politics to international relations is the influential "pre-theory" framework of Roseau (1966) in which governmental factors figure among his five general sources of foreign policy whereas political system properties (accountability and development) are two of the three national characteristics of nations-states that determine the relative importance of the source available.

Britain's poor economic performance since 1945 is not due to the weakness of British governments or to their inability to resist demands made by interest groups, but rather to a series of policy choices, especially in the international area that were inappropriate for Britain's resources but to which successive governments adhered (Blank 1977). Blank (1977) traces constraints on British economic performance after 1945 to the domestic context and to international system<sup>4</sup>. However his main argument is in favor of the British political context as being the major source of constraints on British economic performance. Blank argues that the story of British economy in the 30 years after 1945 relates Britain's inability to overcome internal constraints on its economic development which in turn has increased Britain's vulnerability to the external constraints. By this argument, Blank does not only

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<sup>4</sup>The internal constraints are mostly, according to Blank connected to the inefficiently organized domestic industries and to trade unions and management practices that inhibited industrial modernization and economic expansion. As for the external limitation on British economic performance, Blank argues in favor of Britain's position in the international system that he characterizes as being an "extraordinarily" vulnerable international financial position (a function of limited reserves)

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give prominence to domestic political factors as the main influence on Britain international economic performance but he also shows that domestic politics may affect international relations by reducing the state ability to resist international pressures.

Although he agrees with observers of Britain regarding the decisive impact that Britain domestic politics has on the country's economic policy and on its international standing as fundamental reason for the problems of the British economy are more political than economic.

Blank however disagrees with those who have come to believe that the structure of British society and, more particularly the way in which the political system operates have made it possible for groups representing limited interests to warp or undermine government policy and who argue that these groups powers are extended to the powers of governments and as a result, they often prevent governments from carrying out policies that are in the interest of the entire nation relaying the responsibility for the difficulties of British economy to the abilities of groups in British society ( particularly industrial and labor organizations) to undermine government policies to which he respond by arguing that those difficulties far from originating from the actions and preferences of societal groups are the results of the domestic and international policy choices of successive British governments. According to Blank, when it comes to the British policy-making, the problem is less a problem of the permeability of the economic policy-making process and more a problem related to the insulation of the process from critics and new ideas that allowed the British governments to not only make wrong policy choices but to persist in following those policies with " remarkable stubbornness"(Blank 1977).

Even when departing from the dichotomous differentiation of democratic versus non-democratic regimes and looking solely within the group of democracies,substantial variations in the level of political constraints as well as the magnitude of the effect of these political constraints on foreign policy depending on the configuration of domestic political elements(Hagan 1995).

Most scholars use differences in domestic constraints between democratic leaders and autocrats to expect and explain variations in international behavior. Susan Hannah Allen...looks at states' likelihood to resist international economic sanctions. She argues that institutional constraints within a state targeted by economic sanctions do not only influence the state's leader's ability to resist these sanctions, but they also affect the decision-making process within that state.

Allen (2008)argues that autocratic leaders who are less constrained, send noisier signals about their probable behavior and that the lack of constraints faced by these autocrats allows more freedom to resist sanctions because they can shunt the costs of sanctions off to general public, who have little influence over policy outcomes whereas democratic leaders do not enjoy the same luxury as they are more constrained and

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more susceptible to sanctions pressure.

Many scholars have based investigations on one can be said to be one of the major differences between autocracies and democracies: The institutional constraints on state's actions. The absence of constraints in autocracies and its effect of the decisions made by autocrats is a main argument in Allen's(Allen 2008) investigation that explain differences in response to international economic sanctions.

However, the view of complete state autonomy in autocracies have been challenged by scholars such as, but not limited to Barbara Geddes(Geddes 2005) and Bruce Bueno de Mesquita(De Mesquita, Morrow, et al. 2004) who stress that the argument regarding the absence of constraints in autocracies should be reconsidered because although autocrats are embedded within an institutional setting that is different from those of democracies, that does not means that they do not face constraints but that the nature and the extent to which they are constrained are different and perhaps more loose that those faced by democrats. Of course even this argument will depend on the particularities of a specific system be it a democracy or an autocracy because institutional variations exist within each regime type like Mattes et al.(Mattes and Rodriguez 2014), Geddes(Geddes, Wright, and Frantz 2012), Morrow(Morrow et al. 2008), De Mesquita(De Mesquita, Morrow, et al. 2004) and few others all argue.

This suggest that prior to formulate expectation of leaders international behavior, a thorough understanding of the domestic political context within which leaders make decisions, the constraints and the incentives provided by the system is crucial.

Apart from the need to bring the attention back to the domestic political context and to its role in shaping foreign policy and international behaviors, there has also been important discussion about way this link between domestic politics and international factors is and should be made. In this aspect, James D. Fearon(Fearon 1998) focuses on questions of methods by asking the following questions: (1) how important is domestic politics relative to systemic or structural factors in explaining states' foreign policies and (2)how exactly does domestic politics shape foreign policy?. Regarding these questions, Fearon argues that the responses to these questions can only be addressed after a thorough understanding of what a domestic-political explanation is has been acquired. Fearon Looks at the methods that have been used to link domestic politics to International relations. While agreeing on the importance of domestic politics and the need for considerations of how domestic incentives and constraints affect states' actions in international encounters, he puts an emphasis on the theoretical differentiation of domestic theories of international relations and international theories. He argues that a domestic-political argument is one that is capable of explaining how domestic political interactions lead the state to choose a bad or foolish policy in relation to some normative standards.

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However the recognition of the salience of domestic politics in affecting international behavior is not limited to Western democratic states. Domestic political influences have also become central to analyses of the foreign policy of the former Soviet Union. The studies of Soviet military interventions thoroughly document the actors and debates within the Kremlin and most importantly how these actors impact foreign policy action (Hagan 1995). More recently, political explanations have been receiving widespread attention in the third world foreign policy literature. Korany(1986) captures the emerging array of actors and institutions in many third world's political systems. ..

Glen Biglaiser et al.(2002) For instance, studied the effect of regime type on the likelihood that a state will privatize national enterprises. The study focuses on the developing world and assesses how the political regime of a country affects the likelihood of privatization of State owned enterprises. Their work compares privatization experiences in 76 developing countries from Latin America, South Asia, East Asia, Sub-Saharan Africa and the Middle East for the period of time going from 1987 to 1994. He looked into these countries to determine whether or not democratic or authoritarian regimes increased the probability of privatization and if the regime type of a country even matters in the likelihood of privatization.

They built a model that takes into consideration the constraints and limitations in decision-making faced by leaders under different political context to build hypotheses on the likelihood that these leaders would privatize state owned enterprises. According to Biglaiser et al.(Biglaiser and Danis 2002) the privatization of State Owned Enterprises (SOEs) often comes as an economic measure of austerity and it is therefore often expected that, considering the constraints and limitations in decision-making faced by leaders in democracies, these are therefore less likely to privatize than their authoritarian counterparts because the later are better able to ignore societal interests opposed to such economic measures that impose austerity.

### **Domestic and International Influences: The Integrative approaches**

Apart from the systemic literature and the purely domestic explanations of international relations, there is another branch of the domestic politics literature that use an integrative approach (Evans 1993) to combine and integrate both domestic influences and international ones. This scholarship was first more prominently advanced by Robert Putnam's two-level game and has since been brought to greater light by other scholars who have recognized the dual game of international politics and attempt to show the combined influence of domestic and international forces on states' international behavior and whose focus is thus on finding ways through which both domestic and systemic factors interact to shape international relations and states behavior within them.



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Approaches that combine both levels of influence - domestic and international - are motivated by the idea that systemic and domestic factors both affect interstate relations therefore, should both be taken into account when attempting to explain states international behavior or the outcomes of interstates relations in order to avoid extreme reduction-ism that potentially lead to wrong or incomplete inferences.

The central point of Putnam's approach rests on the argument that interstates interactions often involve negotiations that take place at two levels. On the first level, interstates negotiations take place that lead to tentative agreement, while negotiations with domestic players later take place with the goal of ratification of level 1 tentative agreements.

Putnam proposes a way to at the leader as a pure "agent" of society seeking to maximize domestic political support while also seeking to realize personal goals. Within the two-level approach, the statesman's strategy is assumed to reflect a simultaneous double-edged" calculation of constraints and opportunities on both the domestic and international boards. It recognizes that domestic policies can be used to affect outcomes of international bargaining and that international moves may be solely aimed at achieving domestic goals [15]. Within Putnam's framework,, each state involved in negotiations is assumed to have what he calls a "win-set".

The win-set is assumed to expand with increases in the benefits of an agreement or the costs of no agreement. In this context, the statesman acts as an agent for the polity but remains constrained only by win-set - which is by the nature of the agreements that would be ratified domestically.

Moravcsik's work(Moravcsik 1993) is another important contribution to the study of international relations that integrate both domestic and international influences. Moravcsik analysis focuses on the role of preferences and power in the European community. He provides a framework for the analysis of complex interactions that cannot be analyzed and understood through a focus on a single level of analysis. Through this work, Moravcsik joints the debate of Ernest Haas and other leading neo-functionalists who suggested that European integration could only be explained with reference to general theories of International relations. The basic claim made is that it is possible to analyze the European Community as a successful intergovernmental regime designed to manage economic interdependence through negotiated policy co-ordination. A conception of the European Community that allows an anticipation of two levels of political processes that take place in the domestic and international arenas.

Moravcsik joints the debate of Ernest Haas and other leading neo-functionalists who suggested that European integration could only be explained with reference to general theories of International relations. His project (Moravcsik, 1993)is based on the basic claim that the European Community can be analyzed as a successful

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intergovernmental regime designed to manage economic interdependence through negotiated policy co-ordination. He takes into account the many self-criticism of neo-functionalists (Moravcsik, 1993) and introduces the Liberal intergovernmentalism framework that is born from refining its theory of interstate bargaining and institutional compliance and by adding an explicit theory of national preferences formation that is grounded in liberal theories of international interdependence (Moravcsik, 1993). Although he mostly attempt to show the importance of investigating international relations by also looking within the state, De Mesquita's work (De Mesquita, 2002) is one of these investigations that stress the need to shift from a focus on one level of analysis, mainly on the systemic analysis to also look within the state, without excluding systemic variables. His work dwells on two important issues that include the question of method and the urgency of refocusing efforts on leaders and domestic affairs as the centerpiece for understanding the world of International Relations (De Mesquita, 2002). De Mesquita also touches upon the use of methods in investigations of states' interactions. He argues that scientific knowledge in the field is made possible through the combination of three methodological approaches: (1) the formal mathematical approach (2) case studies and archival research (3) statistical analysis which according to him, all contribute in their own individual way to advance the knowledge of world affairs. In addition, he stresses that, our intellectual forebears undoubtedly shared the conviction that one fundamental law of IR is that international politics is shaped by and uprooted in domestic affairs yet the challenge has often been in finding ways to best integrate the high politics of international affairs and the daily struggles of domestic political, economic, and social concerns that motivates the actions of citizens and leaders, for, as he points out, leaders not states, choose actions, leaders and their subjects enjoy the fruits and suffer the bills that follow from their decisions. Democracies are more likely than autocrats to be punished by losing office if they lose long and costly wars (De Mesquita, 2002) and the fear of being thrown out of office by domestic constituents is a crucial factor that affect the way leaders behave in international affairs and thus, stresses the need for a consideration of domestic politics that goes far beyond what Evans (1993) calls the "residual" and the importance of domestic politics as an explanatory factor of outcomes of states interactions.

### **3.3 Domestic Politics in Sino-African Economic Relations**

Many scholars, policy-makers, news outlets and research centers have been quite fascinated with the economic links between China and African countries. This fas-

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cination can be demonstrated through the huge amount of literature that have been produced in the recent years. However, domestic politics, especially African nations' domestic politics have been quite absent in the literature that assesses and attempt to explain the dynamics within and the outcomes of Sino-African investment cooperation.

This literature have been mainly focused on answering two main questions related to the motives behind China's economic engagement within the continent and the characteristics of this presence.

In the following paragraphs, I engage in a summary of the Sino-African literature. I start with a brief overview of the literature that focuses on the motives behind China's presence within the continent followed by a focus on the scholarship that addresses the characteristics of China's engagement in Africa.

### **3.3.1 China's Investment in Africa : The motives**

When it comes to China's motives in Africa, most scholars - if not all - argue for the quest for natural resources as being the main driver and determinant of China's investment in African countries. Butts and Bankus (2009) argue that China's economic growth has exceeded its domestic resource base which as a result made China increasingly dependent on imports for critical supplies of minerals and fuel. Therefore as a result of these demands natural resources, China turns to the African continent that displays a considerable concentration of powerful rivers, world leading minerals and considerable petroleum and uranium deposits. The article also argues that China uses a peculiar strategy made of debt forgiveness, development aid and participation to peace keeping operations to gain influence and get hold of Africa's resources. They critic of China's economic involvement within the continent stressing China's ties to the continent as not likely to exceed that of centuries of old colonial economic and military ties and they see thereof an increased potential for the US involvement.

Cheung et al.(2012) presents an empirical assessment of the determinants of China's Outward Direct Investment (ODI) with the aim to discover the factors that determine the direction of Chinese investments in Africa. Mainly relying on the use of an officially approved ODI dataset they found that China's Outward Direct Investment(ODI) seems to not only respond to economic determinants such as the size of the internal market of the host nation to satisfy market-seeking motive, to the risk and resource endowment factors for its resources-seeking objectives but also to the intensity of trade ties and the presence of China's contracted projects. Although the contracted projects argument seem quite appropriate as it had been shown that the presence of Chinese investment in a country often has a snowball

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effect in the sense that they attract more Chinese investments. However, it seems that contracted projects tend to precede a primary interest - often raised by the presence of natural resources then once the first projects are grounded, they then act as a catalyst for further investments.

Kolstad and Wiig (2011) also look at the motives behind China's increasing financial presence in Africa in recent years. They rely on quantitative evidence on Chinese Outward Foreign Direct Investment flows to 29 African nations in the period of 2003 - 2006. Their investigation suggest that Chinese Outward Foreign Direct Investment is attracted to countries with large natural resources even the host country is in an unfavorable institutional environment. According to Kolstad and Wiigs, China's lack of interest for the nature of the host country institutional features is problematic because as they argue, these investments are used to feed into the institutional dysfunctions of resource-rich countries. They conclude by a normative argument regarding China's engagement in Africa that they deem not different from investments from other nation by stressing that although China's way do not appear to be correct and can be rightly criticized, it is however not quite different from other investors with respect to their target and their focus on exploiting natural resources.

### **3.3.2 China in Africa: Role and Impact**

The understanding of the role and impact of China's economic engagement in Africa has also been the subject of much debate.

Guerrero (Guerrero and Manji 2008) investigates China presence in Africa by focusing on the role and impact of China's economic activities within the continent. Guerrero starts by addressing the West's reaction to China's increasing presence within the African continent. She argues that the western world is afraid of such presence and is therefore overacting to China's presence in Africa. Fear that he argues, is characterized by an unprecedented skepticism that is shown through the use of pejorative expressions such as 'new scramble for Africa', China's 'voracious' and 'insatiable appetite for natural resources. He also notes a tendency towards a Western Bias in the sense that, while China moves in the region are pejoratively described, the operations of Western capital with the same end - as the Chinese - are described with anodyne phrases such as development, 'investment' 'employment generation'. Guerrero asks whether China is really the voracious tiger it is often portrayed to be and answers the question by laying down the three main areas of China's economic engagement within the continent which include Foreign Direct Investment, Aid and Trade.

As a whole, the book is a multifaceted and well-grounded investigation of China's

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presence in the continent. However, it tends to be overly focused on China's motives and its competition with the Western World in relation to Africa. The book clearly is an expression of the pro-Chinese view as it describes China as an "important" and "influential" player in Africa and an increasing source of not only political but also financial support for governments in the region. Although Guerrero stresses that the quest is not the only motive of China's engagement within the continent, it nevertheless confirms that China's activities are motivated by a mainly self-interested motivation (Guerrero and Manji 2008).

Deborah Brautigam (2009) in her work titled "The Dragon's gift: The Real Story of China in Africa" mainly aims, as the title may suggest, at addressing the many myths that surround China's economic interactions with African nations and that enriched most accounts of China's presence within the continent. In the first chapter of the book, China's aid framework is outlined and compared to the western model. Surprisingly, Brautigam's record of the two frameworks does not show big theoretical discrepancies in the way both parties approach Africa. Departing from the acknowledgement of China's framework as the foundation on which the country based its actions in the continent, the author then engages in a meticulous overview of China's aid system to African nations which, according to Brautigam (2009), displays considerable differences to other emerging donors.

The book also highlights the difference in the way they differ from the western approach. She highlights elements such as the execution, distribution, the channels of distribution as being quite different from the way the West approaches Africa. In the chapter 5 of her book, she mentions an event that clearly and simply displays these differences. The chapter relates a meeting between the Brautigam and Italian engineers in Sierra Leone working on the construction of a dam. The book relates: "The engineers eat food flown from Rome and live in European-style homes especially constructed for them by the site while the Chinese agronomists next door grow their own vegetable and sleep in "bunks in a building that later be used to store rice". A difference that to many, Brautigam argues, is a detail but that displays the important element of accessibility and that seems, according to the book, to be a part of the explanation of China's popularity in Africa (Bräutigam and Xiaoyang 2009).

Coming back to the myths surrounding aid from China that the book addresses, Brautigam (2009) first makes a clarification of what counts as aid in the Chinese context and what does not. She argues that bilateral transactions, regardless of their grant element do not count as aid if their main purpose is to export facilities and considering that many Chinese projects in Africa contain this element, they cannot be classified as aid as OECD definition suggests. This re-conceptualization led to a reassessment of China's "real" presence within the continent and as a result

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a reassessment of its “real” impact.

The book is a thorough assessment of China’s engagement in the continent and as its title suggests is a storehouse of debunked myths about China-Africa encounters. The book is one of the first to call for consideration of the decision-making role of African leaders although it does not truly elaborate on the issue of an African agency and the role it may play as a channeling and shapping factor of China’s activities in the continent.

Ian Taylor book titled: “China’s New Presence in Africa” (Taylor 2009) is another volume that has focused on assessing Sino-African economic relations. Ian Taylor’s focus is centered around the many claims regarding China’s assumed “neo-colonial” ambition and its impact within the continent. The book starts by an attempt to differentiate China of the late 50’s to China after the year 2000, the changes that have occurred within the Chinese political landscape and how these changes have affected China’s approach to Africa from the mid-2000s. This introduction highlights the controlling role of the Chinese state toward Chinese MNCs and how this control affect the investment choices and trajectory of Chinese MNCs.

Taylor’s work does pay attention to the domestic political context and how it affects the decisions that are made - although this interest is solely focused on China - through a thorough analysis of China’s domestic politics and how it gave birth to different era of foreign policy with different characteristics and strategies.

The book argues that China’s necessity to externalize the provision for its domestic needs that led to the adoption of the “going global” policy is at the origin of the fact that the central state starting to act more forcefully with regard to the construction industry often compelling Chinese building companies to deliver projects in Africa at a loss as a means to advance wider national interests(Taylor 2009).

Contrary to most accounts of Sino-African economic encounters, the book includes an analysis of Africa’s stands vis-à-vis China. However, it does not capture the political specificities of specific nations and how these affect their behaviors in their interactions with China.

Kaplinsky, McCormick and Morris working(Kaplinsky, McCormick, and Morris 2007) study the impact of China’s presence on the Sub-Saharan African region. The paper looks at the quickly-growing links between China and Sub-Saharan African countries with a particular focus on trade, investment and aid. They argue, just like many authors before them that China’s involvement in Africa is mainly being driven by the country’s quest for oil and primary commodities and that this involvement, especially in the manufacturing sector seems to have insufficient impact in the amelioration of the skill in the region and the access to the global chain.

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## 3.4 Conclusion

Although systemic explanations of international relations have long dominated the field, the role of domestic politics as an important determinant of the behavior of states' in international relations have also long been acknowledged. However, the literature that assesses the dynamics and mechanisms within China's economic encounters with African countries mostly overlooked domestic politics from their explanations. This project is an attempt to fill this gap and to draw a picture of China's investment relations with African countries that departs from the habitual china-centrism that have characterized the literature to focus on African governments and on the decisive role that domestic politics plays in shaping the choices (the deals and agreements they sign) they made in investment encounters with China.

# Chapter 4

## Theoretical Framework

### The Claims

China's economic cooperation with the African continent has been considerably intensified in the last two decades. This intensification led to heated debates and discussions around the implications, outcomes and the consequences of Chinese investment in the African continent.

If we consider the historical perception of the Africa as weak, poor, helpless and a continent in need of a saviour while also taking into account China's recent economic transformation, the country's economic superiority vis-a-vis African nations, its relations with the continent and we add to it the realist argument that structural aggregated resources shape interstates interactions and states' foreign behaviours (Dahl 1973; Waltz 2010), it becomes easy to conclude - as it has often been the case - that the nature and the trajectory of Sino-African investment cooperation in the last two decades were the results of China's unilateral expression of power within the continent.

This assumption has been prevalent in the Sino-African economic cooperation' literature and in my opinion, it explains why an African perspective, a perspective that is centered on an African agency and on the role played by African governments in shaping their investment interactions with China has mostly been absent from Sino-African discussions. This also explains, I believe, the common argument that blames China for exploiting Africa when the patterns within Sino-African investment cooperation seem to show that the China-Africa economic arrangements are detrimental for the continent as well as the argument that praises China when the patterns within the relationship show that those arrangements foster positive change in the continent.

By often portraying African governments as nothing more than helpless bystanders in their investment interactions with China, or by simply not mentioning



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them at all, most works on Sino-African investment cooperation have neglected the existence of an African agency. This neglect of an African agency that characterize an important part of the Sino-African literature overlooks the role played by African governments in their interactions with China and their capacity to define their preferences, defend their interests and make deliberate choices regarding how they want to engage with China.

Yet, looking at Sino-African investment cooperation in the recent two decades, I argue that African governments have had far more room for maneuver and decision power over how they engage with China and what China has been able to do within their borders than they have been given the credit for <sup>1</sup>.

Therefore, the main claims I am making in this project are the following. First I argue that the outcomes (deals and agreements) of Sino-African investment negotiations are not the results of China's unilateral expression of power over African governments but they represents the choices deliberately made by African governments in investment negotiations with China. Second, I argue that these choices were mainly shaped by the domestic political context within which African governments have been embedded and that provided a configuration of constraints and incentives that shaped their actions and choices in negotiations with China.

These arguments suggest that African governments were and perhaps, are still the most fundamental actors in Sino-African investment cooperation. Therefore, I argue that African governments, their preferences, and actions ought to be the focal point of any investigation that attempts to capture the dynamics within China-Africa investment cooperation. As discussed in the introductory chapter, this project is an attempt to draw the attention on the need to introduce a paradigm shift in the conception and in the understanding of Sino-African investment cooperation. It also aims to draw attention on the real role of African governments in economic cooperation with China and to draw attention to the question of agency in Africa. In doing so, the hope is to start a new discussion on the China-Africa duo that shies away from the usual China-centric approach to focus on African countries and on the actions of their governments.

Although the focus of this investigation is on the outcomes (Deals and Agreements) of Sino-African investment cooperation in the last two decades, the analysis goes beyond the outcomes to focus on the actions and preferences of African governments and their role in shaping these outcomes. This project is therefore both descriptive and explanatory in nature. It is descriptive because of it attempts to focus on African governments by assessing their preferences, the objectives they pursued as well as the choices they made in Sino-African investment cooperation. It is also explanatory because it seeks to explain the choices as being shaped by the

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<sup>1</sup>This argument is more thoroughly elaborated in Chapter I

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domestic political context within which they were embedded.

In the next sections of this chapter, the focus is given to the conceptualization and operationalization of key concepts and of the variables that represent the building blocks of the analysis. The theoretical needs of the project are also discussed and the research design that will guide the investigation is outlined.

## 4.1 Conceptualization of Key Concepts

### 4.1.1 Sino-African Investment Cooperation

The term cooperation<sup>2</sup> is generally used here to refer to a process within which parties work together toward one end whereas the outcomes of cooperation make reference to the agreements and deals that result from them - the common end. The concept of cooperation as it is used here draws attention to the goal-oriented behaviour of the actors involved. Goal-oriented in the sense that they are directed toward the realization of some goal(s) from which they expect to receive gains and rewards (Milner 1997).

Following this logic, it seems relevant to define cooperation as a process of coordination and exchange that involves both the pursuit of "want-satisfaction" through a behavior that is contingent to the expected response of another, and the adjustment of one's policies in return for, or in anticipation of, the adjustment of other state's policies so that both parties involved end up benefiting from it (Milner 1997). This process is grounded on mutual action and deliberate decisions - of the parties involved - to coordinate their policies in a context within which each party is relatively conscious of the offers, need and demand of the other side. Moreover, cooperation involves exchange and joint-action with the aim to create common good and mutual benefits. It requires that the actions of separate actors that are assumed and expected not to be in pre-existing harmony be brought into conformity with one another through a process of interstate negotiations (R. Keohane 2005).

Cooperation therefore cannot happen without the need for the parties involved to engage in negotiations concerning what is to be done and how the benefits are to be shared. For this reason, I conceive Sino-African investment cooperation as a process of policy coordination that involves interstate negotiations over the general and specific terms of the common endeavor.

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<sup>2</sup>The words "cooperation" "interaction" and "relations" are used interchangeably in this project

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## Interstates Negotiations

The term "negotiation" is used within this analysis of Sino-African relations to refer to a continuous and dynamic process of back and forth communication on specific agreements and on general cooperation terms that happen over a certain period of time. It is seen as a continuous phenomenon that takes place thorough a defined time frame <sup>3</sup> rather than a static or one-shot event that involves discussions or bargaining over a specific agreement (Ocran 1984).

Therefore, the term negotiation is here assumed to cover all verbal communications and strategies used by the parties as well as all processes of demand formation and revision that have developed over time and that provide the basic mechanisms whereby the parties converge towards specific agreements and general cooperation terms or deals (Ocran 1984).

Negotiation can be tacit -involving tacit bargaining - without explicit agreement. In such a context, cooperation emerges as parties' expectations converge (Milner 1997; Ocran 1984). Negotiation can also be explicit, in this case involving explicit bargaining in which actors agree to mutually adjust their policies leading to explicitly negotiated agreements (Milner 1997; Ocran 1984).

The former type of negotiation – tacit type - is argued to be more difficult to identify and counter-factual, more difficult to establish whereas the later type – explicit negotiation - is easier to identify as leaders involved make more explicit moves and use more explicit ways of communication (Ocran 1984). I argue that Sino-African investment cooperation, as opposed to what is sometimes assumed, did involve both aspects of negotiation - tacit and explicit - as China and individual African countries have different expectations regarding what is to be gained from the investment relationships and what is to be offered that are expected to be reconciled through the process of negotiation(Milner 1997).

Unfortunately, the nature of China's investment in Africa have often been seen as the product of China's unilateral policy action in the continent. More as a "fait-accompli" or an 'imposition" of China's will over African nations who have no other choice than to submit and comply under the powerful pressure of China's demands(Meidan 2006; Alden, Large, and Oliveira 2008; Rotberg 2009).

Yet as appealing as this idea might be, it could not be further from the truth. Contrary to the Imperialist-Colony types of relationships that have characterized African nations' encounters with the world before Independence, today, Africa's economic interactions with the world engage sovereign and sufficiently "autonomous" nation-states that hold their own preferences and interests that are very likely to be different from those held by their opponents. And as sovereign and autonomous

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<sup>3</sup>The defined period of time here is the time frame of the analysis 2007-2016

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nations, African countries engaged in investment relations now have the freedom to reject any course of action that is not compatible with their interests.

Negotiation is therefore unavoidable. It demands the active and often strategic participation of all the parties concerned because the decisions that emerge as the concluding acts of negotiation and the patterns of gain-distribution that characterizes these decisions highly depend on what happens during the negotiation (R. Keohane 2005). Moreover, it is also important to stress that, although each of the parties engaged in Sino-African bilateral investment relations is assumed to be in search of mutually beneficial deals and cooperation agreements, interstate economic interactions are still a highly political game within which patterns of behaviours may be alternated and adjusted (R. Keohane 2005).

So even though cooperation as a concept assumes that the parties engaged are looking for mutually beneficial agreements, this assumption should not be taken for granted. Each of the parties involved may still be determined to get the best out of the jointly agreed upon decision even if that means, and especially when that means peacefully pushing the other party farther away from its own preferences and as closed as possible to one's preferred outcomes (R. Keohane 2005). This thus suggests that Sino-African investment cooperation does in fact happen within a strategic environment where the presence of non-cooperative "moves" in the patterns of actors' behaviours that aim at moving the opponent from its initial position to another are still likely to be observed. This is especially the case in interactions like China-Africa economic relations within which one party is assumed to be weaker than the other because of the existence of important disparities in the distribution of aggregated structural capabilities.

Negotiation analysis is not the focus of this project. However, in order to assess and understand the decisions made by African governments within Sino-African investment cooperation, general patterns of negotiation are to be taken into consideration and highlighted. Considering that China's communication with African countries with regard to investment is never one-time event, the time frame of the analysis (2007 - 2016) is taken to represent the duration of the negotiation process with outcomes (deals and agreements) being spread throughout the process.

### **4.1.2 Political Context and Regime type**

This project is grounded on two important arguments. While the first argument highlights issues of African agency, the second argument clearly emphasizes the role of domestic politics in shaping the decisions of African governments in Sino-African investment cooperation. By domestic political context, I make reference to the political regime of the country which is defined as the set of rules, procedures

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and understanding which govern relations between the state and society in a particular country (Gasiorowski 1990). The arguments that serve as the foundations on which the project rests justify its focus on the political regime variable. Therefore before going further into the analysis, it is necessary to attempt to first discuss the regime type variable and the concept of autocracy.

## **Autocracy**

There has been some confusion concerning the concept of Authoritarian regimes in political inquiry as the term that is often used merely as a synonym for all non-democratic regimes (Brooker 2013).

However, since Linz's pioneering 1964 analysis (Juan J Linz et al. 1964)<sup>4</sup>.

Since Linz's work (1964), scholars have taken the habit considering authoritarian regimes as one of the three types of regimes (Democracy, totalitarianism and authoritarianism) (Gasiorowski 1990) and of putting Non-democratic regimes within two main categories namely authoritarian regimes and totalitarian ones. While totalitarian regimes are described as the most extreme form of dictatorship,<sup>5</sup> authoritarian regimes<sup>6</sup> on the other hand appear as the form of non-democratic regimes with "normal dictatorship rule" characteristics (Caramani 2017).

One of the simplest definitions of authoritarian regime is "rule by other means than democracy" (Brooker 2013). As non-democracies, these regimes share one important particularity which is related to the fact that they all use censorship and repression to maintain authority and to implement unpopular policies (Caramani 2017).

Linz presented a more sophisticated concept of authoritarianism of which he identified four key features including the presence of some limited political pluralism, the absence of an ideology that is elaborate and/or used to guide the regime, the absence of intensive or even extensive political mobilization and last but not

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<sup>4</sup>Linz's conception of authoritarianism only applies to modern non-democratic rule. He distinguishes Authoritarian regimes from totalitarianism and from other traditional systems and rejects the idea that authoritarian regimes are only a class of modern regimes that are neither democratic nor totalitarian. Linz therefore emphasizes the distinctive nature of the authoritarian type of regime with a multifaceted coverage of authoritarianism (Juan J Linz et al. 1964)

<sup>5</sup>The totalitarian has its origin in the 1920s - 30s when Mussolini described the fascist state as totalitarian in the sense of 'Everything in the state, nothing outside the state and nothing against the state'. Since then the term was used to describe the now defunct fascist regimes, Stalin's communist regime in the Soviet Union but also to the new communist regimes that emerged in China, North Korea and Eastern Europe (Caramani 2017). The totalitarian dictator seeks to transform and control the life (public and private) of its citizens through an ideological control of 'hearts and minds'. This is done through external controls implemented by the regime's party and other organizations such as the secret police. Within this system, technologically advanced instruments of political power are wielded without any type of restraint by a centralized leadership of an elite movement for the purpose of creating a total conditioning of man on the basis of ideological assumptions (Z. K. Brzezinski 1962).

<sup>6</sup>Authoritarian regime and the term autocracy are used interchangeably

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least the predictably limited rather than arbitrary or discretionary leadership by a small group of individuals (Juan J Linz et al. 1964). In this project, I adopt Linz minimal definition of autocracy as a regime with the following properties: limited and irresponsible pluralism, discouraged participation and absence of clear ideology (Juan José Linz and Juan J Linz 2000).

After having discussed the concept of autocracy and what it means within this project, I now turn to the decomposition and conceptualization of the elements of my dependent variable - African governments choices.

### **4.1.3 Sino-African Investment Relations and Governments' Behaviours**

Foreign policy analysis studies the conduct and practice of relations between different actors (primarily states) in the international system (Alden and Aran 2016). This project focuses on the choices <sup>7</sup> of African governments in investment relations with China in the 2007-2016 period.

Investment relations here refer to economic relations between China and African countries that take place through the channel of foreign investment flows from China to Africa. Cooperation is here defined as a process within which parties work together to the same end (Milner 1997). Cooperation occurs when the actors involve coordinate their behavior to the actual or anticipated preferences of others through a process of policy coordination

This section of the chapter focuses on the conceptualization of important concepts prior to drawing the theoretical foundation of the project. When talking about the decisions made by African governments, I specifically make reference to two main aspects of governments foreign behaviour that include the definition of policy objectives and the choices of agreements they made within Sino-African investment interactions (Katzenstein et al. 1978; Dente 2014).

### **Objectives**

Objectives here refer to the goals African governments pursued (what they tried to achieve) in investment cooperation with China. The need to assess governments objectives prompts a fundamental question regarding the elements that motivate the actions and the decisions of individuals at the height of the African states<sup>8</sup>.

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<sup>7</sup>The terms behaviours, decisions and choices may be used interchangeably within this project

<sup>8</sup>A more elaborated discussion on state's objectives is presented in the next sections

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## Choices: Agreements

To decide means to cut, to eliminate the available options till only one remains (Dente 2014). I rely on Dente's (2014) definition of the concept decision and its association with the action of choosing to discuss the choices of African governments in investment negotiations with China. Decision here implies an act of the will and the existence of alternatives highlighting the importance of an African agency that this project tries to investigate (Dente 2014).

This definition and its conception of 'choice' and 'decisions' is used to highlight the act of the will (on the part of African governments) and the presence of alternatives within Sino-African investment negotiations. As stressed by Huddy (2013), any decision involves a choice, and a choice requires the existence of at least two alternatives that could be chosen (Huddy, Sears, and Levy 2013).

Regarding alternatives, it was not possible to know without doubt whether there were any better value-maximizing alternatives available to African decision-makers than those that were chosen. However, considering the context within which Sino-African negotiations took place <sup>9</sup> and the issue at hand, it can be assumed that governments understood what they wanted and what was offered and that they always had the possibility to refrain from signing a detrimental agreement that was not in their country's best interest. The signed agreement thus represents a choice and an acceptance of the elements provided by an agreement and a confirmation that this agreement was in their opinion, better than the possibility of a non-agreement.

Therefore, it will be assumed, throughout this project, that the most fundamental alternative present at each moment of the negotiation process was the freedom to forgo an unfavorable agreement. It is also worth mentioning here that the assessment of the nature of African government's choices, meaning the assessment of the nature deals signed takes into consideration two important characteristics of investment agreements that are relevant to the context of foreign direct investments <sup>10</sup>. These include elements such as the economic development potential of the deals as well as their degree of compatibility with national objectives (Lipsey and Sjöholm 2011; Moran, Graham, and Blomström 2005; C.-C. Lee and Chang 2009). These are further elaborated in the next sections of this chapter.

## Conclusion

In this part of the chapter, I engaged in the conceptualization of the concepts that are key to the understanding of the issues discussed within this project. I now turn to the construction of a theoretical model that will enable the linking of domestic

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<sup>9</sup>As discussed in chapter 2

<sup>10</sup>I use foreign investment and foreign direct investment interchangeably

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politics to international relations and that will serve as the foundation on which the empirical analysis of a specific case of China-Africa investment relations will rest.

## 4.2 Theoretical Framework

When it comes to linking domestic politics to governments' foreign behaviour <sup>11</sup>, two main approaches are prominent in the literature. On the one hand, society-centered accounts of foreign policy focus on the role of interest groups. They explain the actions of public officers mainly in terms of private groups pressures (Krasner et al. 1978). These accounts are based on the assumption that state behavior reflects the actions of governments constrained at home by domestic societal pressures representing private interests (Moravcsik 1993). Society-centered approaches treat the policy-making process as a black-box (Hagan 1995). They view governments as an arena within which economic interests groups contend or ally with one another to shape the making of policy decisions (Skocpol 1979).

Then on the other hand, are state-centered approaches (Also called the Domestic structure approaches or Institutional approaches). These approaches view foreign economic policy as mainly shaped by the domestic structures of states (Ikenberry, Lake, and Mastanduno 1988). In the area of trade policy for instance, state-centered explanations have been used to argue that trade policy results from government officials actively pursuing autonomous goals (Meyerson 2003).

A domestic structure approach is used here to argue that the decisions made by African governments within Sino-African relations in the 2007-2016 period were mainly shaped and constrained by their domestic political structure of their states (Ikenberry, Lake, and Mastanduno 1988). The domestic structure model I use here combines elements of the state-as-an-organizational-structure or a set of laws and institutional arrangements as well as elements of the state-as-actor model which focuses on politicians and administrators in the executive as participants in the policy process (Ikenberry, Lake, and Mastanduno 1988).

The main aim of this project being to assess and explain the choices made by African governments in Sino-African investment cooperation, the dependent variable of interest is therefore the choices they made in investment negotiations with China.

In the next sections, I lay out the theoretical foundation on which the analysis is grounded. I make important assumptions about the state and state's behaviour and I briefly discuss their conceptions in foreign policy analysis as well as their implications for this project.

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<sup>11</sup>The terms 'behaviours' and 'decisions' are used interchangeably within this project



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### 4.2.1 The State

Being a central theme in the analysis that follows, it is important to clearly outline what is referred to as 'the state' within this project as well as the implications of the preferred conceptualization of this concept. The state as a concept has been most developed within realists theories of international relations whereas the roots of foreign policy analysis is often said to lie in its reaction to the dominance of realism and its depiction of the state (Alden and Aran 2016).

For many years, International relations was dominated by the realist concept of the state which sees the state as a unitary, rational actor pursuing a supreme national interest - survival in the international system - within an anarchic international context (Alden and Aran 2016). Many scholars argue that, although Foreign Policy Analysis has considerably enhanced our understanding of foreign policy making and its implementation by focusing on elements such as the human agency and sub-national actors, it has failed to develop its own conception of the state (Alden and Aran 2016). As a result, most of the recent conceptualizations of the state in foreign policy analysis are based on a set of assumptions of what the state is mainly by either adopting, refuting or correcting (by adding some elements) the realists assumptions of the state.

Foreign policy is considered to be a key activity of the state. The state exercises some degree of control (although not necessarily monopolistic) over authoritative, binding rule making that is often backed by an organized physical force (Alden and Aran 2016).

In general, the state deriving its autonomy from its unique positioning to deal with the exigencies imposed by international security competition, its monopoly over means of violence, its ability to conduct surveillance of its citizens and its capacity to extract resources, it thus can be expected that foreign policy decision-making and implementation will reflect these relatively autonomous dimensions of the state (Alden and Aran 2016).

Within the next sections, I discuss assumptions regarding the state that are of importance of the development of the theoretical model of this analysis. I discuss assumptions of rational state behaviours and state autonomy as well as their implications for the discussions that follow regarding the states' actions within the domestic context and in international relations.

### **The Assumption of Rationality and Governments' Behaviour**

Within this analysis, the actions and choices of African governments at any particular moment in time are assumed to be minimally rational in the sense that they are seen as being purposely directed toward the achievement of a set of consistently

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ordered goals and objectives(Moravcsik 1993).

The assumption of rationality in this context implies that the behavior of decision-makers were governed by an explicit and extensive thought process of intelligent and purposed individuals(Moravcsik 1993). This in turn suggests that decision-makers are capable of stating their preferences for possible outcomes according to their own criteria while also considering the consequences of all other possible alternatives actions. In this context of interstates interactions, African African decision-makers are assumed to have their own goals and objectives that they attempt to pursue in interstates investment interactions with China. It also implies that they knew exactly what they wanted as they engaged with China and that they went through a prior identification of the issues that they attempted to address through Sino-African investment relations (Moravcsik 1993).

The assumption of sufficiently rational choices can be represented by a preference orderings and preference orderings can in turn be represented by utilities(Allingham 2006). It can thus be expected that, African decision-makers, conceived as sufficiently rational made choices according to the options that promised to give them what was perceived to have the greatest value for them (S. Smith, Hadfield, and Dunne 2016).

The assumption of rational behavior on the basis of domestically defined preferences demands a theoretical model that accommodate both the process of domestic preference formation and the investment negotiations with China. This justifies the choice to model the behavior of African governments in Sino-African economic interactions as a process that takes place in two sequential stages which according to Moravcsik (1993), shape the supply and demand functions of international cooperation.

Domestically - which is modelled as a first stage - governments define the set of goals and objectives they intend to pursue in investment cooperation with China. Then at the second stage - the international level - they negotiate with China in an effort to realise reach their objectives and realize their interests (Moravcsik 1993). The process of domestic preference formation identifies the potential benefits of investment cooperation (The demand) with China whereas the process of interstate negotiations within choices are made and where predefined objectives and preferences are defended define the possible responses of African governments to China's demands (Supply) (Moravcsik 1993).

The first stage is regarded as an "inside of the state" process where strategies are defined and objectives are formulated whereas the second stage is seen as the phase of implementation of domestically defined objectives within which African governments attempt to reach the goals that have been previously defined. This second phase is one in which African government confront the interstates environment. This suggests

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the existence of an interactive and strategic environment in which an important and decisive process takes place. Strategic because it is within this process that each government attempt to translate its foreign policy objectives into practice and decisive actions for utility maximization (S. Smith, Hadfield, and Dunne 2016).

### **The Assumption of State's Autonomy**

One of the main attributes of the state that is often discussed in international relations literature is the related to the state autonomy. What Hobson(2000) calls the state "domestic agential power" connotes the ability of the state to make domestic or foreign policy as well as shape the domestic realm, free of domestic social requirements or the interests of non-state actors.

Skocpol(1979), Tilly(1975) and Giddens (1986) conceive the state as an organization <sup>12</sup> possessing relative autonomy and the capacity to act in the internal and external spheres which it derives from its unique position to deal with the exigencies imposed by international conditions, the ongoing need to extract resources for its endeavours and its capacity for surveillance.

For Mann (1984), the state is a differentiated institutional entity, simultaneously rooted in the domestic and external environment with the capacity to act and with the relative autonomy. Their conceptualization of the state and their insistence in presenting the state as relatively autonomous organization bring issues related to possible variations in degree of state autonomy or domestic agential power prevalent within state-related debates into the front-line(Hobson 2000) to suggest that there may be variations in state autonomy depending on the country and on the domestic structure of the state. In addition, portraying the state as an organization that has the capacity to act implying that the state plays a central role in determining the content of foreign policy while also being separated from other factors.

According to the idea that state's relatively autonomous, the state is assumed to have the near monopoly over the coercive apparatus while also being capable to extract resources that it needs to finance its policies and projects. Chris Alden (2016) makes a typology of states that includes the institutional state, the quasi-state <sup>13</sup> and the clustered state. Alden's (2016, p.100) idea of state relative autonomy is grounded on two main aspects: The state's control of the coercive apparatus and its capacity to extract resources to fund its policies which changes according to the type of state.

Although many state-centered scholars agree on state's capacity for autonomous

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<sup>12</sup>More specifically they defined the state as a 'set of administrative, policing and military organisations headed and relatively well coordinated by an executive authority

<sup>13</sup>This notion of Quasi-state refers in particular to states in the global south represented by colonial territories in Africa, Asia and the Pacific and Caribbean

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action, discussions are taking place concerning the degree of state autonomy granted to the state within different theories but also within different paradigms of the same theory. (Hobson 2000). Waltz's neorealism attributes a very high or absolute domestic agential power to the state, the modified neorealism version of Gilpin (2005) and Krasner (1978) on the one hand accords the state a varying or potential autonomy whereas classical realism argues that pre-modern states do in fact have high domestic agency whereas modern states only enjoy a low degree of autonomy (Hobson 2000).

The state's capacity to extract resources from society is fundamental to the notion of autonomy which also varies depending on the type of states (Alden and Aran 2016). Extraction is mainly derived from the taxation system in institutional states and through rent-seeking conduct in quasi-states<sup>14</sup>.

Within this project, the state is considered to enjoy sufficient autonomy vis-a-vis the society it governs. Meaning that the state possesses the monopoly for legitimate coercion, to formulate and implement policies as well as the capacity and the legitimacy to extract resources to fund its policies and other projects (Hobson 2000; Alden and Aran 2016).

I also assume that the state is also relatively autonomous vis-a-vis the external world and possesses what Hobson (2000) calls a "high international agential state power" in the sense that it possesses the sole right and legitimacy over the territory it governs and can thus regulate the flows and conditions of entry or exit of goods, capital and people. Therefore model emphasizes the state relative policy autonomy, which means that although it can be somehow constrained by societal actors such as interest groups, the state still has primacy in the formulation of objectives and in determining the instruments necessary to reach its objectives (M.-h. Kim 2016).

Furthermore, the assumption of rational state action presented here also suggests that African governments had identified their preferences and that they entered Sino-Chinese investment relations with a relatively clear idea of what they wanted to achieve through investment cooperation with China. Therefore it can also confidently be assumed that they acted accordingly to these predetermined goals and pursued policies that help them achieve it (Keohane and Nye 1977).

Before turning to the construction of the theoretical model on which the project rests, I believe a discussion regarding the definition and the content of the national interest that is expected to be pursued by African states is a necessary step.

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<sup>14</sup>The distinction between the different types of states is not a necessity in this part of the project. This argument main objective is to somehow show that state's autonomy is not constant among different states and may change considerably based on the context. The coercive apparatus and its ability to extract resources changes according to the type of state and the context, which highlights the importance of thoroughly investigating the domestic context within which foreign policy decisions are made. This being said, the most for now is the assumption that states have sufficient autonomy to enable them make relatively autonomous foreign policy decisions

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## The State and the National Interest

The national interest is a complex and slippery concept that has been used by statesmen and scholars to describe as well as prescribe foreign policy(Nye Jr 1999).

As a key notion in international relations, the concept national interest continues to be a central preoccupation of foreign policy decision-makers and a reference point for many scholars seeking to interpret state's action (Alden and Aran 2016). According to Charles Kegley (2014), the primary obligation of every state is to promote the national interest. Many definitions and conceptions of what the national interest is have emerged in the international relations literature. To most realists thinkers the national interest is synonymous with power and as such can be considered to be both the proper object of state's foreign policy and the best measure of the capacity to achieve it (Morgenthau 1978; Kegley and Blanton 2014).

In this project, I adopt Donald Nuechterlein's (1976) definition of the national interest as the perceived needs and desires of sovereign states in relation to other sovereign nation-states comprising the external environment. The literature on foreign economic policy making argues that national preferences reflect country's major economic interests or/and central decision-makers preferences (M.-h. Kim 2016). This definition is important because its stress on the perception of states needs suggests that decisions regarding what is in the national interest are the result of a political process in which a country's leaders may hold different views on what that interest is and how it must be pursued, but ultimately come to a conclusion about the importance of specific issues and on how to address them(Nuechterlein 1976). Moreover, the definition is in alignment with the assumption of state's autonomy in the sense that it suggest that what is considered to be in the national interest refers to the interests of the nation-state in its entirety not of private groups, bureaucracies or political organizations (Nuechterlein 1976). The definition is also in alignment with this project's view of the state as a monolithic actor in international relations which actions are sufficiently rational - that they act rationally in the pursuit of state objectives - in the sense that they adopt policies which their leaders believe will advance the well-being of their societies(Nuechterlein 1976).

When it comes to identifying what states interests are, many political scientists have tied the concept to the pursuit of power whereas others define national interest much more broadly than the mere acquisition of power by expanding the state's core interests to aspects such as the protection and continuation of the state and its people (Keohane and Nye 1977). Barry Hugues(Hughes 1991) for instance considers the state's core interest to be more than security. He argues that states national interests may also include assuring the country's economic vitality, its values and other components that may be central to the essence of a particular state because the

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particular option chosen by a state is expected to reflect the country's particular needs at a particular point in time (Hughes 1991). A country then will pursue policies that it deems to be in his national interest - whatever that may be - and that there are a range of possible options open to countries in the definition of what its considered to be in the country's best interests.

This discussion on the national interest is important because considerations for the national interest represent the scale with which the decisions of African governments will be assessed. Meaning that whatever the objectives they pursued or the choices they made these will be assessed against the backbone of the national interest and in answer to whether these choices were beneficial (coincided with the public good) or detrimental to that interest. Therefore, the attention is paid to the nature of the choices governments made and their compatibility with stated national objectives.

#### **4.2.2 Linking Domestic Structures and African Governments' Foreign Behaviours**

In this part of the chapter, I discuss the theoretical model that serves as the framework within which the empirical study that is to follow will be constructed.

##### **Domestic Structure and Governments' Objectives**

The process of formulation of national national objectives that I discuss here refers to the process through which African governments formulated the objectives that they intended to pursue in investment cooperation with China.

I argue that the foreign investment objectives followed by African governments emerged from states' officials as they attempted to realize their goals in the face of a set of institutional constraints and incentives provided by the state's domestic political structure (Risse-Kappen 1995). Therefore, this model suggests that individuals within the state are the most fundamental actors in politics as states priorities and policies are determined by those politicians at the head of national governments and who are embedded in sets of constrains and incentives provided by the domestic political context within which they are embedded.

The effect of the domestic political structure is not limited to shaping the objectives that states' officials choose to pursue, it also shapes the process by which these objectives emerge, the actors that are involved in their formulations and how the objectives are pursued in international cooperation(Katzenstein et al. 1978)

Here the constraints imposed by the state's structure on central decision makers and how these constraints affect the formulation and the nature of the state's objectives is central to the analysis.

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Three main elements of such constraints are highlighted within this investigation namely the distribution of political power within the state, the systems of check-and-balances and the nature of the winning coalition(De Mesquita 2002; De Mesquita, Morrow, et al. 2002; Risse-Kappen 1995; Katzenstein et al. 1978). Attention is also being paid to how these elements affect the process of definition of objectives as well as the nature of the objectives that the state pursues(Katzenstein et al. 1978; Milner 1997).

In all regimes, institutional constraints on authority, the nature of key actors within the state and the nature of their preferences have a considerable influence on the process of definition of national objectives and on their content. The degree to which a regime is able to constrain its central decision-makers is a function of the extent to which others have to approve his or her actions and the degree to which these constraints are institutionalized (Maoz and Russett 1993).

Democratic political structure imposes constraints on the decision-making process by restricting the degree of freedom with which key decision-makers make choices (Morgan and S. H. Campbell 1991). Democratic institutions also influence the incentives of leaders to allocate resources toward the provision of public goods and to engage in patterns of foreign policy behavior that differ from the patterns of autocrats (Bueno de Mesquita and A. Smith 2012; De Mesquita, Morrow, et al. 2002). Another important feature of a state's domestic structure that constrains decisions on the goals and objectives the state's officials may pursue is the degree to which the leader must share decision-making power(Morgan and S. H. Campbell 1991) and on the group of people whose support is crucial for the leader's political survival(De Mesquita, Morrow, et al. 2002).

## **Domestic Politics and Choices in Sino-African Interstates Negotiations**

The theoretical argument discussed in this section focuses on the choices made by African governments in Sino-African interstates negotiations and on the arguments that they were shaped by their domestic political environment.

For a long time, scholars viewed states as unitary actors that only respond to external incentives, that have stable and broadly similar domestic preferences, decision-making procedures and similar abilities to extract resources from society with the only factor distinguishing them being their position in the international system (Waltz 2010). As a result, they mainly saw the outcomes of international relations as being shaped by the structure of the international system and by power relations between nation-states within the system (Waltz 2010).

In the 1960s and 1970s, theories of international relations that focused on domestic factors became more popular through various approaches that tried to explain state actions in interstates relations although domestic factors were again driven out

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of the accounts of interstate relations to reappear only at the end of the 1980s with the development of the "democratic peace" theory and Putnam's two-level games approach (Milner 1997; Maoz and Russett 1993).

Attempting to assess and understand the choices made by African governments in interstate negotiations demands that attention be paid to the factors that explain states' choices in international encounters. Some theories of international negotiations recognize the interrelation between the international system and domestic politics and link domestic politics to governments choices in international negotiations by arguing that the outcome of international negotiations and more specifically the choices made by statesmen in international negotiations are shaped by their domestic political considerations and by power (P. P. Evans et al. 1985; Robert D Putnam 1988; Keohane and Nye 1977).

De mesquita(De Mesquita 2000) strategic approach argues that when making choices in interstate negotiations, leaders have one eye firmly fixed on what will "sell" at home and the other focused on the international context within which they most implement their national objectives. Punam's two-level game approach(Robert D Putnam 1988) stresses that statesmen involved in interstate interaction have to calculate simultaneously the domestic and international implications of their actions as they are strategically positioned between two tables, one representing domestic politics and the other international negotiations . According to this approach, the strategic tactics and strategies of statesmen are constrained simultaneously by what other states will accept and what domestic constituents will ratify.

It seems clear then that to assess and explain the choices made by African governments in Sino-African negotiations, it is necessary to take into account not only domestic politics but to consider the factors that may account for relative power in negotiations (Moravcsik 1993). Most studies of Sino-African economic interactions have considered power, more specifically structural aggregated power as the determinant of the outcomes of investment negotiations between China and African governments. Although i have already discussed the issue of power and its implications for Sino-African investment relations in the beginning of this chapter and in the previous chapter, i believe it is still necessary to briefly discuss issues related to power before focusing on the effect of domestic politics.

So when aggregated structural resources are taken as if they were power itself, and that power is seen as the determinant of negotiations outcomes within assessment of Sino-African cooperation, considerations for an African agency get lost into the translation of resources into outcomes. This is to say that the responsibility of African governments regarding the nature and characteristics of the investment deals and agreements they sign with China is not considered because the focus is on the aggregated resources in China's possession and and conclusions thus emerge



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from the realists' expectations that strip the least "powerful" of any potential ability to choose and to negotiate fair agreements with the most "powerful" (Zartman and Rubin 2002).

In this project, three arguments are made regarding power and its role in Sino-African investment relations. These arguments have important implications for the theoretical trajectory taken by the project as they attempt to shift the focus from the realists' conception of power and its role in international relations to context-based conception of power that pays attention to factors specific to the context (Habeeb 1988).

The first argument regards the definition of power within Sino-African investment interactions. Here power is defined as an ability not as a resource itself. This highlights the view that power is best measured in relative terms rather than as a quantity of resources (De Mesquita 2000). Second, resources are considered to be potential tools for the yielding of power that may change according to the context and the issue at hand. This means that specific resources that are relevant to the specific context can be used by governments to create leverage that allows them to reach their goals in international negotiations. However these tools are not limited to structural aggregated possessions such as economic and military capabilities but include other elements that are relevant to the specific context within which the interaction take place (Zartman and Rubin 2002). Third, assessing potential power resources is contingent to the context and the situation at hand, therefore in the specific context of China's relations with Africa, the nature of China as a newcomer in Africa, the context of mutual needs that characterized Sino-African investment relation and the relationship's historical past demanded a new assessment of potential power resources (That is done in Chapter I) that is based on the demands and supply considerations of the relationship (Moravcsik 1993)<sup>15</sup>.

These elements allow me to build an argument regarding Sino-African investment cooperation that shy away from the common conception of power and the historical expectation of Africa's helplessness vis-a-vis China. Moreover, these elements also facilitate the introduction of a discussion that is in favor of the primacy of domestic politics in shaping the choices African governments made in investment negotiations with China because of the assumption that they had what it took to stand their ground and that they made deliberate choices.<sup>16</sup>

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<sup>15</sup>Supply and demands considerations as discussed here are better explained in the Chapter I. However more generally they refer to the needs of China that only African countries can better supply and those of Africa that China may supply

<sup>16</sup>Although in my assessment of resources I took in consideration Africa as a whole to simplify preliminary assessments of potential power resources. It is evident that each and every African nation have a particular set of resources and one country resources does not equate those of the other. However, i assume and will show within the analysis that at each moment covering the time frame of the analysis, the governments under investigation had in their possession an alternative

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Therefore, in a context such as it is the case for Sino-African investment negotiation <sup>17</sup> and considering that each of the cases studied here had an alternative to China's capital and was in a possession of the right to reject an unfavorable agreement <sup>18</sup>, I can thus confidently argue and this without neglecting and nullifying the role that aggregated structural resources may play in such interactions, that domestic political considerations are the main determinant of the choices made by African governments in investment negotiations with China during the ten years period under investigation.

More than power, preferences and domestic political constraints on action have shaped the behaviours of African governments in their interaction with China. Preferences are important as they have been shown to motivate leaders' domestic and international interactions and to direct international negotiations whereas the configuration of domestic political constraints provides decision-makers with a set of constraints that restrict their choices in international negotiations (De Mesquita 2000).

Before theoretically linking domestic political structure to choices in Sino-African investment negotiations, I first attempt to draw an image of international interactive environment within which Sino-African interactions have taken place. To draw this image I mainly rely on a set of assumption regarding the international environment within which international economic interstate interactions may place.

### **Sino-African Investment Cooperation: The Interactive Environment**

Like many international negotiations, Sino-African investment relations can be conceived of as a game of co-ordination with important distributional consequences - in other words, a bargaining game over the terms of cooperation (Moravcsik 1993).

An important starting point is to define the environment within which negotiations occur by relying on a set of assumptions. First i assume that Sino-African investment cooperation is voluntary during the time frame of the analysis, in the sense that neither military coercion nor economic sanctions are threatened or deployed to force agreement. Therefore fundamental decisions in Sino-African investment relations can be viewed as taking place in a non-coercive environment where a government can freely agree to a deal or back from it without fear of any type of retaliation (Moravcsik 1993).

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course of action ranging from the presence of other sources of fund or simply the possibility to refrain from signing an agreement they considered detrimental. This refers to the presence of alternatives which theories of international negotiations consider to be sources of bargaining power (Moravcsik 1993)

<sup>17</sup>That involves sovereign nation-states that interact in a non-coercive environment within which among alternatives is the possibility and freedom to chose an outcome of non-agreement rather than an unfavorable agreement

<sup>18</sup>This assumption is specific to the time frame of the analysis

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Second, I assume that the transaction costs of intergovernmental negotiations<sup>19</sup> are relatively low considering the fact that negotiations on numerous deals and agreements may take place simultaneously and over a protracted time during which governments can extend numerous offers and counter offers at relatively little cost. Third the negotiations between China and African nations are assumed to take place in a relatively strategic environment where both parties have veto powers and each party enters the negotiations with a goal in mind and in which each actor uses its leverage to maximize its own utility. Fourth, we also assume that the preferences of statesmen do not change during the time frame of the analysis although their actions might be incompatible with the previously stated national interest. The assumptions of a non-coercive and deliberative environment is a reasonable approximation of the context in which African and Chinese governments negotiated in the time frame considered in this analysis. Sino-African negotiations can thus be viewed as a cooperative game in which the level of cooperation reflects patterns in the preferences of national governments (Moravcsik 1993).

### **Domestic Politics and the Choices of African Governments**

According to Peter Katzentein (1978), the idea that domestic politics affects the behaviours of nations when they negotiate should not be surprising. Arguing that the outcomes of foreign policy is affected by domestic politics does not mean that domestic politics is all that matters, clearly the outcomes of foreign policy, especially in interstate interactions such as it is the case in Sino-African investment relation will not only depend on the outcome of one's own policy process and preferences but also by the position taken during interstate negotiations, the nature of the interstate game and what the other actor want (Robert D Putnam 1988). Therefore it is obvious that one cannot understand international negotiations without also understanding what negotiators can "sell" to their domestic constituents and to their foreign counterparts (Robert D Putnam 1988).

However, the choice of the second image view of Sino-African interactions stems from the argument that, as argued in the first section of this chapter and in chapter I, the domestic political context within which African governments are embedded plays a more prominent role in shaping the choices they made in Sino-African negotiations during the period under investigation.

Many scholars of international relations have linked domestic politics to states behaviours in international relations and have mainly done so through reliance on the specific characteristics of the domestic political context (Katzenstein et al. 1978; Bueno de Mesquita and A. Smith 2012; S. Smith, Hadfield, and Dunne 2016; Milner

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<sup>19</sup>The term is used interchangeably with bargaining

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1997; Alden and Aran 2016; Morgan and S. H. Campbell 1991; Moravcsik 1993; Krasner et al. 1978). Some have explained international behaviours through pressures from private groups using the interest-group model to explaining states' international choices (Society centered approaches)(Milner 1997; Moravcsik 1993) while others traced states' international choices to nature of the state domestic structure(Katzenstein et al. 1978).

Scholars connecting governments international choices to the state's structure explain choices by looking at the configurations of constraints and incentives provided by the political system and how these configurations affect leaders' choices in international relations(De Mesquita 2002; Katzenstein et al. 1978; Bueno de Mesquita and A. Smith 2012).

Domestic institutional structures such as the inclusiveness or exclusiveness of governance, the mechanisms of power-sharing within the state and the extend to which a government is accountable and transparent or personalistic and opaque are also viewed as central in shaping the effect that domestic has on international relations and in affecting the choices made by governments in interstate negotiations(Bueno de Mesquita and A. Smith 2012).

The institutional constraints argument emphasizes a set of constraints and incentives imposed by the system (that reject or prescribe certain behaviours) on statesmen' actions in international encounters.

Institutions themselves consist of norms of appropriate behaviour, rules defining role expectations, therefore the complexity of the democratic decision-making procedures is itself partly a function of democratic norms that are incorporated in the political institutions (Risse-Kappen 1995). Liberal democracies are not only characterized by the rule of law, participatory rule of citizens, and mechanisms of checks-and-balance but their domestic structures also consists of norms, rules and procedures embedded in the political culture and institutionalized in the political system. Democratic governance emphasizes social redistribution, the consent of the government and transparency regarding the political process and the foreign policy choices of the state (Risse-Kappen 1995). The expectation is that these norms would shape the motivations, perceptions and practices of states' actors and thereby shaping their interaction with other states or non-state actors in international relations.

Democratic political systems are characterized by an elaborate set of checks and balances - between the executive and the legislature, between the political system, interest groups and public opinion and so on (Risse-Kappen 1995). In democracies, the size of winning coalitions is expected to be far larger in democracies than in authoritarian systems where the support of a small group of elites might suffice(Risse-Kappen 1995). Furthermore, in democracies, interest groups pluralism, the distribution of power between the executive, legislative and the presence of

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other actors having a say in the policy-making choices and process thus reducing the degree of freedom of statesmen in international negotiation as they must get the agreements ratified by other actors at home.

In a similar fashion, the nature of political competition and the nature and size of the winning coalition are expected to affect the degree to which the leader's decision-making ability is constrained (Morgan and S. H. Campbell 1991). In regimes where competition is highly institutionalized, decision-makers face a higher degree of constraint as well-organized, permanent parties that compete in a systematic fashion provide a ready outlet for opposition to a leader whereas in context where opposition must organize on an ad hoc basis and when such opposition is actively suppressed by the government, decision-makers tend to face little to no opposition to their decisions (Morgan and S. H. Campbell 1991). Moreover, competitive elections maximize voters' capacity to influence policy makers by holding them accountable for the outcomes of their decisions (Carbone 2012). The higher the degree of opposition, the more constrained is the chief executive in the choices of agreement that can be made in international negotiations.

Furthermore, to the extent that they can, leaders do what serves their own interests even if it means sacrificing the well being of their subjects (Bueno de Mesquita and A. Smith 2012). Governments choices of foreign policy interactions are generally constrained to be incentive-compatible with the motivation of national leaders to maintain their personal hold on office - political power (Bueno de Mesquita and A. Smith 2012). The larger the size of the winning coalition, the greater the emphasis that leaders place on effective policy (De Mesquita, Morrow, et al. 2002). Leaders with small winning coalitions will be more likely to focus on providing goods to their small group of supporters at the expense of the provision of public goods (De Mesquita, Morrow, et al. 2002).

The method of selecting executives within a country is also one of the means by which decisions are constrained as leaders who have to stand for popular elections are expected to take public attitude into account when making decisions regarding the deals they have to sign (Morgan and S. H. Campbell 1991). Generally speaking, any leader who is answerable to some selection body is expected to be constrained by the preferences of the members of that body (Morgan and S. H. Campbell 1991). To the extent to which the state's well-being enhances their interest and prospects, the constituencies will act to preserve the state's "welfare" however, as soon as the leaders' interest deviates from those of its constituencies, problems are bound to arise that can potentially threaten the decision-maker's position (De Mesquita 2002). Therefore, democratic leaders are accountable to the voters at elections and to society in an ongoing sense (Siaroff 2013) and reelection calculations make them more selective than their autocrats counterparts when signing cooperation

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agreements (De Mesquita 2002).

Autocrats on the other hand do tend to have few if any institutional and normative bounds on their authority and behavior, they may also try to keep their hold on power as long as possible through means of suppressing any dissent (Milner 1997). Remmer (1998) argues that the centralization of power in the hand of one individual or a small group of individuals and the lack of domestically organized, legitimate and responsibly restrictive bodies often give autocrats the space to enjoy cozy relationships with foreign investors, to pursue personal goals and engage in rent-seeking activities with foreign actors.

Autocrats are generally dependent on few backers "elites" that they seek to satisfy, therefore they are expected to be able to more easily "sell out" their national interest for money with which they purchase the supporters' loyalty (Morrow et al. 2006).

In the same line, Mansfield and Snyder (2002) argue that democratic leaders are as power-hungry as any leader, stressing that democrats are not more civic minded than their autocrat counterparts and that their actions are not shaped by superior norms and values, however, the difference between them is that democrats are more constrained by accountability and have to depend on a larger constituency to remain in power which cause them to be more concerned with social issues that are interest to a larger portion of society - their electorate. This in turn will shape the decisions and the choices that democrats and autocrats make in international negotiations with other states and non-state actors which in the case of autocracies may potentially lead to foreign policies and bilateral agreements that might be made without regard to general citizens welfare (De Mesquita 2002).

Following up from the theoretical foundations laid out in the previous part, I now set out to construct the research design and the methodology that are to guide my investigation of Sino-African investment investment cooperation.

## **4.3 Research Design and Methodology**

### **4.3.1 Research Design**

#### **Research Questions and Hypotheses**

Building on the main arguments made earlier in this chapter, I now undertake to further formulate the research questions and the hypotheses that will sustain the empirical analysis that follows.

Two main reasons justify the formulation of the research questions in the past. First, this dissertation main aims are to assess China-African investment relation in a specific time-frame that is 2007-2016 and to analyze the objectives pursued

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and the choices made by African governments in that specific period of time. The chosen ten-year period is, as discussed later in this chapter is a crucial phase in the history of China's economic interaction with African countries. The outcomes of Sino-African investment interactions of this period of time have the potential to affect not only the economic development of African countries for decades to come but can also to greatly impact Africa's present and future economic interactions with China.

Second, the arguments and assumptions made earlier regarding the context of co-operation within which Sino-African investment interaction take place are grounded within the time frame chosen for the analysis. The elements that are specific to that particular context and that sustain the arguments made here may not be the same today. These elements that are proper to the specific period under investigation and on which this dissertation main arguments are grounded may have changed as a result of the decisions that were made in the 2007-2016 period. Therefore, the findings generated by this investigation are not intended to be generalized to the periods after or prior to the one investigated within this project.

Therefore my research questions and hypotheses are articulated as follow:

- RQ1: What objectives did African governments pursue in investment relations with China and what choices were made in negotiations with China in the 2007-2016 period?

The answer to this question is mainly a descriptive. The focus is on the assessment of the objectives pursued and the choices that were made in the time-frame under investigation.

- RQ2: How did domestic politics shape the objectives pursued by African governments in investment cooperation with China?

*Hypothesis 1: If in autocracies the process of formulation of national objectives is controlled by one or a few individuals on whom political power is centralized then the objectives pursued by the state's officials will reflect the interests and preferences of the minority that has control over the levers of power.*

- RQ3: How did domestic politics shape the choice of deals made by African governments in Sino-African investment negotiations between 2007 and 2016?

I have discussed above that leaders in democracies face a high level of constraint on the decisions and choices they can make in international negotiations than their authoritarian counterparts (Robert D Putnam 1988; Bueno de Mesquita and A. Smith 2012). According to this logic, democrats leaders usually face stronger and

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tighter constraints on their actions and on what is considered acceptable by national actors (Miller and Gibler 2011). Executive powers in democracies are generally subject to checks and balance, chief executives often having to persuade other powerful actors before a decision can be ratified (Robert D Putnam 1988).

Furthermore, the audience cost and the fear of electoral backlashes in democracies have been shown to strengthen the position of democratic government in international negotiations by enabling them to show convincingly the domestic cost associated with making concessions (N. M. Jensen 2003). All these elements provide democratic leaders with incentives and limitations that force them to shy away from "unacceptable" choices and from sacrificing the national interest in pursuit of personal goals.

Autocrats on the other hand tend to have few if any institutional and normative bounds on their authority and choices (Bueno de Mesquita and A. Smith 2012). The centralization of power in the hand of one individual or a small group of individuals added to it the lack of domestically organized, legitimate and responsibly restrictive bodies give autocrats ample room to make choices that reflect their personal interests (N. M. Jensen 2003).

Speaking of choices I refer to the output of negotiations - Agreements. An agreement can be a formal contract, a treaty or convention or even a simple mutually recognized exchange of tacit commitments (Underdal 1991). An agreement can also refer to a meeting of the minds where parties agree to reach the same conclusion regarding a specific issue (Underdal 1991).

Ultimately, the purpose of negotiations is to establish the conditions that will govern mutual commitments. Agreements may be partial in the sense that they may cover only some part of the agenda's items (probably even the least important ones) but they can also be in the form of a more structured document that stand as a concrete guidebook of behaviours and expected gains from the common endeavour (Underdal 1991).

In many cases and considering the nature of investment issues and the high degree of secrecy that surrounds Sino-African interstate foreign investment deals, some contracts have no explicit provisions for the distribution of gains and are often shallow prescribing only general rules and regulations and this is when they are available. In general written agreements are not available to researchers. Therefore within the context of this analysis, I mainly use the projects themselves as proxies for choices in the assessment of African governments' choices of agreements and I use written agreements (mainly Memorandum of Understanding (MOU) ) and reports as complementary resources <sup>20</sup>.

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<sup>20</sup>Projects are the result of implemented agreements. In using projects themselves as proxies for choices, I assume that each of the elements that constitute a specific project were chosen by



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Therefore, in analysing the choices made by African governments in investment relations with China and in using projects as proxy, the nature of agreements will be assessed along two dimensions that represent two important characteristics that are relevant and expected from foreign investments deals. They include: (1) The economic development potential of deals and (2) The degree of compatibility of deal with national objectives(Lipsey and Sjöholm 2011; Moran, Graham, and Blomström 2005; C.-C. Lee and Chang 2009).

- The economic development potential of deals

Foreign direct investments are an important tool in countries' race for economic development especially in Africa. In the last decades, developing countries have been encouraged to adjust their policies and increase efforts to attract FDI. This is because FDI have been shown to foster access to foreign technology that host countries cannot produce themselves while also leading to productivity gains for the recipients (Blomstrom 1991). More than that, there are other benefits linked to foreign investment that include skills transfer to the local population(Blomström, Kokko, et al. 2002), productivity spillovers to local companies(Girma 2005), employment creation (Abor and Harvey 2008) and the provision of extra capital to local governments.

The potential benefits of foreign investment also explain why many developing nations and those in Africa in particular have been on a race to increase their share of foreign investment inflow. However, these benefits are not automatic, governments have to design policies and negotiate deals that take these factors into account(Adeleke 2014).

In assessing the economic potential of deals, I use the potential benefits of FDI (as presented in the FDI literature as indicators) as indicators. I focus on elements such as the host country local content requirements on specific deals, skill transfer potential and labour creation.

The economic development potential of deals signed in international agreements also reflects the disposition of governments to distribute public goods to the societies they govern or allocate private goods to narrow groups. This disposition is often linked to the domestic political regime(Carbone 2012). Participatory and competitive pressures allows social strata that could have been in a less competitive environment to demand a better share of the country's resources(Carbone 2012). This affects the way collective decisions are made thus shaping the content of those very decisions.

In a democratic environment, the needs of the poor can be openly voiced in public debates and in the media. Competitive elections for instance maximize vot-  
governments especially in the absence of complains from host governments

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ers' capacity to influence policy makers by holding accountable for the outcomes of their decisions(Carbone 2012). Elected rulers interested in re-election have a greater interest in providing public goods to large constituencies rather than in distributing private rents and other benefits to narrow groups(Carbone 2012). In contrast, in autocratic regimes, decision-makers who are insulated from bottom-up pressures and supported by smaller constituency of beneficiaries may focus on providing private goods to their cronies through neo-patrimonialism and clientelist distributions without fearing the consequences of their policies(De Mesquita 2002).

Therefore, democratic governments engaged in international negotiations are expected to pursue objectives and sign deals that are in alignment with the national interest and that are likely to benefit the bigger portion of the society. Autocrats on the other hand have been shown to enjoy cozy relationships with foreign investors, they are themselves shielded from bottom-up pressures that allows to not only shield foreign investors from social pressures resulting from labour, social security and wage complains(N. M. Jensen 2003) but also to sign investment deals that are more likely to benefit narrow groups of supporters .

These arguments allow me to formulate the following hypothesis.

*Hypothesis 2: If democratic African governments, due to the domestic political constraints and incentives they face, were more likely to sign agreements that provided public goods to the whole society and non-democratic governments more likely to favor the provision of private goods to few backers, then African autocrats negotiating with China are expected to have favored deal and sign agreements that were more likely to generate private goods to their narrow group of supporters.*

- Compatibility of deals with national objectives

The assessment of compatibility of Choices with national preferences explore the gap between the objectives that were set to be reached and the deals that were signed. This assessment examine the extent to which the choices that were made were compatible with previously stated objectives while also answering two important questions: (1)Do and to what extent the choices (agreements) reflect the stated objectives and (2) Have the relationships produced win-win outcomes, which is did governments got what they wanted from the cooperation?

This assessment is important for two main reasons. First, stated objectives do not always represent the real objectives that states pursue. This is to say that there is often huge discrepancies between the goals that states claim to pursue and the goals that they actually pursue (Morin and Paquin 2018). Morin et al.(2018) argue that this type of discrepancy often results from either the need of some states to preserve international reputation and legitimacy by purposely masking the real objectives behind a certain course of action especially if their these real objectives

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are related to the pursuit of relative or personal gains, or to the incentives to increase the likelihood of a policy success on the national stage by reducing the scope of a stated policy goal or even to the desire to evade the question of communications goals rather than acknowledge them openly.

The assessment of compatibility of agreements with national objectives is important for two reasons: First it gives the opportunity to uncover potential gaps that may exist between stated objectives and the decisions that were made as well as the extent to which those gaps are caused by differences between stated objectives and the truly pursued one.

Second, this assessment is also an opportunity to potentially discover counterfactual elements in the sense that it allows me to potentially observe other factors, if they exist, that may have had an influence on the choices made by African governments in their investment relations with China in that particular period, especially when those choices deviate from expectations. Sometimes observed discrepancies between stated objectives and choices may not necessarily be the result of concealed objectives by the state but rather the result of a change in position that may have happened during the interaction process that led to specific decisions. Changes in turn may shed light on factors such as China's influence or decision-makers perception of gains or losses that may have caused decision-makers deviation from previous objectives.

the complexity of the decision-making process in democracies and the constraints on democratic leaders' international choices reduce the incentive for democratic leaders to deviate from the predefined national objectives in international negotiations. On the other hand, the absence of power-sharing mechanisms and of transparency and accountability provide ample room for non-democratic decision-makers to deviate from predefined national objectives without fear of backlashes.

Based on these elements, I formulate the following hypothesis.

*Hypothesis 3: If The absence of power-sharing mechanisms in autocracies and the lack of accountability and transparency that characterize decision-making processes in non-democratic regimes provide autocrats with ample room to sign agreements that deviate from stated national objectives. Then, autocrats engaged in investment cooperation with China are expected to have signed agreements that did not coincide with the stated objectives and national preferences.*

## The Case Study

Based on my argument regarding the role political regime plays in shaping the decisions of African governments in Sino-African cooperation, it appeared that as the independent variable, the regime type variable is the most relevant variable on

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which the selection of the case to be studied is to be done<sup>21</sup>.

When elaborating the project's scope and design, it appeared that a comparative approach was the most appropriate to answer the main research questions of this project. The interest was thus drawn toward the analysis of China-Cameroon and China-South Africa investment relations. However, the need to unpack the complex configurations of African countries' domestic politics and the in-depth description and as well as thorough elaboration needed to highlight the processes and context within which China's investment cooperation with African countries takes place demanded important time and financial resources that were not always available. The limitations experienced in those resources mainly dictated the choice to center the analysis around a case-study approach rather than undertaking the preferred comparative analysis.

Therefore, I have selected Cameroon-China investment cooperation as the case-study on which this project was to be grounded. The choice of Cameroon as a case was motivated by the fact that the country is what can be call an ideal case. Three important elements justify the perception of Cameroon as an ideal case. The first is accessibility. If we consider the sensitivity of the issue at hand, the low degree of transparency surrounding investment issues in general and even more so in non-democratic regimes and the challenges associated with access to data that all these elements create, selecting a more familiar case - Cameroon - seemed to be the most intelligent choice. Being a national from Cameroon created a climate of trust and gave me access that allowed me to collect information that probably wouldn't have been made available for this study.

The second element is the country's political and economic dynamics. Apart from being a non-democratic country, Cameroon is a lower middle-income economy with a relatively low GNI per capita<sup>22</sup> compared to other countries in the region. These aspects have been shown to decrease country's attractiveness to foreign investment (F. Schneider and Frey 1985). This reduces the potential effect the country's economic situation may have on shaping negotiations. Meaning that, a country that is economically stronger may be provided, by its economic position, with more space for manoeuvre in negotiations. If domestic politics is found to have shaped China-Cameroon investment negotiation in Cameroon and the choices made by the Cameroonian government during the period under investigation, then it is more likely to have also played a decisive role in other countries with a level of economic development similar or higher than Cameroon.

The third element makes reference to the country's strategic position within

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<sup>21</sup>Although the difference in regime type is not the only element that justifies the inclusion of a specific case in the analysis

<sup>22</sup>The country's GNI per capita was estimated at USD 1110 in 2007 and USD 1380 in 2016

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China's geo-strategic calculations. Cameroon is endowed with natural resources and natural resources endowment has been shown to be one of the most important determinant of Chinese investment in Africa (Buckley et al. 2010; Sanfilippo 2010; Alden, Large, and Oliveira 2008). Furthermore, Cameroon has been among the top 10 recipients of Chinese investment during the ten-year period I investigate and beyond making it a good case for the assessment of not only China investment interactions with African governments but also for the understanding of the development potential of deals signed within Sino-African investment cooperation.

Therefore it can safely be assumed, and thus without tending to generalization, that if domestic politics is found to matter in Cameroon's investment negotiations with China, it is more likely to also matter in other countries.

## **Time Frame**

This analysis is centered on a 10 years period going from 2007 to 2016. This period was chosen for three important reasons. First up till 2006 Cameroon was under the IMF structural adjustment program, therefore before that year, the Cameroonian government was very limited in what it could. The governments had very little freedom regarding the number and types of bilateral agreements in which it could engage the country. As a result, there is very little investment activity between Cameroon and China before 2006. Second, this period is also important because it represents what can be called a "window of opportunity" for African nations in their interactions with China. China was a new actor in Africa that still had to prove itself as a reliable partner in the continent. Moreover, China also had to face fierce competition with existing foreign countries that had pre-existing interests in the continent. Also, China desperately needed countries in the continent in order to fulfill its global ambitions and growth needs<sup>23</sup>. Third, this period is characterized by an intensification of Chinese investments in the continent making it an interesting period to study.

## **4.3.2 Methodology**

### **Data Collection**

For the purpose of answering my research questions, a multi-method approach of data collection was employed using a means of triangulation of three different sources of data collection. Hence data was collected from three main sources that included documents analysis and expert and stakeholders interviews. Each of these methods had its shortcomings, so I used triangulation in an attempt to mitigate

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<sup>23</sup>This aspect is discussed in more details in Chapter 2

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those issues related to the use of each individual method and to eventually draw conclusion to best fit reality. Concerning interviews, there is always a risk of interviewee misinterpretation of the question being asked or giving information that partly adhere to reality. This is because interviewees may be concerned with their own image or the image they try to portray of the situation as opposed to reality, especially when they happen to be a stakeholder. So it is relevant and even crucial to look to other sources of information such as documents in order to confirm, complete or negate what has been said in interviews. As for documents analysis, although they constitute very useful sources of information in allowing a capture and understanding of events that can no longer be observed, they may sometimes be incomplete or lack clarification which can then be provided for by interviews.

### **Documents-Archives - newspaper**

Document analysis is referred to as a systematic procedure for reviewing or evaluating documents, which can be composed of both printed and electronic material (Bowen et al. 2009), this method requires that the collected data be examined and interpreted in order to extract elicited meaning, gain understanding and develop empirical knowledge (Bowen et al. 2009). Documents contain text (words) and image that have been recorded apart from the researcher's intervention and that provide meaningful and relevant information on the subject at hand. The use of documents was crucial in the context of this study as they give an understanding of the content of related agreements that cannot be obtained through interviews, they point to the preferences of actors involved in the decision making processes and to the completion of information gathered through other method. Moreover, documents can provide data on the context in which actors operate. Documents also represent a mean for gathering data on events that can no longer be observed while also suggesting important questions to be asked as part of the research project (Bowen et al. 2009). During the course of this investigation, I used different type of documents relevant to different phases of the research process. Hence documents that I used in the context of this project includes minutes of meetings, Speeches, Memorandum of Understanding, written contracts, policy documents, background papers, books and brochure and potentially newspapers. Documents being a representation of social fact and being bound to context, I focused on selecting document produced by the actors involved (directly or indirectly) in the policy making process in order to gather information related to their motives and preferences relating to relevant issues.

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## Interviews

In this project, I used interviews as one of my main methods of data collection. Interviews are a method of data collection, information or opinion gathering that specifically involve asking a series of questions and include meeting or dialogue between a researcher and the interviewees but that can also be done through the use of technology (Jupp 2006). As an important and distinct mean of understanding contemporary political interactions and outcomes, they are helpful in the process of identifying causal mechanisms that are not evident in other forms of data (Mosley 2013).

Interviews are relevant in this context because they have allowed me to generate data to test causal claims and bring further clarification onto contradictions that need to be explored and explained while also providing information about actions taken and attitude that are held by relevant actors. I mainly focused on one-to-one interviews that is face-to-face interviews with relevant individuals. However as need occurred, I relied on the use of phone or video chat interviews that have enabled me to establish contacts with interviewees in order to gather complementary information when it was not possible to be physical present at the research site.

I used purposive sampling method to sample my interviewees as the research questions and the investigation's purpose and the need to develop causal explanations has no need for representativeness but required a specific population of interviewees with specific characteristics deemed to be relevant to the analysis (Mosley 2013). Those specific individuals were chosen because of the insights they were likely to provide regarding the context and relating to the decision-making processes, to causal circumstances that may have generated particular outcomes (Mosley 2013). Hence I selected interviewees on the basis of certain characteristics and based on their knowledge and expertise of the topic of Sino-African investment relations and on their role within the context of their countries economic interactions with China. Therefore, I conducted semi-structured in-depth interviews with samples of key informants composed of experts and stakeholders.

- Interviews with experts

Interviews with experts Experts are individuals who base their claim of intervention on the fact that they have necessary knowledge to structure collective problems and to find the most appropriate alternative to solve them (Dente 2014). In this context, the resources and the knowledge these actors display are relevant because only those actors who professionally deal with the issues at hand have the necessary expertise and capacity to formulate judgments on such issues. Here I considered the most import criteria for such individuals to be the capacity to provide relevant

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information and judgment based on the knowledge they have acquired on the field as opposed to the direct participation in the decision-making process as representatives. Therefore, within the context of this study, experts were considered to individuals that did not have a direct political and economical stake and an apparent connection to the actors involved in negotiations but those who may have been called to provide expertise or information based on their evident capacity and expertise in the sector and may belong to the scientific community. The motives and behaviours of scientific differ from those of politicians. Politicians often have to function under constraints imposed by their environment and use knowledge mainly for the purpose of serving their aims while scientific communities share what has been called a "cause and effect" knowledge and critical understanding based on principled beliefs and consensual knowledge. Therefore experts here were scientists who work in academic institutions and possess an advanced education degree or professionals who have an experience of working in consultancy positions related to the sectors under study in the private and public sectors as well as advanced researchers in think tanks (Rimkutė and Haverland 2015). Information on these individuals was collected from academic institutions databases, from their CV and on the relevance of their position to the issues of interest as well as on the basis of their active participation to scientific activities related to the sector including media coverage, participation in workshops and conferences as well as potential publications.

- Interviews with stakeholders

Here the focus was centered around those individuals who are or have been involved in a way or another in the decision-making processes and in negotiations with China and who stand to have an interest (political or economic) in the different types of decisions. These interviews with stakeholders were a crucial step to understanding the formulation of national preferences and objectives to be pursued in investment negotiations with China as well as the process and context of Sino-Cameroon negotiations.

I used a hybrid questionnaire that contained both open-ended questions and closed questions each type of question served a specific purpose. Open-ended questions were designed to focus the interview on a particular topic by giving the interviewee enough space to speak about it as freely as possible with the aim of capturing his or her specialized knowledge and attitude on the issues under investigation. these questions were also designed with the intention to lead the conversation to unexpected venues that could potentially be sources of additional insight.

closed questions on the other hand were designed to provide specific information about the perception that different actors have on the different issues related to the



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context within which they operate and on their perception of their nations' interests and the past and future gains of cooperation with China.

The selection of interviewees was made at two level, directly through their position in office at the time frame studied or indirectly through reliance on official document and on the basis of authorship of those documents. I conducted two rounds of interviews, the first round was based on the purposeful sampling that helped identifying preliminary actors, whereas the second round focused on interviewees that were selected through the snowball technique from the recommendations of previous interviewees. Mindful of the sensitivity of the issue discussed, the interviews were conducted under conditions of anonymity in Yaounde (Cameroon) between 2018 and 2019.

### **Notes from Data Collection**

In Cameroon, being a Cameroonian national made it easier to establish a climate of trust with the stakeholders. Therefore I was able to interview more policy makers who were directly engaged in decision-making processes. My interviewees in Cameroon were composed of eight stakeholders and about ten experts. The problem I encounter during my fieldwork in Cameroon was related to the difficulty of accessing the investment agreements that were signed between China and Cameroon from 2007 to 2016. Nevertheless I was fortunate enough to be provided with important reports and projects inventories by relevant ministries. These documents complemented the data collected through interviews.

## Chapter 5

# China-Africa Relations: Historical Analysis

In 2013, China and African countries celebrated 55 years of cooperation. The celebration was marked by an avalanche of reports mostly praising the relationship both from China and African countries.

These reports mainly stressed, the evolution of the Sino-African relationship, what has been achieved and most importantly the importance of a steady continuation of such cooperation – based they said on “respect and mutual gain”- for the good of both parties but especially for African nations. It is often said that to understand the present, we need to look at the past for it contains elements that have triggered some actions and reactions and that have contributed in putting into place the enduring foundation of what the present looks like as well as what the future may portrays (Kimberly and Bouchikhi 1995).

This chapter is an attempt to look at the past of China’s relationship with African countries. It intends to give a better understanding of the events that have and continue to characterize China’s encounters with the continent in general and with individual nations in particular. The following sections are therefore an assessment of Sino-African relations from an historical perspective. I focus on specific decisive historical events that can be considered to be “critical junctures” because of their importance and the impact they have had in shaping the foundations of Africa’s interactions with China and in fostering the establishment and the trajectory of Africa’s links to China as it is seen today.

The story of China-Africa relations told here is divided into three main sections, each section represents an important turn in Sino-African interactions. I do not assume that the events highlighted here are the only important events in the history of Africa’s relations with China. However, I believe that these events are, as the following discussion will illustrate, the most significant ones in the sense that they have played a more decisive role in defining the trajectory and nature of Sino-African

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encounters as it is perceived today and perhaps also as it will evolve in the future.

## 5.1 Laying the Foundation: 1955 - 1975

Contrary to what recent attention to China's involvement in Africa may suggest, China and African nations have been interacting for more than five decades. However, for half the time this interaction was mostly unnoticed or overlooked. This is perhaps due to the fact that China was simply not big enough and therefore was not seen as a threat to the interests of Africa's traditional 'partners'. As China rose and its activities within the old continent – Africa – expanded, so did the international attention to Sino-African dealings. Although they have been overlooked, the first few years of China's presence in the continent were crucial as they are the foundation of the Sino-African edifice. They are the years that have given volume and power to China's posture within the continent. They have also given credibility to China's historical discourse – that is still used and still resonate today - of “solidarity towards friends of mutual past and historical fate” (Strauss 2009; Grimm 2014; Adem 2014).

The discourse emphasis on reciprocity, mutuality, solidarity and respect found a hole to fill in the hearts of many Africans marked by decades of slavery, colonization and exploitation. China perceived the longing of Africans to be considered as equal and friends rather than constant beneficiary of assistance (Moyo 2009a).

The right words, uttered at the right moment. The right moves directed at the perfect target in the perfect timing yielded results that still have not faded. These words “won” the sympathy and trust of most African nations. It is perhaps the reason why – as if called to remember that not-so-far-away past - that this discourse not only continues to be so often used by China but also continues to be so successful within its African partners.

The years between the late 1950s and 1980s represent what I call the “foundation building” years of Sino-African relations because they have been marked by two important events that clearly show the values of reciprocity and solidarity on which the relationship has previously been built. Whether these values are still the foundation of Sino-African relations today or not is the subject for another debate. However, it is clear that they have been the first stones on which the relationship has been built.

These events include the construction of the Tanzania-Zambia highway that started in 1970 as well as the United Nations 2758's resolution of 1972. Starting from the late 50s, many African nations began to aspire to what they believed was their right – Freedom. As a result of their new aspirations, and the changes in international settings that increasingly favored the idea of freedom for all people,

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they soon started the fight that would eventually lead them to behold the strongly coveted freedom.

This is why in the history of Africa as a whole and of most individual African countries, these years are critical. For many still under colonial rule, they represent the beginning or the continuation of the fight against colonialism in order to earn the freedom that would eventually become their realities. As they fought for independence and auto-determination and as these were slowly granted to them, many of these nations endeavored to act, although with great difficulties as sovereign states. They did not only try to take into their own hands their internal affairs, but they also attempted to integrate themselves and find a place within an international system that had been built without them and perhaps also to their detriment.

These years were also significant to China as well although to a different extent. It all really started in the 50s right after the North Korean war, when what China has called "hostile forces" headed by the United States set up a military, political, economic and security blockage around China. Just like it was the case for its African counterparts, China, then occupied aspired to freedom, autonomy and development(People Republic of China 2004).

In order to gain its independence and to create a space for the country's targeted development, Mao decided on an exit strategy that was centered around a seduction game to the third world nations(Dirlik 2014; Song 2015). This period of China's fight and its successful move to freedom and self-determination coincides with the fight for freedom and independence many African nations had already embarked upon with some having just recently gained the precious independence. However, as African nations became independent one after the other, their need for capital, market access and technology became even more apparent.

Self-determination and existence in the international system could not be made possible without external assistance. It is after this realization that many of them decided to send an appeal for help to the international community, demanding assistance in their search for development. Their call did not receive the expected attention from the industrialized nations. However, at that particular moment, although not well off itself, China saw the need and seized the opportunity that the moment offered by expressing its willingness to provide the needed assistance for the development of African nations(People Republic of China 2004).

However, having been used to exist under the umbrella of Western industrialized nations and not yet quite acquainted with their new earned sovereignty, China's signal and willingness to assist was met with skepticism and fear by African governments(Dirlik 2014; Shinn and Eisenman 2012).

Being in the middle of the cold war, these African nations feared that accepting China's assistance would also mean importing communist ideas and ideologies into

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the continent, something they did not want. In addition, they feared that accepting the then “controversial” Chinese assistance would put them at risk of losing the assistance, attention and the potential support of their former colonizers.

Their hesitation came to a halt few years later in the mid-sixties when the governments of Tanzania and of Zambia decided that they needed a railway road and weren’t going to wait for the reluctant Western industrialized nations to help. For Tanzania and Zambia, the railroad appeared to be a crucial element for their development that was meant to assist the two countries in developing their economies(Yu 1971).

However, for the railway vision to become a reality, they needed help and fast, they then decided to hold China’s hand. The railway story started back in the 1960s, Zambia was governed by an administration appointed from London with the advice of the British South Africa Company. In 1964, Zambia became independent of the United Kingdom and the Prime Minister Kenneth Kaunda became the inaugural president. Yet, Zambia, the Southern African landlocked nation, neighboring the democratic republic of Congo to the North, and Tanzania to the North-East, could still not receive international assets through the South African route which was the only possible route. This route that was so crucial for the Zambian economy was blocked by South Africa’s practice of racial segregation. It is then that Kaunda, the Zambian leader decided to find a way out for his country, an alternative that did not involve South Africa. Kaunda’s idea was to build a railway that would go through Tanzania to the port of Dar es Salaam(Monson 2013; Yu 1971). With this idea in mind, he commissioned the World Bank to assess the possibility of building a railway through Tanzania. However, the World Bank’s report on the project was not in favor of such a project. The World Bank suggested that a highway be built instead of a railway, a conclusion that did not satisfy Kaunda who was more determined than ever to get his railway. He then approached Western democracies, full of assurance that his plea will be heard, and the need met. Yet, the response was disappointing. While only Britain and Canada expressed interest in assisting with the construction of the railway, their interest was not enough, and the project failed to be funded due to insufficient financial backing.

As a turn of luck, the Zambian initiative coincided with Tanzania’s own aspiration for development. Tanzania, a nation in Eastern Africa, also a former British colony, bordering Zambia to the South and led by his leader Julius Nyerere who was determined to develop its coal industry in order to foster the development of the country. Both leaders saw the urgent need to build a new transportation line in order to develop their respective economies, support the Southern-African people in their struggle for national liberalization while also enabling them to overcome their dependence on the sea route in the south which was under the control of the segre-

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gating regime of South Africa and Southern Rhodesia. They then agreed on the plan to build a railway that would link both nations, the Tanzania-Zambia Railway(Yu 1971).

Being determined to reach their goal of a new railway line and having failed to get the needed financial assistance from the West, they decided to turn to China. In February 1967, President Kaunda travelled to China. During talks with the Chinese Leader, Kaunda expressed the desire to receive China's assistance in the construction of the Tanzania-Zambia railway. The Tanzanian leader Nyerere also later visited China and expressed the same eagerness to see the railway project completed and, just as his Zambian counterpart, insisted on the desire and the need for China's assistance(Monson 2013; Yu 1971).

Motivated by its strategic desire to fight hegemony and imperialism, and to gain allies in the developing world, the Chinese leader agreed to the request to construct the railway insisting on the fact that this support to the African "friends" was a stretched of China's hand to help them in their struggles against imperialism and colonialism as well as their quest for development(People Republic of China 2004; Yu 1971). So this act, according to the Chinese and as then perceived by African leaders - was a pure act of solidarity.

In September 1967, China, Tanzania and Zambia held talks in Beijing and formerly signed the "Agreement of the Government of the PRC, the Government of the United Republic of Tanzania and the government of the Republic of Zambia on the Construction of the Tanzania-Zambia Railway"(Yu 1971; Song 2015). The railway construction's work began in October 1970. However, before the railway was completed, an opportunity appeared that confirmed the motives behind China's first strategic approach towards Africa. China needed to get back at the international table and the United nations was the place to start(Chiu 1994). In 1971, the United Nations Assembly resolution 2758 was passed in response to the United Nations General Assembly Resolution 1668, specifying the restoration of the lawful rights of the PRC and which required any change in China's representation in the UN be determined by a two-thirds vote referring to the article 18 of the UN Charter(Chiu 1994; Morphet 2000).

This convention represented an occasion for African leaders to send the elevator back to China and help the Chinese friend getting what it wanted. The railway construction was still in the very beginning, it would not be an exaggeration to speculate on the possibility of a win-win exchange where the "votes" by the newly sovereign Africans would encourage the completion of the "railway" while the possibility of China becoming more present in the international arena would mean more ability for the Chinese giant to assist its African counterparts. This convention was very important for China and securing Africa's support was crucial. This support

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had been gained by China's strategic move exactly when the two African nations had no alternatives to reach their railway goal. China assisted with the railway; Africa pushed China back into the United Nations. A perception on both sides that was confirmed by Mao's speech right after the convention was ratified when he stated that "it is our African friends who pushed us back into the UN". The convention was passed on October 25, 1971; with 71 "agree" votes among which 26 were from African nations, China got its seat back and the Tanzania-Zambia railway was completed and handed over in 1976.

Although the railway project<sup>1</sup> was a matter that concerned only two African nations, the evolution of its dealings was watched by the whole continent. The project became a crucial event that sent a strong message across Africa. A message that China could no longer be seen only from the perspective of a weak – as opposed to Western great powers– and persecuted nation under strong communist rule and ideology. China's image in Africa became one of a potential ally, that was reliable and was willing to intervene when all others turned their backs. A partner that was there to help free and develop the continent not to enslave and colonize it. This was indeed an important and strong message, strong enough to alter most African leaders' perception of China and to create the needed trust and willingness to engage with China. It is the message that somehow continues to echo across the African continent decades later.

## 5.2 The Expansion: 1976 - 1999

The completion of the construction of the Zambia-Tanzania railway had allowed China to successfully change its image in Africa and gain the trust of African leaders but the change in perception of who China was and the opportunities the country may represent happened before the railway was even built. It happened right at the moment the Agreement on the construction of the railway was signed in 1967(Monson 2013; Yu 1971).

Indeed, the lack of support from the Western industrialized nations for the railway project that was seen as crucial for the development of the two nations, China's willingness to step in and provide the needed capital as well as the successful discussions between Tanzanian, Zambian and Chinese leaders regarding the railway that were concluded by an agreement were enough to send a strong message across the continent and to trigger the change in the way Africans perceived China, a change

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<sup>1</sup>Railway image source:<http://www.theheritageportal.co.za/article/tanzania-zambia-railwa>

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in perception that was very much needed by China.

This change in perception and the effect that this event – the railway agreement and construction – had on the relationship between African countries and China can be illustrated in the wave of diplomatic ties that were initiated after the agreement was signed.

In fact, prior to the signature of the railway agreement in 1967, 33 Sub-Saharan African nations – about 72 percent of African countries - had already gained their independence<sup>2</sup>. However, as the table below shows, prior to the signature of the railway agreement, only about 50 percent of them had agreed to initiate diplomatic ties with China whereas the other 50 percent (about 15 nations) entered diplomatic relations with China only after the agreement was signed.

Table 5.1: Independence and ties with China

Country	Year of Independence	Ties with China
Benin	1960	1988
Botswana	1966	1975
Cameroon	1960	1971
Chad	1960	1971
Ivory Coast	1960	1983
Lesotho	1966	1983
Liberia	1947	1977
Madagascar	1960	1972
Malawi	1964	2007
Niger	1960	1974
Nigeria	1960	1971
Senegal	1960	2004
Sierra Leone	1961	1971
South Africa	1910	1998
Togo	1960	1972

Source: Author's calculation based on historical data

The other 15 African nations<sup>3</sup> were still under colonial rule at the time of the agreement and therefore could not enter diplomatic relationships with other countries. However, the impact of the agreement seems to be even more visible in their case since most of them established diplomatic relationships with China as soon as

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<sup>2</sup>Benin, Botswana, Burundi, Burkina Faso, Cameroon, Chad, Central African Republic, Congo Kinshasa, Ethiopia, Gabon, Gambia, Ghana, Guinea, Ivory Coast, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Somalia, South Africa, Tanzania, Togo, Uganda, Zambia.

<sup>3</sup>Angola, Cabo Verde, Comoros, Djibouti, Equatorial Guinea, Eritrea, Guinea Bissau, Mauritius, Mozambique, Namibia, Sao Tome and Principe, Seychelles, South Sudan and Zimbabwe.



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they became independent and much sooner after independence than those countries that had acquired independence before the railway agreement.

The data shows that about 90 percent of the late comers (those countries that became independent after the railway's agreement in 1967) entered into bilateral diplomatic relations with China as soon as they had gained their independence. In fact, as the table below shows, for most of them, both events – independence and ties with China – happened in the same year. Moreover, The average time between a country gaining its independence and the country entering into diplomatic relations with China for this group is only 1.33 years for 24 years for the previous group.

Table 5.2: Independence and ties with China

Country	Year of Independence	Ties with China
Angola	1975	1983
Cabo Verde	1975	1976
Comoros	1975	1975
Djibouti	1977	1979
Equatorial Guinea	1968	1970
Eritrea	1991	1993
Guinea Bissau	1973	1974
Mauritius	1968	1972
Mozambique	1975	1975
Namibia	1990	1990
Sao Tome and Principe	1975	1997
Seychelles	1976	1976
South Sudan	2011	2011
Zimbabwe	1980	1980

Source: Author's calculation based on historical data

The fact that more countries entered into diplomatic agreements with China after the railway agreements and the shorter time span between independence and initiation of ties with China after the railway agreement both confirm the argument made in this chapter in favor of the crucial role played by the signature of the railway agreement in establishing the foundation of Sino-African relations.

If the railway agreement seems to have had a greater impact in facilitating China's geographical expansion within Africa, another event – The UN resolution 2758 – was crucial in consolidating this expansion.

The UN resolution was crucial in giving to African countries a sense of legitimacy and of being equal partners with China. If the “railway” was a reminder and a realization of their need of China as a partner, the UN resolution 2758 completed to

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ring by enabling African leaders to understand that they too were needed by China. This sense of mutual need gave all its power to the discourse of “friendship based on mutual respect” on which China still relies today in its dealings with African countries. To Africans, being needed and being seen as equal partners in international relations was crucial, having been colonized, marginalized and subjected to foreign powers for decades, they craved freedom, recognition and respect, and China seemed to want to give them just that.

Before going further, it is important to put the UN resolution 2758 into context in order to understand why exactly it has had such an impact on Sino-African relations.

The end of the World War 2 in 1945 saw the Republic of China’s government represented by its governing party the Kuomintang (KMT, Chinese Nationalist Party) having jurisdiction over mainland China and taking back the control of the country while also restoring Chinese sovereignty over Taiwan.

However, four years later, a civil war broke in China, the war ended with the communists taking control of mainland forcing the nationalists to retreat to Taiwan keeping only the control of Taiwan and other small islands. The communists declared the People’s Republic of China (PRC) as the successor of the Republic of China(ROC) while the nationalist attempted to maintain the Republic of China as the sole legitimate Chinese government(Dumbaugh 2009).

In a context of cold war, both parties engaged in rivalries and both claimed to be the only legitimate Chinese government with each side refusing to maintain diplomatic relations with countries that had relationship with the other. Despite these political changes, the Republic of China (then only represented by Taiwan and a few little islands) remained the only legitimate actor representing China in the International arena and the United Nations. From then, started the People’s Republic of China’s long battle to gain the international legitimacy that it felt was rightfully its own and that was lost to Taiwan. In fact, the Republic of China (ROC) had been a charter member of the UN formed on October 24th 1945 along with the Soviet Union, the UK and the US. After the war and the domestic political changes that had taken place in China, the UN general assembly entered into lengthy debates about transferring China’s seat from the Republic of China (ROC) to the People’s Republic of China (PRC)(Chao 2006; Chiang 2004). However, for a long time, the implementation of the proposed change was prevented by the US through the use of its global influence. although the UK recognized the PRC as the legitimate government of China things really started to shift in the PRC’s favor in the 1960s as the PRC gained the support of a large number of newly independent nations in South America, Asia and especially in Africa. In 1970, a majority of the UN member states supported the PRC’s admission with 51 to 49 votes but did not however reach

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the two-thirds requirement. Later in 1971, after a request from 17 United Nations member states to restore the “lawful” rights of the People’s Republic of China in the UN, the United States proposed at the UN general committee that two items concerning China previously proposed by UN members states namely the demand for the restoration of the People’s Republic of China as the sole representative of China and the request (advanced by the USA) for a second item called “the representation of China in the United Nations” be added on the organization’s provisional agenda and both be combined into one item called “The question of China”. The proposal was rejected by 12 votes to 9 with 3 abstentions. After many draft resolutions at the United Nations that aimed at dealing with the Chinese, the issue of China’s representation at the UN was later submitted to a two-thirds vote.

A roll-call vote of 76 “for” (of which 27 were African nations) to 35 “against” with 17 abstentions took place on October 25th, 1971 and resulted with the People’s Republic of China becoming the lawful representative of China at the United Nations whereas Taiwan, despite the support of the US, lost its seat(Chao 2006; Chiang 2004). For African governments, this vote represented an opportunity to finally exercise their newly earned rights as sovereign nations and also and most importantly it gave them a sense of power never felt before and an occasion to send a message to the world and to China in particular that they too could be counted on as reliable partners.

### **5.3 The Consolidation: 2000-2014**

In the history of China-Africa relations, the period of 2000-2014 can be seen as a period of consolidation of the established ties between China and African countries. This phase of consolidation has been spread over 15 years and represents another important stage in Sino-African encounters. This period was marked by important events that have undeniably shaped the modern days Sino-African relations and have contributed and continue to contribute to the grounding of China’s position within the African continent.

However, these events can only be understood if they are placed within the context of China’s ‘ “going global” strategy of the recent decades. This strategy has been the main dictating element of China’s recent moves internationally and in Africa in particular. The policy has had important implications for African nations and their relations with China. It therefore seems necessary, before considering the specific events that have taken place within Sino-African relations during the period in question to start with a brief introductory background of China’s “Going Global” economic strategy, especially with regard its overseas investments before situating Africa within this strategic context.

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### 5.3.1 China's Going Global Policy

The “Going Global Policy” refers to the People’s Republic of China current strategy that evolves around opening up not only the country’s economy to foreign investment inflows but also and particularly encouraging Chinese enterprises to invest overseas(Ji-qing 2008). The origins of this strategy can be traced back to the era of Yang Shangkun (President of the PRC 1988 -1993) who is the father of the “Two markets two resources” thought(Ji-qing 2008).

The strategy’s main element lies on the idea that domestic production ought to be supplemented by imported commodities in order to build up domestic reserve and strengthen global commercial position(Ji-qing 2008; Kitissou 2007). This idea, which was then further strengthened by Deng Xiao Ping’s desire to open China to the world gave birth to the “Going Global” ideology.

By the time Deng Xiao Ping (1904-1997) retired, the ideology had already been embedded within the communist party, then carried out and further refined by his successor Jiang Zeming (President of the PRC 1993 – 2003). In the party’s 14th national report of 1992, Jiang Zeming emphasizes the need to expand the international reach of Chinese companies. During a general assembly speaking on Foreign Investments he declared “we do not only need to attract foreign investments into China, but we also need to actively guide our local companies into the foreign markets and provide them with the capacity and conditions to invest abroad”. In 2000 Jiang Zeming officially declared the “Going Global” policy as an integral part of China’s development strategy along with some crucial objectives such as the increase of china’s production capacity, the adjustment of the structure of industry, the gain of advanced technology, the increase in competitiveness as well as the breaking of trade barriers(H. Wang 2016). As the policy gained momentum, China sought to consolidate its relations with Africa(Ji-qing 2008). Prior to that, China was mostly dealing with individual nations, however, as the number of its African ties continued to increase, the need of a platform within which China could directly and more efficiently communicate its intention with all its African partners became apparent. China needed a time-saving, efficient and effective framework within which it could communicate its intentions to all its African partners at once, just like it had been the case for other platform that had been built around Africa such as it was the case for the France-Africa summit for instance.

The new framework would served as a platform within which China could communicate and convince its African counterparts that it was the new boss in town and was there to stay while also triggering in them the desire to get the biggest bite of the “cake” that the country wanted to advertise. Despite helpful past circumstances (Tanzanian train line), aligning all African nations to the Chinese case and

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completely opening them up to China was not an easy task(Ji-qing 2008). The long historical past and contacts that African nations had shared with many colonial Western nations still held strong. There was still a need to convince, after being allowed to enter the gate. China needed to earn the right to stay and expand. China had to convince African leaders that looking “East” was the way to go after having been accustomed to looking “West”.

Even if there was already a sense of discontent among Africans towards Western nations’ efforts to assist them in their quest for development, China was still quite alien to them and to most the old saying “better the devil you know” completely applied. This lead them to, even after the railway event and the UN resolution that saw China back in the International arena, continue to keep China at a healthy distance economically. In such a context, for China, trying to convince each individual African nation of the good and potential gain of Sino-African economic ties would have been an arduous, time consuming and inefficient task. Gathering all nations under one table was the best way to approach the African “Friends”, to let all see the “cake” that was to be shared and ignite in them a race to get who gets the biggest part.

This is how China went on to create an environment of competition among recipient nations, a race to “who gets the biggest bite” that went on to becoming a crucial element of China’s global strategy(Ji-qing 2008). It is within this context and for this particular purpose that the Forum for China and Africa Cooperation (FOCAC) was created in 2000.

### **The Forum for China-Africa Cooperation**

Officially, the Forum for China and Africa Cooperation (FOCAC) was created to facilitate exchanges and bring together most African nations (those already dealing with China) at once and around a single table. The FOCAC was funded in October 2000<sup>4</sup>.

Its first ministerial conference was held in Beijing. The conference brought together representative of all African nations that had entered diplomatic relations with China. Through this platform, China strategically convinced its African counterparts of the legitimacy of its fights and on the crucial role that African countries were to play in the world and especially within China’s mission to build a new order by fighting hegemony and imperialism(Callahan 2008; H. Campbell 2008).

As it is stated on the Forum’s website , the FOCAC was created to strengthen Sino-African economic cooperation and trade relations as well as to establish a new international order that will better reflect the needs and interests of African nations.

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<sup>4</sup><https://www.focac.org/eng/>

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China knew exactly what African leaders wanted, China knew they aspired to some level of greatness, growth and development but they also longed for respect and consideration. This is the dream China knew exactly how to sell. That dream is one that brought most African nations on board and that is still shaping their interactions with China.

China was growing, and African nations saw China's unprecedented success and global presence which was acquired in a very short period of time after an obscure past (Li 2008). And they identified with it. Considering where China was coming from, to most Africans it was clear that if China could produce such outstanding results, so could they.

All of a sudden, the dream of economic development and self-reliance was no longer just the content of a day-dreaming activity, something that they could only dream of. It was no longer a dream far away that seemed even more unreachable with each attempt. For the first time, they had a model that they aspired to emulate. It is under these circumstances, that the forum thrived and continue to do so with meetings held on a three-year basis hosted each time by a member state.

The first of such meeting was held in October 2000 in Beijing and the last one was held 2018 back where the forum was created, - Beijing -. This return to origin seems to suggest the closure of a circle of a first era of relationships and orientate the forum toward new directions as announced in the last forum<sup>5</sup>.

During FOCAC meetings, actions plans for the following three years are announced, China announces its vision for the world and its intentions towards the continent, promises are made, China announces what is to come, as a way of saying, "this is what I have for you, now how much of it can you get?". The promises that are made during these meetings are important. They seem to have the potential to create competition among African states as to who will get the biggest part of the "cake" provided by China and to increase their likelihood to compromise.

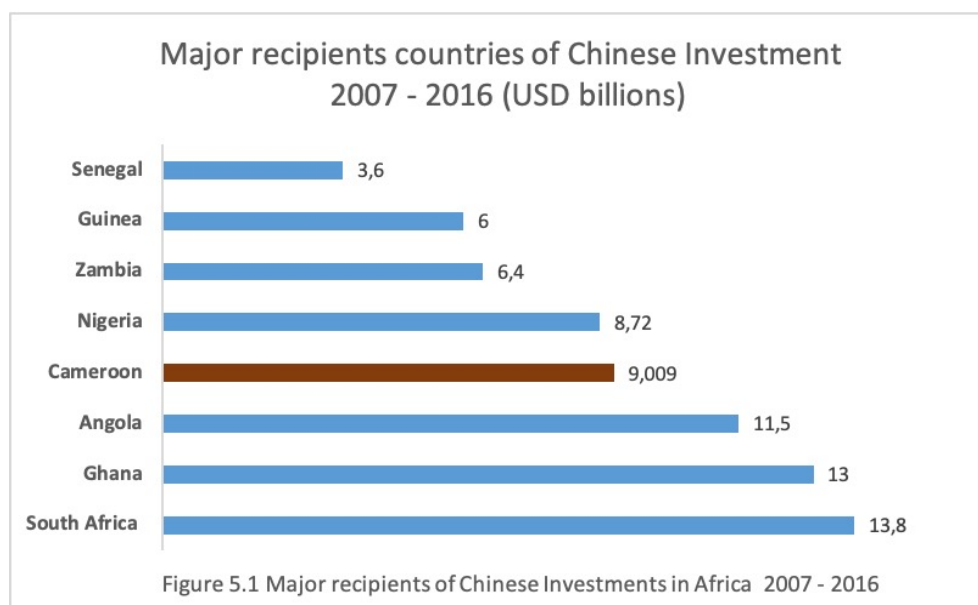
Now whether what is pledged actually ends up being disbursed is another matter. Actions plans that are outlined during meetings are then carried out on a bilateral basis involving further bilateral negotiations between China and specific African countries. The FOCAC served its purpose, getting African nations on board and get them acquainted with what China has and is willing to offer.

This led to an intensification of China's economic involvement into the continent reaching all-time peaks with trade transactions having jumped nearly six-fold from the year 2000 (5.6 billions USD) to the year 2005 (32.2 billions USD) (Gbadamosi and Oniku 2009). As China expanded within the continent, criticisms of its approach, qualified as neo-imperialistic and mercantilist behaviors started to make their voices louder (Power and Mohan 2010; Mohan and Power 2008).

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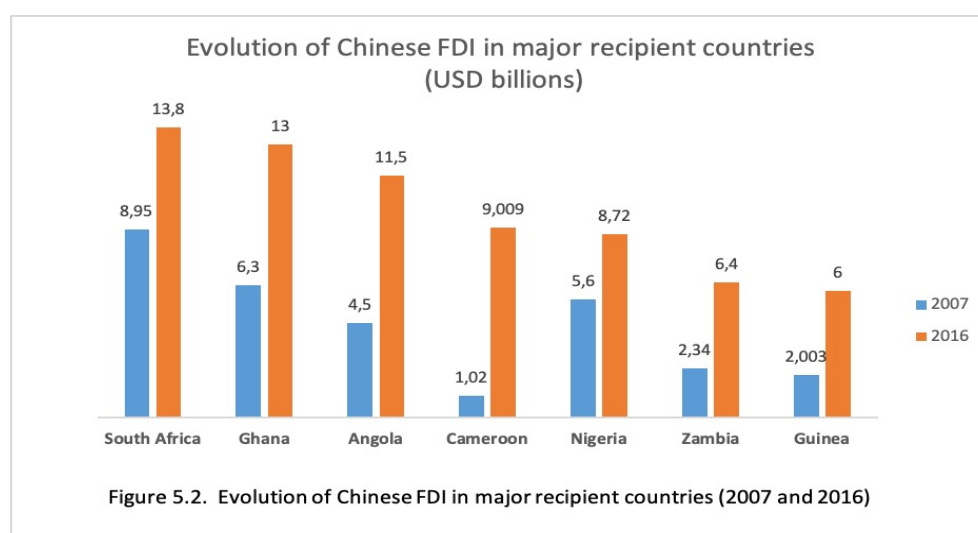
<sup>5</sup><https://focacsummit.mfa.gov.cn>

In the period between 2007 and 2016, as the figure below shows, six countries were biggest recipients of Chinese FDIs in Sub-Saharan Africa. At the end of 2016, South Africa was the biggest recipient with USD 13,8 billions, followed by Ghana (USD 13 billions), Angola (USD 11,5 billions) and Cameroon (USD 9,009 billions).



Source: Author's calculations based on data collected from various sources <sup>6</sup>

The intensification of Chinese investment in Africa during the 2007-2016 period can also be seen in the investments data of the major recipients of that period. As the figure 5.2 shows, Cameroon experience the biggest increase from USD 1,02 billions in 2007 to a total of USD 9,009 billions in 2016.



Source: Author's calculations based on data collected from various sources <sup>7</sup>

<sup>6</sup>Please refer to the chapter related to the conceptual framework for more information on the sources

<sup>7</sup>Please refer to the chapter related to the conceptual framework for more information on the sources

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As the west accused and worried, African citizens too became more skeptical, questioning China's motives and strategies as well as their leaders' interests in interacting with China. It is to respond to these growing criticisms it seemed and to reassure African skeptics that China decided to play the card of transparency by publishing in 2006 its first Foreign policy towards Africa called the "2006 China's African Policy"<sup>8</sup>. The next section discusses in more details the policy and its implications for China relations with African countries after 2006.

### **The '2006 China's African Policy' Paper**

The first China's African policy document was published in January 2006 as a response to the growing criticisms that spread from all parts of the world and that surrounded China's engagement within the continent. The idea that China intentions behind this policy paper was mainly to respond to the unceasing criticism is an idea that can clearly be perceived and that is confirmed within the lines of the policy document itself. It follows:

"By this policy paper, the Chinese government is to present to the world the objectives of China's policy towards Africa as well as the measures to achieve them, and its proposal for cooperation in various fields in the coming years, with a view to promoting the steady growth of China-African relations in the long term and bringing the mutually beneficial cooperation to a new stage"<sup>9</sup>

As the self-proclaimed leader of the developing world, China acknowledges the fact that Africa remains a destination of choice mainly because it is the continent that gathers the largest number of developing nations, which support, and cooperation are necessary for China to further its global ambitions.

The reliance on a narrative of mutually beneficial cooperation is again very common within the lines of the policy paper as China attempts to reassure the African side in particular and the world in general that contrary to the common belief and the frequent accusations of neo-colonial activities on its part, it is still committed to assist African nations in their quest for development.

It is easy, when going through the lines of the policy paper to realize that China continues to highly rely on history, on the narrative of brotherhood with a common past and a shared cause that had previously gained the sympathy and trust of African nations decades before in order to give strength to its arguments.

The document makes a presentation of China's involvement into the continent as a strong support offered with flexibility and with no political strings attached topped with mutuality in respect and gains. It also represents an attempt to negate the accusations made against China that argue that the country has become a new im-

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<sup>8</sup><https://www.fmprc.gov.cn/zflt/eng/zgdfzcc/t481748.htm>

<sup>9</sup><https://www.fmprc.gov.cn/zflt/eng/zgdfzcc/t481748.htm>



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perialist in Africa by clearly stating that enhancing solidarity and cooperation with African countries has always been an important component of China's independent foreign policy of peace. It also reaffirms China's intention to carry forward the tradition of China-Africa friendship and proceeding from the fundamental interests of both the Chinese and African people<sup>10</sup>.

The document further stresses the Chinese intention to establish and develop a "new type" of strategic partnership with Africa that features political equality and mutual trust, economic win-win cooperation and cultural exchanges.

Furthermore, the reliance on expressions such as "equality", "mutual actions" "mutual benefits" throughout the policy paper clearly illustrates China's desire to continue to display the value of freedom of choice in its dealings with African nations and to negate accusations of new imperialism and of unbalanced cooperation. This is done mainly by stressing that China does not impose its desires on African governments but that all that is done is done under the framework of joint actions and joint decision-making between the parties involved.

History shows that China has successfully used its narratives to gain not only the trust of its African counterparts but also their support in bilateral encounters and in international settings. The reliance on expressions such as "Brothers of a common past" "protecting the interests of African people" or "win-win cooperation" that have consistently appeared within the lines of China leaders' speeches and policy documents over the last decades are the foundations of China's communication with the African continent that seem to always find favorable and receptive ears on the African side.

Yet, the document is not limited to negating accusations and confirming intentions. It also displays few lines amelioration that seem to suggest the recognition by the Chinese government of some important flaws in its approach to Africa as well as the need and the commitment to address them.

Based on these statements, it can be assumed that within the framework of Sino-African cooperation, African governments have the space and freedom required to enable them to act on the basis of their own interests and preferences. It can also be assumed that the Beijing model provides Africans with more perspectives for development as opposed to the one used by western nations (often criticized by China). Most importantly, these statements reaffirm the assumption and belief that African nations as sovereign nations have the possibility to choose the agreements they favor and walk away from those they do not find attractive which is in line with the arguments made in this project.

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<sup>10</sup><https://www.fmprc.gov.cn/zflt/eng/zgdfzcc/t481748.htm>

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## 5.4 Conclusion

Historically, China and Africa have been partners, helping one another to defend causes seen as dear to one party or to the other. But the world has since changed. China's ambitions too have become more important for as a lion grows so does its appetite. The cooperation between African countries and China is as diversified as the countries in the continent. Now the important questions to answer are related to the standing and voice of Africa within its encounters with China. How exactly this cooperation between China and Africa functions, to what extent the deals and agreements signed within this context truly reflects the preferences and interests of African governments and how beneficial are these to African nations. These are important questions; they shift the attention, albeit just for the time of a research project, from China to Africa.

## Chapter 6

# Cameroon's Domestic Political Context



## Introduction

The Republic of Cameroon is situated at the junction of Western and Central Africa with Yaounde as a capital. The country is triangular in shape and is bordered by Nigeria and Chad to the Northwest, the Central African Republic to the East, the Republic of the Congo to the Southeast, Gabon and Equatorial Guinea to the South and the Atlantic Ocean to the Southwest<sup>1</sup>.

The country's name "Cameroon" was derived from the term "Rio Dos Camarões" which means Rivers of Prawns by Portuguese explorer of the 15th and 16th centuries. The European exploration in the country began in the 15th century with the Portuguese. Germany claimed Cameroon as German protectorate in 1884, it remained

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<sup>1</sup><https://www.britannica.com/place/Cameroon>

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so until 1916 when Britain, France and Belgium took it by military force in 1884. However, after the World War I, the country was divided into two zones. The western zone comprising two separate areas (later known as the Northern and Southern Cameroons) was administered by Britain under League of Nations mandate. The rest of the country (which comprises four-fifths of the total) was administered by France directly from Paris. After much fight for independence, Cameroon proceeded to partial self-government in 1957 before gaining full independence on January 1960.

Following a UN plebiscite in 1961, Northern Cameroon chose union with Nigeria while Southern Cameroon joined with the Republic of Cameroon in October 1961. Cameroon thus became a federal republic in the same with both components retaining their local parliaments. However, in 1972 the federation was dissolved and the country became a unitary republic - The United Republic of Cameroon although that name was changed again to the Republic of Cameroon in 1984 (Ardener 1962).

Cameroon official languages are French and English (both inherited from colonization) and its monetary unit, the CFA Franc was inherited from colonization and is still in use today<sup>2</sup>.

The country is sometimes referred to as the hinge of Africa because of its central location on the continent and its position at the west-south juncture of the Gulf of Guinea.

## 6.1 The Economic Context of Cameroon

Cameroon is a Sub-Saharan African lower-middle-income economy. In 1961 right after its independence, the country was a low income economy with a Gross Domestic Product (GDP) of only 657 million US Dollars and its per capita GDP for the same year 124 US dollars. Cameroon remained a low-income country till 2005 with its per capita never reaching or rising above 1026 US dollars<sup>3</sup>.

However, Cameroon's GDP and per capita GDP experienced an average annual growth of about 4,32 per cent between 2007 to 2016 reaching a GDP of 82 billion US dollars in 2016(CIA 2020) and a per capita GDP of about 1400 US dollars (equivalent

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<sup>2</sup>The CFA franc was originally named the Franc of the French Colonies in Africa before being recently changed to the Financial Community of Africa. It is the name of two currencies, the West African CFA franc used in eight West African countries and the Central African CFA franc used in six Central African countries. The CFA franc arrangement is unique, it is an umbrella over two regional currencies with each pegging at a common exchange rate to the Euro and guaranteed by an outside country - France. The CFA franc system offers its members a range of advantages and opportunities such as a credible monetary anchor. However, because the exchange rate is the unalterable linchpin of economic policies, the zone members also face unique economic policy challenges especially when the economic environment is characterized by increasing financial volatility, structural changes and rising capital flows(Gulde and Tsangarides 2008)

<sup>3</sup>The world bank's threshold for income classification considers a low income economies with a GDP per capita that is below 1206 US dollars

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to about 3700 per capita PPP) in the same year. This economic transformation that took place between 2006 to 2016 allowed the country to transition from a low income to a lower-middle-income economy <sup>4</sup>.

Cameroon's economy is mainly grounded on three sectors namely the service, agriculture and industry sectors. In 2016, the service sector contribution to Cameroon's GDP was 56.8 per cent whereas industry and agriculture respectively contributed 26,5 and 16.7 per cent to Cameroon's GDP. Cameroon's unemployment rate (estimated as the percentage of total labor force) was estimated to 4.3 percent in 2014 far beyond the 30 percent of 2001<sup>5</sup>. However, the biggest chunk of the country's labour force seems to be concentrated in the agriculture sector that although important is not the sector that contributes most to the country's GDP. In 2018, 46.30 percent of the Cameroonian labour force was still employed in agriculture for 39.60 per cent in service and only 14 per cent in industry. The graph below shows Cameroon's per capita GDP in relation to the Sub-Saharan Africa average (Including high income economies).

Although Cameroon has experience moderate and continued economic growth since 2007, the patterns of income distribution within the country have not really been in the favor of greater equality. Cameroon had a Gini index of 42,8 in 2007 and of 46,6 in 2014 (Worldbank 2019). <sup>6</sup>

Cameroon is not among the most populated countries in the region as its population represented only about 3,69 percent of the total Sub-Saharan African population. However, the country sufficiently large and young population of about 24 million people ( World bank 2016 estimates) <sup>7</sup> is a considerable market and labour asset(CIA 2020) <sup>8</sup>.

Cameroon's territory covers a land of 472710 *km*<sup>2</sup>, 13,11 per cent of which was estimated to be arable land, 20.60 percent agricultural land and 47 per cent of forest in 2016. The country's agricultural production features timber, coffee , tea, bananas, cocoa, oil-seed, grains, livestock, rubber, palm oil, cotton and pineapples.

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<sup>4</sup>The World bank classifies as middle income countries with a per capita GDP that lies between 1026 and 3996 UD dollars

<sup>5</sup><https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS>

<sup>6</sup>The GINI index is a simple index used by the World Bank that measures the distribution of income across percentiles in a population. The Gini index measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. A Lorenz curve plots the cumulative percentages of total income received against the cumulative number of recipients, starting with the poorest individual or household. The Gini index measures the area between the Lorenz curve and a hypothetical line of absolute equality, expressed as a percentage of the maximum area under the line. Thus a Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.

<sup>7</sup>More than 60 per cent of Cameroon' populace is under the age of 25

<sup>8</sup>Cameroon's labour force was estimated at 9.912 million in 2017

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Cameroon's market-based, diversified economy features oil and gas, timber, aluminum, agriculture, mining and the service sector. Oil remains Cameroon's main export commodity, and despite falling global oil prices, still accounts for nearly 40 percent of exports (CIA 2020). The country is also endowed with other resources such as petroleum, bauxite, iron ore, timber and hydro-power <sup>9</sup>. Despite the hindrance of limited technology and infrastructure, Cameroon produced 69.000 bbl/day of crude oil in 2018 and has a proved reserve of crude oil estimated to 200 million bbl (2018 estimates)(CIA 2020). Cameroon is also a producer of refined petroleum products with a production estimated at 39.080 bb/day in 2015 of which the country exported 8.545 bbl/day (CIA 2020).

In addition, Cameroon is a producer of natural gas. In 2017, the country produced about 910.4 million cu m of natural gas although all the country's production was directed to domestic consumption (domestic gas consumption was estimated at 906.1 million cu m in 2017), the country's gas production potential is still in need of being exploited as Cameroon still has a proved reserve of natural gas estimated to 135.1 billion cu m (January 2018 estimates)(CIA 2020)

Cameroon produces more electricity than it consumes. In 2016 the country production was estimated to be about 8.108 billion kWh, the same year its energy consumption was estimated to be 6.411 billion kWh(CIA 2020). About 52 percent of the country's total energy is produced from fossil fuels, 47 percent from hydroelectric plants and only 1 percent from other renewable sources(CIA 2020) <sup>10</sup>.

Cameroon's main export commodities are crude oil, petroleum products, lumber, cocoa beans, aluminium, coffee and cotton. Cameroon main imports include machinery, electrical equipment, transport equipment, fuel and foodstuff.

In 2017, 15.6 percent of the country's export went to the Netherlands, 12.6 percent to France, 11.7 percent to China, 6.8 percent to Belgium, 6.3 percent to Italy, 4.8 percent to Algeria and 4.4 percent to Malaysia. Whereas 19 percent of Cameroon's imports were from China, 10.3 percent from France, 7.9 percent from Thailand and 4.1 percent from Nigeria (CIA 2020).

In 2015, about 24 percent of Cameroon's total energy production was from oil, gas and coal sources. Cameroon's energy use was estimated to 355 kg of oil per capita in 2014<sup>11</sup>. Cameroon's external debt represented about 32.5 percent of the country's GDP in 2016 (and 36.9 percent in 2017)(CIA 2020).... more about this debt according to the worldbank external debt data....

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<sup>9</sup>The World Bank Data

<sup>10</sup>2017 estimates

<sup>11</sup><https://data.worldbank.org/indicator/EG.USE.PCAP.KG.OE?locations=CMview=chart>

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## 6.2 Cameroon's Domestic Political Context

In assessing the domestic political context of Cameroon, i focus (just like it will be the case for South Africa) on the structure and power of the Cameroonian state, the structure of Cameroonian society and on the networks that link the state to society in Cameroon.

Again, not all states are the same, variations exist in states' power and structures within countries sharing the same regime type and across different regime types(O'neil et al. 2010).

Political regimes around the world can easily be placed along a regime type continuum that has full democracies on one end and extreme totalitarian regimes on the other.

If the classification of democracies have been made easier by extensive research and the observation of specific characteristics that are proper to democracies, the world of modern dictatorships now proved to be more complex. There was a time when any dictatorship could belong to one of the three categories that include military regimes, personalist regimes and monarchies(Geddes, Wright, and Frantz 2013). However things are much more complicated than that now and if some countries' classification into any of the autocratic categories can be quite straightforward, others display much more complex and perhaps even controversial autocratic characteristics that are not proper to the regime in the pure sense.

According to Gandhi(2008), this can be explained by the fact that dictatorial rulers are increasingly inventive in how they organize their rule especially when they govern with nominally democratic institutions such as legislatures and political parties. Cameroon is a country under one of the countries under such rule.

All regime categorization classify Cameroon as an autocracy. According to Polity IV(2009), Geddes regime classification (Geddes, Wright, and Frantz 2013) the Cameroonian regime is a personalist dictatorship whereas for Freedom House, Cameroon is a country that is not free with the political rights score of 12/40 and and civil liberties score of 12/60 in 2018 <sup>12</sup>.

As already mentionned, Barbara Geddes(2013) classification codifies Cameroon's regime type as a dictatorship. She identifies two major autocratic regime duration<sup>13</sup> in the history of the country since its independence in 1960. The first one started right after independence in 1960 till 1983 when the president of the first republic Ahmadou Ahidjo resigned. The second autocratic regime duration that started in 1983 continues to this day.

Because this project's analysis is concentrated on a specific period (2007 to 2016),

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<sup>12</sup><https://freedomhouse.org/country/cameroon/freedom-world/2019>

<sup>13</sup>Autocratic regime duration: consecutive years in which the same autocratic regime has been in power in a particular country up to time t

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it may seem sufficient to take a snapshot of the country's political context during that period only and proceed with the analysis. However, such a simplified approach will prove unproductive.

The main reason this would be considered a problem is that the time frame under investigation is part of the second autocratic regime duration that started in 1983 to this day as there have not been change in regime since the current president came into power in 1983(Geddes, Wright, and Frantz 2013)<sup>14</sup>.

Therefore the time frame of this analysis and the characteristics of the regime within the time frame of my investigation is the continuation events and institutional arrangements that are rooted in history. Speaking of history, i do not only refer to the second autocratic duration but to the very beginnings of Cameroon's existence as a republic (1960). Understanding the structure of the Cameroonian state between 2006 to 2016 cannot be made without reference to the country's historical evolution as a republic and to the origins of the actual regime. As stated by Bayart in his work titled "The State in Africa: The Politics of the Belly", Cameroon's politics is a system of historical action whose origins must be understood in an extended time frame(Jean-François Bayart 2009).

Gandhi defines a dictatorship as a regime in which rulers acquire power by means other than elections (Gandhi 2008) with the critical distinction being that they do not accede to power by a "competitive struggle for people's vote (SHUMPETER and Capitalism 1976) which correspond to the situation in Cameroon since independence. Cameroon's current president succeeded to Ahidjo the former president of the country in 1982 (Who himself did not come to power through elections) after resigning and loosing a power struggle with Paul Biya (the current president)(Geddes, Wright, and Frantz 2013). Moreover, according to Gandhi,(2008) a dictatorship with nominally democratic institutions is a country where the autocrat leader governs with nominally democratic institutions. Cameroon, as i have mentioned before falls into this category as its leader does in fact govern with nominally democratic institutions that include the legislature, political parties and elections (Gandhi 2008).

Taking these specific elements into account, i set to engage into a descriptive assessment of the Country's political context in order to make easier the explaining of the country's pursued objectives and the choices made by its government in its investment relation with China. In the next sections, attention will be paid to the state including its history, its structure and issues of state legitimacy. However, I will also engage in a thorough discussion of Cameroon's society and the trends and patterns that characterizes state-society relations in the country.

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<sup>14</sup>Geddes considers the regime from 1983 as different from the previous one although still of mainly the same type. This is because according to Geddes, there had been changes of president, but also and more specifically because the regional and ethnic bases of the policy influence change(Geddes, Wright, and Frantz 2013, p52)



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### 6.2.1 Cameroon: History and State Building

After Cameroon's independence, it was Ahmadou Ahidjo, a Northern Moslem of Fulbe background who became Cameroon's first president (C. C. Fonchingong 2005). Ahmadou Ahidjo was selected by Xavier Torre who served as the french high commissioner to Cameroon in January 1958 to become Cameroon's pre-independence prime minister and later president.

Scholars of Cameroon's history of state formation argue that the choice of Ahmadou Ahidjo by the french was mainly motivated by the fact that he not only held moderate views that were seen as capable of reconciling various political factions that were present in the country at that particular moment,<sup>15</sup> but also because he was in favor of continued french influence in Cameroon following independence and was thus seen by the french administration as being more likely to protect french interest in Cameroon once independence would be achieved.

Cameroon's first constitution was drafted by a largely pro-Ahidjo constitutional committee that was responsible for drafting the new republic's constitution. The result was what Takougang (2019) calls a "Gaullist-style constitution" characterized by the presence of a very strong executive and a very weak legislature.

The framework of the Gaullist state, what Bayart (2009) identifies as "la recherche hegemonique" began to emerge in Cameroon. In order to consolidate power and to win a majority standing in the legislature, Ahidjo put into place a dual electoral system with electoral laws allowing for the creation of single-list electoral constituencies in his region of origin (The north). There he was sure to win most of the seats. As a consequence, any party that won the majority votes in any particular electoral district in the North got all the seats in that districts. By contrast, the system applied in the southern regions was quite different. In these regions, where he knew his party the Cameroon Union (CU) had little chance of winning, the elections were conducted on a single-member basis and victory was based on the performance of each candidate in a district rather than being based on the performance of a party (Takougang 2019).

This system of voting in the South allowed candidates from the same party to run against each other in the same district and was intended to diminish the chances of any of the southern-based parties from winning the majority seats in the legislature and thus challenge his party's control of the legislature.

Thanks to this dual electoral system, the Cameroon Union (CU) was able to win fifty-one seats in the new 100-seat legislature in the legislative elections of

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<sup>15</sup>His views were deemed necessary in bridging the gap between the more Conservative and economically less advanced northern region of the country and the more progressive southern section that threatened national unity.

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1960.<sup>16</sup>

Following this victory, Ahidjo saw the creation of a single party as the best mean to achieve his party's political domination throughout East Cameroon. In order to create such a context for his party, Ahidjo either used co-optation to align the members of various opposition parties by including them into his administration or used force and intimidation to silence those who were reluctant to join the party (Takougang 2019)<sup>17</sup>.

The result of the implementation of this strategy was an administration that was characterized by a larger-than-necessary number of cabinet positions that were designed to satisfy the various parties that were prepared to form a coalition government with Ahidjo (Takougang 2019). Ahidjo's strategy displayed elements of patronage that served to weaken and eventually neutralize the opposition parties by rewarding those who were prepared to join his alliance with government posts, but also by punishing those who refused to follow his agenda.

After the election, Ahidjo launched many attempts to create a unified party as part of his hegemonic strategy. However, they were unsuccessful because although he had managed to co-opt or get rid of many opposition parties, the idea of a unitary party got a quick and negative response from four of the remaining opposition leaders who saw such a party as a threat to democracy and the start of the creation of a "fascist-type dictatorship" (Takougang 2019). To counter the creation of the unitary party, the four leaders banded together on June 1962 to form a United National Front, a coalition of parties that would allow each party to maintain its identity and independence while still representing a force that would be capable of challenging the creation of the unitary party as wanted by Ahidjo. Their concept was of course rejected by Ahidjo who saw their actions as an affront to his presidency. He seized the opportunity presented by such resistance as chance to eliminate the last vestiges of what he perceived as resistance to his administration (Takougang 2019).

The confrontation was concluded with of the four opposition leaders being arrested and charged for threatening national security and spreading news that were harmful to public authority.<sup>18</sup>

The imprisonment of such prominent politicians, together with the expansion of the president's party (CU) in the southern region of the country forced many other members of the opposition parties to either dissolve their parties or join the

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<sup>16</sup>This included all of the forty-four seats in the North and in Bamoun Division where the Cameroonian Union (CU) was dominant and seven seats in the South-East.

<sup>17</sup>For example, his first fourteen member postindependence cabinet included six representatives from his party, the CU, three from the Front Populaire pour l'Unité et la Paix (FPUP) led by Pierre Kamdem Ninyim, a former leader of one of the guerrilla wings of the UPC, two from the Démocrates Camerounais (DC), two from the Parti Progressistes and one independent.

<sup>18</sup>A relatively new ordinance (Law No. 62/OF/18 of March 12, 1962) that remained effective as a regime mainstay and that was not repealed until Law No. 90/046 late in 1990.

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CU. Those who remained in opposition were increasingly marginalized and rendered politically ineffective as Ahidjo consolidated his power and authority throughout the country. Scholars argue that it was easier for Ahidjo to deal with West Cameroon's political leaders and to convince them of the benefits of a single-party state than had been the case in East Cameroon (Takougang 2019; C. C. Fonchingong 2005). Because of greed and their need for personal aggrandizement, political leaders in West Cameroon competed for Ahidjo's favor and promoted (perhaps inadvertently) the idea of a single national party. The competition between these leaders create intense rivalry among them providing an excellent opportunity for Ahidjo to call for the dissolution of West Cameroon's parties and the formation of single national party.

Having convinced West Cameroon politicians of the benefits of single-party rule as the secure base of their political fortunes, Ahidjo swiftly formed the new single party, the Cameroon National Union (CNU) <sup>19</sup>.

The new party was formerly established on September 1, 1966 and Ahidjo became its president. The shift to a single party and its successful creation was seen by Ahidjo as an important milestone in the kind of regime he hoped to create in Cameroon and a critical step in maximizing his power and authority. At the end of the process he was both the head of state and president of the country's only functioning party. However, despite his success in creating a single-party system in Cameroon one step remained in Ahidjo's political agenda: the dismantling of Cameroon's 1961 federal constitutional structure<sup>20</sup>.

From the beginning of the reunification process, Ahidjo and many East Cameroon politicians were more interested in creating a strong centralized unitary state rather than a loosely organized federation. Therefore, from the birth of the federation, the federal government and the president exercised their constitutional authority to weaken the federal structure by making the states, particularly West Cameroon, politically and economically dependent on the central government <sup>21</sup>.

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<sup>19</sup>In fact the entire process of dissolving old parties and creating the new Cameroon National Union (CNU) is said to have taken less than three months.

<sup>20</sup>This structure was inherited after independence of the Cameroonian part under French and the Cameroonian part (the West) under English rule. At the moment of independence, the two parts were brought together in the process of reunification to create the federal republic of Cameroon

<sup>21</sup>In fact, soon after reunification, the Decree No. 61/DF/15 that divided the federation into six administrative regions was issued. While East Cameroon was divided into five regions, West Cameroon was considered a single administrative unit (Takougang 2019; Jean-François Bayart 2009). This controversial administrative setup not only ignored the federal structure provided for in the constitution, but gave Ahidjo the opportunity to exercise inordinate control over the states. For example, each of the six units was under the authority of a federal inspector of administration appointed by the president and each of the inspectors was directly responsible to the president and not to the prime ministers (Jean-François Bayart 2009). This in effect made the inspectors the local representative of the president in their jurisdictions. Each inspector had the authority to institute rules and regulations in the provinces without consulting the prime minister so long as the rules and regulations were under the purview of the president.

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Ahidjo also went about replacing West Cameroon's particularist politicians who advocated greater state authority with pro-centralist supporters of a unitary state. The decision by the president to move quickly in that direction became even more urgent after the December 1967 legislative election in West Cameroon saw the election of thirty-one particularist candidates in the thirty-seven seat state Legislative Assembly. He then removed the constitutional hazard by a November 1969 amendment abolishing the right under Article 39 for each state legislature to override the president's choice of a prime minister by a simple majority vote (Takougang 2019). This move gave him sole authority to appoint the prime ministers of each federated state.

After many structural changes, Ahidjo was successful in consolidating and centralizing the state power into his hands. So much so that by the time he suggested abolishing the federation in 1972, the idea was met with a collective sigh of relief because by that time the federal system was completely weakened. He proved to be as effective in replacing the federal state with the unitary state in 1972 as when he created Cameroon's single party in the mid-1960s.

Now with all possible channels of opposition eliminated, the actual process of creating the United Republic was brief. On May 6, 1972, the President informed the members of the National Assembly of his intention to replace the federal structure with a unitary state and of his decision to hold a referendum to allow the Cameroonian people to voice their opinion on the plan. The referendum was scheduled for May 20 and Cameroonian people would be asked to vote on a draft constitution establishing the United Republic of Cameroon. The referendum was approved by 99.99 percent and the United Republic was formally ushered on June 2, 1972 (Takougang 2019).

Bayart (2009) argues that the creation of the unitary constitution was not only "the logical crowning of the twin processes of harmonising the administration of the two federal states and the maximising of presidential powers, but according to him, it was also the culmination of the goal of much of the francophone elite, who from the beginning preferred a more centralized unitary state to the loose federation. Together with the creation of the United Republic, a constitutional amendment in July 1972 eliminated the vice-presidency and the post of prime minister of East and West Cameroon. Further centralization also gave the president tremendous authority over most aspects of politics, both at the international and domestic levels. He had, for instance, the sole authority to appoint and terminate his ministers and vice-ministers without the approval of the legislature. These officials were directly responsible to the president (Takougang 2019).

The first strategy used by Ahidjo, centralization, had numerous aspects: (1) The concentration of administrative decision-making in the capital, Yaoundé, and

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the use of the Constitution to funnel authority to the President, (2) The formation of a single party, the Cameroon National Union (CNU), which was completed in 1966 after a two-step process of forging a single party in the francophone area and then merging this with the remaining parties of the anglophone area<sup>22</sup> and (3) The dissolution of the federation in 1972 to form a unitary system of government.

Furthermore, the high degree of centralization achieved by the president was enhanced by the elimination of autonomous forms of organization. Previously independent organizations became subordinated to the political party through the party's women's, youth and labour wings or through domination by or incorporation into government agencies (Takougang 2019).

The centralized political structure also gave Ahidjo complete control of all the levers of power. But what was even more astonishing was his capacity to use the power in his hand to create supportive networks and coalitions based on a system of patronage that allowed him to control and distribute the resources of the state.

Those who received important positions within the party or in the administration were not only able to exploit those positions for their personal gains, but were also able to build clienteles for themselves and for the president through employment opportunities and by providing other social and economic benefits for their clients. (Takougang 2019).

Elections were also excellent opportunities for the president and members of the CNU's Political Bureau to extend patronage by rewarding supporters with seats in the legislature and other important party offices. Although several candidates could seek nominations for legislative seats, electoral lists were drawn up by the president and the Political Bureau. Selection was usually based on a candidate's loyalty to the regime and the party rather than on political skills or levels of education. And because these individuals benefited from the system, they not only had a profound interest in making sure that Ahidjo remained in power, but also in guaranteeing the survival of the political structure he had created.

This hegemonic alliance thus built was pulled together by several means which included the development of an extensive patron-client system. A system within which clients were supposed to owe total allegiance to Ahidjo. Attempts by any of them to build a power base of their own was perceived as betrayal and was sanctioned by removal from office. Ahidjo selected his clients on the basis of ethnic arithmetic or ethnic balancing (Monga 2000).

Moreover, in an effort to prevent any of his clients from either becoming too powerful or posing a threat to his authority, Ahidjo frequently brought new members into his cabinet or transferred those already in office to new cabinet positions.

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<sup>22</sup>the party was firmly subordinated to the state, an arm of the government and particularly of the President (J. Bayart and L'Etat au Cameroun 1979)

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Governors, high-ranking military and police officers, and administrators frequently moved between command sites for the same reason(Takougang 2019).

The government's hand-picked elite and barons thus became the transmission belts between the president and the different ethnic groups(Choudhry and Stacey 2015). Loyal followers in the ethno-client network were highly rewarded by appointments and nominations to state offices, access to state resources, and rent seeking opportunities and for some associates of the President there were special loans from the banks, loans without interest or any expectation of repayment(Choudhry and Stacey 2015).

Overall, the existence of smuggling and corruption provided a major avenue for the President to allow supporters to receive rewards. Special efforts were also made to appease and maintain support among the civil servants or bureaucrats. They not only received excellent pay compared to the average income of the Cameroonian citizens, but they also enjoyed numerous additional perks such as free housing. Yet despite these advantages, they were still allowed to convert their posts into monopoly rent-seeking opportunities(Takougang 2019; Choudhry and Stacey 2015).

While Ahidjo constantly emphasized the need for ethnic balance and national unity, there is nevertheless sufficient evidence that at the time two ethnic elite groups enjoyed privileged positions and opportunities for capital accumulation(Choudhry and Stacey 2015). These were, first of all, the Muslim Fulbe elite, especially those originating from Garoua, the home town of Ahidjo, the so-called 'Garoua barons'. The second elite group that benefited from this ethno-client context was, the Bami-like elite, renowned in Cameroon for what Warnier(1993) calls their 'spirit of capitalism'<sup>23</sup>.

Despite his success in consolidating his power, on November 4, 1982, the then president Ahidjo surprised the people of Cameroon by announcing his decision to relinquish his authority as head of state(Takougang 2019)<sup>24</sup>. Two days after the announcement he was succeeded by the then Prime Minister (and now president) Paul Biya<sup>25</sup>, his constitutional successor(Takougang 2019, p.63). This peaceful transfer of power gave the country an image of one of Africa's most politically stable nations

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<sup>23</sup>The Bamilike territory was until about 1970 one of a crucial area of UPC resistance against the regime. Ahidjo was ready to grant the Bamilike elite ample room for capital accumulation, on condition that they would not meddle in politics(Takougang 2019).

<sup>24</sup>While it is generally agreed that Ahidjo's exit from power was due to his failing health, there are those who argue that his retirement may also have been precipitated by other factors, including a lack of support for his administration by the newly elected socialist government of French President Mitterrand and the increasing domestic unrest in the late 1970s(Takougang 2019)

<sup>25</sup>The post of prime minister was restored in 1975 after rumors of Ahidjo resignation circulated during the CNU party congress. Paul Biya at the time secretary at the presidency was appointed to fill the post. Later, in June 1979, Article 7 of the constitution was amended designating the prime minister rather than the president of the national assembly as the constitutional successor in case the president was no longer capable of exercising the functions of president (Takougang 2019)

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in a continent where military coups had hitherto been the most frequent method of replacing governments in power.

According to Bayart(2009), Biya had promised to follow in the footsteps of his predecessor when he took over the presidency. However,he was also committed to create a new society where there would be a greater degree of tolerance, individual liberty, and freer exchange of ideas, judging by speeches and actions following his inauguration. The transfer to take effect on 6 November 1982. Unlike Ahidjo, Biya was a Christian from the southern part of francophone Cameroon. He belonged to an ethnic group that is loosely classified as Beti(Takougang 2019). Although there were promising signs of change at the start of the Biya regime, it soon became evident that in all essential respects Ahidjo's system was continued under Biya's leadership(Takougang 2019).

After about two years of succession and many structural changes in the composition of state that aimed at seating his authority as a president and send a message to the remaining loyalists of Ahidjo that he was now the sole captain of the boat, presidential elections were organized of January 14, 1984. President Paul Biya was the only candidate in the election and was elected by 99.98 percent of those casting votes(Takougang 2019).

### **6.2.2 Cameroon's Domestic Politics in the Post Ahidjo Era: 1983 - 2006**

Soon after his assuming power, Biya promised was was termed as a "New Deal" and which made reference to a new approach to politics and governance which would challenge the autocratic and patrimonial state(Takougang 1993). He spoke of a greater liberalization of the political system, an internal democratization of the single party, and of the need of 'rigour, integrity and moralization'(Takougang 1993).

The new president changed the name of the ruling party from the Cameroon National Union(CNU) to the Cameroon People's Democratic Movement(CPDM). However, the hope brought by the arrival of the new president soon faded. For many scholars and observers of Cameroon's political landscape, the new president Paul Biya's approach to politics was and continued to be more a continuation of Ahidjo's strategies (with minor changes) than it is the 'New Deal' that he promised when he became president in 1983 (Jean-François Bayart 2009; Takougang 2019; C. C. Fonchingong 2005). As Bayart (2009) claims, Ahmadou Ahidjo was instrumental in creating a highly centralized, authoritarian and patrimonial state and in shaping hegemonic alliance out of the various elites groups in society which were given access to state resources and rent-seeking activities so as to cement their loyalty. The highly

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hegemonic alliance had vested interests in the status quo and was inclined to resist economic and political liberalization(Fernández and Mommen 1996). Fernandez et al.(Fernández and Mommen 1996) stress that the post-colonial Cameroonian state remains very much as it has always been as a result of the success of the new regime (of the second president Paul Biya) in resisting the internal and external pressures to speed up the process of economic and political liberalization.

Moreover, the new president did not dismantle many of the repressive structures and institutions such as the laws of March 12,1962, and June 19,1967, restricting freedom of expression and association, respectively, inherited from Ahidjo(Takougang 2019). Takougang(1993) also argues that although the president and members of his cabinet had on many occasions encouraged Cameroonians to express themselves freely and become more involved in the affairs of the state, it soon became evident that such freedoms were tolerated only to the extent that government officials considered them no threat to the presidency.

The Beti elite saw the transfer of power from Ahidjo to Biya simply as an opportunity to promote, in Bayart's word, ethnofascism(Jean-François Bayart 2009). By implication, therefore, the fact that the President came from a specific ethnic group, should automatically give his ethnic fellowmen the right to monopolize power(Takougang 2019). The Biya regime quickly increased the number of civil servants from about 80,000 in 1982 to about 180,000 in 1988 with the majority of the new employees being recruited among the Beti group(Takougang 1993).

The Beti also increasingly monopolized the pivotal positions in the government and security organs. <sup>26</sup>

The new regime's barons appeared to be much bolder in staking out claims on the state's resources than Ahidjo's supporters had been(Takougang 1993). Corruption and rent-seeking quickly became the fundamental characteristics of the regime after 1984 they increased to the point of becoming dysfunctional(Joseph 1977).

### **6.2.3 Domestic Politics in Contemporary Cameroon**

Although Cameroon did not experience a change in regime (or of president for that matter) since 1983, the descriptive analysis of the Cameroonian state that i am undertaking in this section focuses on Cameroon's domestic politics during the period under investigation. Although there are no evidences that any substantial transformation may have taken place and more evidence that this specific period is more a continuation of the one before it. It still seemed necessary to clearly

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<sup>26</sup>Takougang(Takougang 1993, P.95) reports that as of August 1991, thirty-seven of the forty-seven senior prefects (heads of administrative divisions), three-quarters of the directors and general managers of the parastatal corporations in the country, and twenty-two of the thirty eight high-ranking bureaucrats who had been appointed in the newly



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separate the historical past of Cameroon's domestic politics with what was going on during the time-frame i am interested in. . A more focused look at domestic politics in this specific time frame of the analysis will highlight the specific characteristics of Cameroon's political context in the time frame under investigation while also eliminating the need to consider any change that may have occurred after the period of interest.

I start the analysis with the state, i focus on the state organization and structure as well as the mechanisms of power sharing within the state. I then discuss society, issues of state legitimacy within society as well as the structure of the Cameroonian society. I conclude with a discussion on the link between state and society.

## **The State**

Some state are more powerful, effective, prosperous and stable than others and according to Oneil(O'neil et al. 2010) one way to differentiate one state to another is through the assessment of state power. It is important to clarify that in the discussion on state power made in this section, state power here refers to state capabilities within the territory that it governs.

### **The State's Structure: Highly Centralized Political Power**

The Cameroonian state is, according to the constitution of 1996 (created as an amendment of the constitution of 1972) a decentralized unitary state <sup>27</sup>.

Although often assumed to be similar, decentralization and federalism are very different. One very important way in which both systems are different is in their respective purpose. While the objectives of federalism is often to ease tensions between distinct groups in a diverse society leading to the distribution to provinces or regions of substantial political autonomy and authority over matters of policy coupled with the representation of provincial interests in structures of central government(Choudhry and Stacey 2015). Decentralization in a unitary country, by contrast, tends to be less concerned with satisfying calls for regional autonomy. Decentralization is often more concerned with increasing the effectiveness with which services are delivered at the local or municipal level(Choudhry and Stacey 2015).

There are three dimensions to decentralization which include Political decentral-

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<sup>27</sup>As opposed to its federal statute gained after Cameroon's independence and reunification and kept until 1972

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ization<sup>28</sup>, administrative decentralization<sup>29</sup> and fiscal decentralization<sup>30</sup>.

A decentralized state can be decentralized to varying degrees along each of the three dimensions (Choudhry and Stacey 2015). The Cameroonian model of decentralization is mainly built upon administrative decentralization. The constitution divides Cameroon in 10 regions that are, in theory, semi-autonomous<sup>31</sup>. These ten regions are themselves subdivided into 58 divisions (departments). The divisions on the other hand are further divided in sub-divisions. Although in theory the state is a decentralized unitary state, in practice little power is given to regions and most of the authority is centered in the hand of the President of the republic.

Each region is under the administration of an elected regional council and is headed by a governor appointed by the president. The divisions in turn are each headed by a divisional officer that is also appointed by the president of the republic. The divisional officer performs governors' duties on a much smaller scale. The country's sub-divisions are headed by assistant divisional officers whereas the districts that are the smallest administrative units are administered by district heads<sup>32</sup>.

As the heads of regions, although they enjoy some level of power (They may call in the army in the areas that they govern or call for propaganda.) governors are local administrative entity that bear service-delivery responsibilities (They report of the general mood and the conditions of the regions they govern, administering the civil service, keeping peace and overseeing the heads of the smaller units.) while remaining politically accountable to the central government (Choudhry and Stacey 2015). They do not share authority with the central government as independent or autonomous actors (they cannot even be said to be semi-autonomous) in the sense that they do not have real autonomy and authority over matters. They enjoy only the political power that the central government chooses to delegate and they are mainly in charge of implementing the will of the president of the republic. Moreover, all local governments are employees of the central government's ministry of territorial administration from which they receive most of their budgets, further

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<sup>28</sup>In Political decentralization, the central government transfers political authority to local government. Political decentralization comprises three elements: (1) local citizens' power to elect local legislative and executive officials; (2) relations between different local government units; and (3) relations between the central and local levels of government. Furthermore, Political decentralization may also include the authority of local governments to appoint local bureaucrats who are accountable to them – and thus accountable to the local electorate.

<sup>29</sup>Administrative decentralization is the transfer of responsibility for public service delivery from the central government to locally situated administrative units, regional governments or local governments

<sup>30</sup>Fiscal decentralization is the assignment of revenues and responsibility for certain services to local governments. Fiscal decentralization confers greater financial autonomy to local governments and the lack of some form of fiscal autonomy keep local governments dependent on central government for resources (Choudhry and Stacey 2015)

<sup>31</sup>Adamaoua, Centre, East, Far North, Littoral, North, North-West, West, South and South-West

<sup>32</sup>These are found in larger subdivisions and in regions that are difficult to reach

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limiting potential autonomy. Moreover, the regional council can be dissolved by the president and the president can also proceed to an automatic replacement of the regional council. Both the president of the regional council and the council's bureau may also be suspended by the president of the republic.

## **The Government**

The Cameroonian government is highly centralized. The president of the republic holds most executive powers (House 2019). Although the day to day tasks of the government is spread across different institutions, a close look into their responsibility and the relationships between them allows one to see that all elements ultimately connect to one center, the president.

According to the constitution of the republic of Cameroon, State power is exercised by the president of the republic and by the Parliament. The president of the republic is directly elected to a seven-year term in a single voting round and may serve an unlimited number of terms.<sup>33</sup>

The president is the head of the state and the head of armed forces. He appoints the prime minister (who formally serves as the head of government) and the cabinet. The prime minister is the head of the government, however he too lacks real power and his duties are determined by the president of the republic.

President Biya has extensive executive authority, including wide-ranging appointment powers and strong control over state's institutions (House 2019). He also appoints the other members of the government on the proposal of the prime minister. He defines (The president) their duties and can terminate their appointments. It is also the president who presides over the council of ministers. He may re-appoint the Prime Minister and ask him to form a new government.

The president represents the state in all acts of the public life. He defines the nation's policy and accredits ambassadors and special envoys to foreign countries. He exercises the right of clemency, sets up and organize the administrative services of the state and also appoints civil and military posts. He can declare by decree the state of emergency which confers to him special powers and the freedom to take any measures as he deems necessary and just inform the nation by message.

As mentioned earlier, the prime minister is the head of the government. It is him who is in charge of directing all government services and the actions of the government. He appoints civil posts but his appointments are all subject to the prerogatives of the President of the Republic. In general, the government in Cameroon is in charge of implementing the policy of the nation as defined by the

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<sup>33</sup>The constitution of 1996 stated that the president should only be eligible for re-election once before the limitation in the president re-election eligibility was removed by the presidential decree of April 2008 ( Law 819/PJL/AN).

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president of the republic.

## The Legislature

As mentioned in the introductory part of this chapter, Cameroon's regime type is a bit controversial in the sense that being considered an autocracy, it is characterized by the presence of some democratic institutions. Although these institutions are one nominally democratic (Gandhi 2008) they give particular characteristics to the regime that add a layer of complexity to any analysis of the country's political context.

One of such nominally democratic institution is the legislature. Views regarding the presence of legislatures in non-democratic regimes are diverse. Some argue that legislatures and political parties under dictatorships are nothing more than window dressing with little expected effects on countries' policy outcomes. Others see institutions like legislatures as an important precursors for greater liberalization (Gandhi 2008).

According to Gandhi(2008), both these views do not always the reality and do not fully explain why many dictators choose to govern with nominally democratic institutions. She proposes two arguments that may explain this choice. First she advances the need for dictators to prevent attempts to undermine their legitimacy and usurp power. Her second argument centers around autocrats' needs for the compliance and the cooperation of those they rule(Gandhi 2008). She also points that the reason behind the use of nominally democratic institutions by autocrats and the severity of the problem of ensuring compliance and generation cooperation vary across authoritarian incumbents. Moreover, according to Jenifer Gandhi, the degree to which autocrats face serious threats to their rule depends on the strength of the potential opposition within society(Gandhi 2008). Both her views seem in alignment with the Cameroonian case<sup>34</sup>.

In the case of Cameroon, it is important to mention that Cameroon after independence quickly became an autocracy with nominally democratic institution. It is such a regime that the current president inherited in 1983 after the resignation of his predecessor.

Analysts of the period prior to Paul Biya argue that these institutions were mainly used as ways in which opposition demands were constrained and as instruments of co-optation(Takougang 2019; Jean-François Bayart 2009) <sup>35</sup>.

In Cameroon, the state legislative power is formally exercised by the parliament with the duties to legislate and control the government yet, a close look allows one to see that there is very little separation between legislative and executive powers

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<sup>34</sup>Considering the historical role these institutions have played in Cameroon's domestic politics

<sup>35</sup>As briefly discussed in the introductory section of this chapter

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because the ruling party controls the parliament that becomes a an arm of the president.

The Cameroonian parliament comprises two houses: The Lower chamber - National Assembly - and the lower chamber - Senate. Bills may be tabled either by the president of the republic or by members of the parliament. Parliament may also empower the President to legislate by way of ordinance for a limited period of time and for given purpose (Time and purpose are not specified by the constitution)<sup>36</sup>. The national assembly comprises 180 members directly elected in multi-seat constituencies by simple majority vote to serve a 5-year term of office. The president can either lengthen or shorten the term in office of the legislature. The main responsibility of the National Assembly is to pass laws but rarely has it changed any laws of blocked the passing of a legislation. The constitution confers to the president of the republic the power to dissolve the National Assembly. Since 1982, the Cameroon People's Democratic Movement (CPDM) has been Cameroon's ruling party. Although multiparty elections have been held since 1992, the Cameroon People's Democratic Movement (CPDM) has continued to retain control of the parliament.

In 2013, the number of seats at the national assembly was shared between the seven parties present in the Assembly. The CPDM had 148 of 180, the Social Democratic Front (SDF) 18 seats, The National Union for Democracy and Progress (UNDP) 5 seats, Cameroon Democratic Union (UDC) 4 seats, the Union of the Peoples of Cameroon (UPC) 3 seats, the Movement for the Defense of the Republic (MDR) 1 seat and the Cameroon Renaissance Movement (CRM) 1 seat <sup>37</sup>. The Senate represents the regional and local authorities, each region is represented by ten senators among which seven are elected by indirect suffrage and 3 appointed by the president. Since Cameroon is made of ten regions, there is therefore a total of a hundred seats in the senate with seventy members indirectly elected by regional councils and thirty appointed by the president. Senatorial elections in March 2018 resulted in the ruling party CPDM winning 63 out of the 70 contested seats whereas the remaining 7 seats were won by The Social Democratic Front(SDF).<sup>38</sup>. After the elections, the ruling party held a total of 93 of 100 seats in the Senate.

The control of the parliament by the ruling party, and therefore by the president is important considering the mandate of the institution and how much can be done through it that will still be considered 'constitutionally correct'.

At the national assembly, laws are passed by a simple majority of the members and by simple majority of the senators. Bills may be tabled by the President of the Republic or by members of the parliament. All bills regarding the fundamen-

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<sup>36</sup>Law No. 96-06 of 18 January 1996 to amend the Constitution of 2 June 1972

<sup>37</sup>This remained the exact composition of the National Assembly after the 2018 legislative elections

<sup>38</sup><https://freedomhouse.org/country/cameroon/freedom-world/2019>

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tal rights, guarantees and obligations of the citizen ( including labour legislation, trade union legislation, rules governing social security and insurance, and the duties and obligations of the citizen in respect of national defence requirement), the status of persons and property ownership system (including nationality, status of persons, matrimonial system, succession and gifts, rules governing civil and commercial obligations, movable and immovable property ownership system), The political, administrative and judicial organization (including rules governing election of the President of the Republic and elections into the National Assembly, the Senate, Regional and Local Bodies and referendum operations; rules governing associations and political parties; the organization, functioning, powers and resources of regional and local authorities; general rules governing the organization of national defence; judicial organization and the creation of various types of courts; the definition of felonies and misdemeanours and the institution of penalties of all kinds, criminal procedure, civil procedure and measures of execution, amnesty.), financial and patrimonial matters (including rules governing the issue of currency; the budget; the creation of duties and the determination of their basis of assessment, rates and methods of collection; land tenure, State lands and mining as well as natural resources.), all objectives of economic and social action and regarding the system of education<sup>39</sup>.

The bills that are passed by the National Assembly are immediately forwarded to the president by the president of the national assembly which are then submitted to the Senate for consideration. Within ten days the senate may either pass the bill in which case the president of the senate returns the adopted bill to the president of the national assembly who shall forward with within 48 hours to the president of the republic for enactment. Otherwise, the the Senate may amend the bill, such amendment must be approved by a simple majority of the senators. In this case, the amended bill is returned to the National assembly by the president of the Senate for reconsideration. The amendments proposed by the Senate are passed or rejected by a simple majority of the members of the National Assembly. The final bill adopted is then forwarded by the president of the National Assembly to the President of the Republic for enactment.

In principle, laws and policies in Cameroon are created and approved by Parliament and the president. In practice, many policies are adopted by presidential decree. Moreover, Parliament shows little independence and largely acts as a rubber stamp for the president's policy initiatives and decisions, especially those made by presidential decree, are often adopted with little or no public consultation.(House 2019).

One elements that is also quite important for this project's analysis is the fact

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<sup>39</sup>Law No. 96-06 of 18 January 1996 to amend the Constitution of 2 June 1972

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that it is the president of the republic who alone can negotiate and ratify treaties and international agreements. He may also delegate the task to a minister but ultimately, it is his view and decision that most prevail. In addition, the constitution states that all treaties and international agreements that fall within the area of competence of the legislative power shall be submitted to parliament for authorization to ratify. However, considering that both houses of the parliament have always been controlled by the ruling party, the parliament is therefore not expected (and have never) denied ratification of an agreement negotiated by the president of the republic. The president is therefore in control of the parliament (Takougang 2019).

## **The Judiciary**

Judicial power in Cameroon is exercised by the Supreme Court, the courts of Appeal and tribunals. The Supreme Court (Comprising a judicial bench, an administrative bench and audit bench) is the highest court of the state in legal and administrative matters as well as appraisal of accounts. The judicial bench gives final ruling on appeals accepted by law against final rulings given by the various courts and tribunals of the judicial system, on judgements passed, by the lower courts of the judicial system that have become final in cases where the application of the law is challenged, and on all matters expressly devolving upon it by law. The administrative bench examines all the administrative disputes involving the State and other public authorities, examines appeals on regional and council election disputes and gives final rulings on appeals against final judgements passed by lower courts in cases of administrative disputes. The audit bench is the competent institution charged with the control and rule on public accounts, as well as on those of public and semi-public enterprises.

According to Cameroon's constitution, judicial power is to be independent of executive and legislative powers and magistrates of the bench shall only be governed by the law and their conscience. The Constitution also argues that the president of the republic shall guarantee the independence of judicial powers. Yet it is the president of the republic that appoints members of the bench and those of the whole legal department. This fundamental constitutional demand for judicial independence is fundamental but highly compromised. Not only judges are appointed by the president, who may also dismiss them at will, the judiciary is subordinate to the Ministry of Justice, and political influence and corruption tend to weaken courts (C. C. Fonchingong 2005). Executive interference can often influence judicial proceedings.<sup>40</sup>

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<sup>40</sup>prosecutors have been pressured to stop pursuing corruption cases against some high-profile officials, while critics allege that corruption charges have been used to punish officials who have fallen out of favor with the regime (C. C. Fonchingong 2005; C. C. Fonchingong 2005)

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Students of institutions have since long established how the making of a state and the shaping of its policies and its priorities are highly dependent upon the structure of society and that some kind of osmosis or symbiosis between the state machinery and society clearly strengthens the capacity, and legitimacy (Jepperson, Powell, and DiMaggio 1991; P. Evans 1997; Weiss and Hobson 1995). Therefore, having discussed and highlighted the essential characteristics of the nature of the state in Cameroon, I now turn to the analysis of the Cameroonian society and the of state-society linkages in Cameroon.

#### **6.2.4 Cameroon's Society: Regional Cleavage, Ethnic Fragmentation and Politicization**

Cameroon's society is fundamentally heterogeneous, and this in terms of culture and language spoken, religion but also with regard to the colonial history. The country is made up of a mosaic of ethnic groups with different cultures, social structures, and systems of belief.

Cameroon has about 240 ethnicities (Takougang 2019) that can be grouped in three main linguistic categories including the Bantus speaking people of the south, the sudanic speaking people of the North, and the semi-bantu languages situated mainly in the West<sup>41</sup>. The country's population is made of 69 per cent Christians and 21 percent of Muslim. Animists account for only 6 per cent of population whereas the other religious groups including Jews and Baha make up less than 5 per cent of the population.

Moreover, Cameroon's society is also characterized by ethnic fragmentation and regional divisions exacerbated by a colonial history that had split the country into English speaking and French-speaking groups. Two of Cameroon's ten regions were under English colonial rule while the rest of the country was under French colonial occupation. These differences in colonial history is at the root of some of the regional cleavage that today exist between the so-called anglophone part of the country and the francophone region. French and English are both the country's national languages, French is spoken by 80 per cent of the population (the francophone region) whereas English is spoken by the remaining 20 per cent (Jean-François Bayart 2009).

Cameroon often gives the impression of an harmonious community where multiculturalism serves as a melting pot for state construction. However, Cameroonian society is very fragmented along ethnic, regional and ideological lines and its cultural diversity is often used by some politicians to foster divide et impera thus sacrificing the very notion of a common Cameroonian nationality and identity and forsaking the dream of a popular national culture that is based on acceptance of ethnic differ-

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<sup>41</sup><https://www.britannica.com/place/Cameroon/People>



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ences(Takougang 2019; C. C. Fonchingong 2005; Jean-François Bayart 2009; Monga 2000).

Cameroon stands as a good example of an African country where tension exist between the creation of parochial ethnic identity and the creation of a unified identity. Economic inequalities and social injustice in the country seem to have provided a favorable ground where politicians exploit cultural differences by engaging in political discourse<sup>42</sup> that emphasize ethnic particularities and localities(Monga 2000).

The prematurely stalled democratic process that had started in the 90s gave way to a strong revival of ethnic sentiments(Monga 2000). While the ethnization and ruralization of politics in Cameroon that followed led political entrepreneurs to display their cultural differences as a way of marking their cultural space and differentiating themselves from potential or actual 'enemy' group and 'recruiting' allies(Monga 2000).

In their diversity, Cameroonians try as much as they can to negotiate a sense of national identity against the backdrop of elite machination and acute regionalism(Ngwane 2002). To understand the thorny question of ethnicity in Cameroon, a revisit of its historical elision, multiple agency and complex regional trends seems necessary (C. C. Fonchingong 2005). The complete annihilation of the Union of the Peoples of Cameroon (UPC) in the early 1970s a radical nationalist party that denounced the former president Ahidjo as a sell-out to French interests and that seemed to embody, albeit in a problematic way much of the spirit of national cohesion constitutes according to Charles Fonchingong(2005) the genesis of Cameroon's ethnic troubles.

The brief look towards history that is again demanded here shows that Cameroon was divided along ideological lines at the time of independence(C. C. Fonchingong 2005).

The communist-inspired UPC was in violent revolt against the Ahidjo regime (1960-1983), which was backed by Gaullist France(Ngayap 1983). As head of the new federal republic, one of the biggest challenges for the new president - Ahmadou Ahidjo - was to create a country and forge a new national consciousness among a group of peoples with different colonial experiences, political memories and convictions(Joseph 1977, pp. 343-345).

In order to reduce regional disparities and promote a harmonious national development, Ahidjo opted for a policy of 'regional equilibrium'<sup>43</sup> which seems to have

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<sup>42</sup>Ethno-cultural space and to some extent villages themselves have been depicted either as "territories" to be defended against "invasion" by "strangers" from other parts of Cameroon, or "battlefields" in the political game of give and take with the regime(Monga 2000)

<sup>43</sup>The strategy was embodied in a set of government policies. First, the number of civil servants employed by the state was considerably increased to open up opportunities for educated

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led to the production of local identities in the country and which created sustained awareness of ethnic belonging and regional affiliation(Monga 2000).

The policy and its implementation quickly developed the three central features of neopatrimonial rule that include presidentialism, clientelism and massive redistribution of state resources(Bratton and Nicholas Van de Walle 1997). Clientelism went hand in hand with the formation of a multi-ethnic ruling class. When Ahidjo resigned in 1982, his ethnic agenda was carried on by his successor Paul Biya, who is said to have perfected it(C. C. Fonchingong 2005).

It is a common institutional practice in Cameroon that during elections, high state officials and the well-placed urban elite leave their offices for their respective villages to garner support for the ruling party—Cameroon People’s Democratic Movement (CPDM). Those whose constituencies perform well are sure to secure their posts and to gain better appointments while those whose results are dismal subject themselves to the vagaries of the ethnic arithmetic, modulated by the wisdom of the Head of State(C. C. Fonchingong 2005). A logic that Monga(2000) refers to as the logic of ‘national integration’, an ethnic alchemy that has characterised the Cameroonian socio-political life since the ‘reign’ of Ahidjo.

In contemporary Cameroon, people seems to be overly encouraged to demonstrate stronger loyalties to their ethno-regional or sub-national groups than to Cameroon as a nation(Awasom 2004). Furthermore, the Cameroonian society also displays a high degree of income polarization. The bureaucratic centralized state gives to the dominant groups the means to achieve their end(Jean-François Bayart 2009).

Dominant ethnic groups in government dictate the pace. Along these lines, the Beti (The ethnic group to which the president of the republic belongs) hegemony and confiscation of power in Cameroon is phenomenal. The ethnic politics have given birth to a bureaucratic bourgeoisie in a country where members of the governing class

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Cameroonians. Second, a system of differential standards and quotas was applied to professional and technical positions in areas such as public health, engineering, journalism, the civil service, teaching, agricultural services, and defense with the intention of reducing obvious disparities. Also candidates from “disadvantaged” regions were allowed to pass their examinations with lower grades than those that were required of candidates from “advantaged” regions. Similar quotas were used to create spaces for those from areas with few educational facilities and to restrict spaces for those from areas with abundant schools. In other words, the determination of just how many candidates from each ethnic group or region should pass a given national examination was made according to an ethnic alchemy aimed at achieving social justice. Furthermore, access to high state offices was also determined by an ethnic equation. This means that Ahidjo’s policy of pursuing and implementing social justice was not concerned with giving all Cameroonians a fair chance to gain access to certain state-sponsored opportunities, but rather with making sure that each region and “main” ethnic group in the country had a fair access to these opportunities. Fairness of access to high state positions became the main guiding principles of political action where the very notion of fairness quickly became associated with ‘fair distribution’ of available state resources along ethnic lines. Actually, this depended on the relative political weight of the ethnic groups in place: The more politically significant ethnic groups were able negotiate fairly good access to these resources leaving the weaker ones with no chance to compete. (Monga 2000, P.726)

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are an important part of the elite groups that dominate society and the relations to the state is what enables actors to get rich and to dominate the social scene (Jean-François Bayart 2009). Positions in office are associated with the accumulation of wealth whereas offices and public works, prefectures and sous-prefectures are institutions that are in themselves providers of riches and wealth and the struggle to control them is one important aspect of "class struggle" in Cameroon (Jean-François Bayart 2009).

The context provides a fertile ground for acute income polarization and social inequality as those belonging and/or connected to the ruling party heights are able to seize a consistent portion of the national cake which they distribute to those close to them through the provision of employment and other rent-seeking opportunities at the expense of those that lack such connections. The context is one of ethnic clientelism and patronage politics where the political landscape has been reduced to a zero sum game of 'who is in' and 'who is out' (C. C. Fonchingong 2005) and where society economic constitution is a reflection of economic bi-polarization that is characterized by the existence of identification-alienation patterns (M. Brzezinski 2013) that have led to the formation of two main economic poles within the Cameroonian society: 'the elites' and 'the rest'.

### **6.2.5 State-Society Relations: The State, Patron-Client Networks and the Creation of Hegemonic Alliance**

Through the separate discussions on the state and society in Cameroon discussed in previous sections, it is already possible to see that the central feature of Cameroonian political context is the centralization of power and authority coupled with the weakness and complexity of the fragmentation and polarization of society.

For the state to be able to autonomously formulate, implement its policies and extract resources from society it needs the approval and cooperation of the society it governs. Therefore, i believe it is important to address the issue of legitimacy and how the state is seen by its society and how individuals relate to the state.

This is why in the next section i discuss the issue of state legitimacy before focusing on state-society links.

#### **Society and State Legitimacy**

State formation processes implies that first state-to-be establishes itself as the highest and ultimate political authority within its territory, thus being able to make and enforce binding decisions for the society as a whole. (Bellina et al. 2009). Right after independence the state managed to establish itself as the highest authority within the country's borders and to penetrate and administer the Cameroonian society.

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The state seems to have successfully managed (until recently) to tame society and shape it in accordance with its liking. (Bellina et al. 2009).

The Cameroonian state is hegemonic. State power is highly centralized and the state enjoys considerable autonomy vis-a-vis a highly fragmented and polarized society (Monga 2000; Bayart 1986). The state in Cameroon is an instrument of centralizing power and the initiative, whether it relates to economic or political affairs, often lies with the state. The state is able to formulate policy goals independently of particular societal groups without having to confront domestic resistance and its ability to directly change the behaviours of specific groups is no longer questionable.

However, understanding the mechanisms through which the state engages society and individuals' perception of the state is necessary. This is why the focus here is on the identification of dominant groups within the Cameroonian society, the interactions between the Cameroonian state and the groups in society, the mechanisms through which the state is able to shape the structure of society and to alter the patterns of behaviour of individuals and groups within society.

In some countries, the power of the state vis-a-vis society may vary with the issue-area that under consideration (Katzenstein et al. 1978). However, this trend is not observed in Cameroon as the hegemonic power of the state is extended over all aspect of the country's politico-economic life. Wherever the state is not in control is due to its absence rather than in the ability of societal groups to affect state's decisions and to reach their goals (C. C. Fonchingong 2005; Ihonvbere 1994).

The symbolic aspects of the state is crucial in making the state present in people and central in shaping people's perceptions and attitudes not only towards the state but towards central public matters as well (Bellina et al. 2009).

The Cameroonian state has, for most of its existence<sup>44</sup>, been able to exercise a high degree of control over society and over a wide range of policy instruments that have allowed it to influence the behavior of private groups and to change the country's economic structure (Katzenstein et al. 1978). The leaders usually enjoy a high degree of command of material resources that they are able to use as incentives or as threats to affect the behavior on non-state domestic actors.

In its activities, the state usually enjoys high level of legitimacy that afford it the acceptance and cooperation of most Cameroonians. Most Cameroonians' citizens, who are not usually informed regarding the decision-making processes that precedes policy decisions, tend to see as legitimate the state's political, social and economic authority and domination. The state authority is firmly established (Until more recently), its supreme position and preferences taken for granted in a context where the state forms of classification quickly become part of citizens forms of classifica-

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<sup>44</sup>Recently, the state supreme authority has been challenged in the two anglophone regions of the country in what is being referred to as the 'anglophone crisis'

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tion(Bellina et al. 2009). Therefore, the state is capable of framing and orienting citizens actions both toward the state and towards each others while citizens recognize the state as the highest political authority that has the right to make rules and policies that everyone is to follow(Bellina et al. 2009).

In Cameroon, the state's power and authority as the sovereign and supreme authority is drawn from the constitution that bestows that centralizes political power in the state and gives central-decision makers the right to structure most aspect of the country's political, economic and social life. The state's power is also drawn from the international recognition that the Cameroonian state enjoys.

However, the legitimacy of the Cameroonian state have also been heightened (until more recently)<sup>45</sup> by the legitimacy enjoyed by the country's leader<sup>46</sup>.

In fact most Cameroonian saw the President Paul Biya as the natural successor of the country's first president who was considered to be the father of the nation by many. Having retired from office, Ahmadou Ahidjo chose Paul Biya as his successor(C. C. Fonchingong 2005; Monga 2000; Jean-François Bayart 2009) which bestowed on the later the unspoken 'right' to become and to remain the country's president. Moreover, Paul Biya has also been perceived by Cameroonians as a very charismatic leader who understood politics and knew its way with words. The peaceful resolution of Cameroon-Nigeria territorial crisis that saw the sovereignty of the peninsula of Bakassi being rightfully restored to Cameroon in October 2002 cemented the president's legitimacy. The outcome of the dispute was very popular in the country and highly appreciated by Cameroonians who considered it to be the president's own victory. In addition to that, most Cameroonians attribute to the actual president the merit of Cameroon's decades of peace and harmony in a context where the country's neighbors have often experience years of wars and insecurity. The provision of security is also found to be a crucial good in the eyes of Cameroonians who consider security to be far beyond

However, legitimacy in this context most not be completely assimilated to the concepts of trust(Giddens 1984), consent(Balandier 2004), reciprocity(Hydén and Bratton 1992) and satisfaction(Bellina et al. 2009) to which it is often associated.

Most Cameroonian, perhaps due to voluntary consent or lack of awareness, tend to accept (or see as normal) the state ownership of many of the means of production, its use of national resources to pursue what is often framed as the 'national interest', its intervention in the economy as well as its use of the coercive apparatus of the state to bring order.

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<sup>45</sup>The habit of making use of the expression 'until more recently' does not stem from the assurance that things are not the same anymore. However, considering the recent events in Cameroon which are not taken into account in this project because not part of the time frame of the analysis, I cannot assume continuity and lack of change in the specific situation i make reference to.

<sup>46</sup>Referred to as leader's legitimacy(Bellina et al. 2009)

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The perception of normality of most Cameroonians toward the state's ways of governing seem to mainly originate from their beliefs and the practices they are accustomed to (Bellina et al. 2009). Many Cameroonians believe in the absence of alternative to what is being done having been exposed to the same rules for many decades. They are used to the ways and practices of governance within the country and they mainly accept what is being done as normal simply because this is how it has always been done.

The belief that there is no available alternative to what is being done considering the fact that what is being done has always been done (Historical legitimacy) (Bellina et al. 2009) or from the idea that, even in the circumstances of acute dissatisfaction towards the state policies and activities, some Cameroonians do not see the possibility of change. The state supreme position is therefore taken for granted. Cameroonians seem to take the state's preference and its rule for granted even without explicitly endorsing them especially considering the almost impossibility for society to penetrate the sphere of the state and affect policy and the absence of mechanisms that allow citizens to express their consent regarding the decisions taken on their behalf (Bellina et al. 2009).

Therefore, whether it is by voluntary consent, by consensual or non-consensual obligation the state in Cameroon is without doubt accepted by most Cameroonians as the highest political authority. This acceptance has been pivotal in bestowing to the state the formal (institutionalized authority) and informal authority needed to structure social regulations and societal interactions (Giddens 1984).

However, continuity in the level of state legitimacy cannot be assumed to be invariable in time and space. Around 1990, the majority of the population held the authoritarian regime responsible for the serious economic crisis that hit the country, which according to Peter Konings (1996) resulted in the loss of state's legitimacy.

Moreover, The state legitimacy is often particularly strong among the small but influential groups whose occupations and life styles are directly linked to the state (Bellina et al. 2009).

The character of civil society being an important determinant of the nature and outcome of state-society relationships is an important aspect of this discussion. Therefore the nature of institutions in society such as the media, political parties and other forms of political organization is the discussion of the next section.

### **Institutions of Civil society: Weakness and Dependence**

In the post-colonial Cameroon, civil society and the NGO sector experiences some level of transformation in the immediate post-colonial period. At the time, the state motivated a sizeable portion of voluntary sector work, particularly in terms of its economic and socio-cultural activism.

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As the fragile post-colonial state seemed to have inherited the development needs from the colonial regime. Civil society organizations were very instrumental in meeting societal demands, and have somewhat shaped the ways public policies were formulated and implemented by the post-colonial state.

However, the totalitarian regime of Ahmadou Ahidjo restricted all forms of freedoms including that of civil society. Therefore, civil society in Cameroon first republic remained inactive or confined and weak. Political parties and civic organizations were forced into a single party structure - The Cameroon National Union (CNU) which was, as discussed earlier, later transformed into the Cameroon Peoples Democratic Movement (CPDM) by the President Paul Biya.

Civil society was thus nonexistent - except for the few religious denominations that were allowed - and the state was seen as a tool of exploitation that hindered popular or personal initiative and contestations while nurturing biased politics of tribal conflict. The period 1982-1990 is seen as the years of political consolidation for the president of Cameroon's second republic. During this period of consolidation, the new president silenced all political dissent. Just as his predecessor did, he silenced the operations of all political gathering and made sure there was no opposition to his administration. In addition to that, he also monopolized the media and had a stronghold on the press.

Having instituted state-client relations the exceptional priority to influential positions of government was been given to the Beti people (The president's ethnic group).the Beti elite saw the transfer of power from Ahidjo to Biya simply as an opportunity, to promote what Bayart calls 'ethnofascism'(Jean-François Bayart 2009).

Right from independence, the state in Cameroon has been more interested in strengthening its grip on all spheres of national live, than in giving civil society a chance to influence government and policy(Nyamnjoh, Wete, and T. Fonchingong 1996). The state in Cameroon, like in many other African countries(Goulbourne 1987; Dunn 1978), has spent much of its existence consolidating its supremacy, maximizing personal powers and centralizing the government(Jean-François Bayart 2009; Etonga 1980).

the CPDM government headed by the incumbent president has used all possible state mechanisms to obstruct the existence of a vibrant civil society. Which resulted in an image of a country that is more or less a multitude of disjointed communities and window dressing. This explains its domination of most spheres of national life - public and private - and its use of the media as willing or reluctant allies in the process that Nyamnjoh et al.(1996) refers to as the 'asphyxiation of civil society'.

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## Elections and Political Parties

The constitutional council is the institution that has jurisdiction in matters pertaining to the constitution. It is the organ regulating the functioning of the state's institutions. It rules on the constitutionality of laws, treaties and international agreements and is intended to resolve issues of conflict of powers between state institutions and between the state and the regions. The constitution bestows to the constitutional council the power to ensure the regularity elections, to validate election results and to adjudicate election dispute and its rulings are not subject to appeal.

The power bestowed to the constitutional council increase the necessity for the institution's independence and integrity. However, the Independence and the integrity of Cameroon's electoral framework has been compromised as the majority of its eleven members have ties with the ruling party<sup>47</sup>. In 2018 for instance the council is said to have rejected 18 petitions to cancel the presidential election results filed by the opposition parties despite what the report calls "credible allegations of fraud and intimidation"<sup>48</sup>. A second electoral body - Elections Cameroon (ELECAM)- is responsible for organizing the polls. ELECAM was created in 2006 to address concerns about the fair management of previous elections. However, President of the republic chooses its members, and the ruling party's partisans have historically dominated the body (House 2019) thus compromising the integrity of the institution.

Despite the existence of hundreds of registered political parties, Cameroon remains essentially a one-party state(House 2019). The organizational advantages of the ruling party's long incumbency, its dominance over electoral bodies, and its superior access to media and resources disadvantages opposition candidates. Opposition parties are highly fragmented, preventing any one of them from becoming a viable alternative to the ruling CPDM. An opposition coalition formed ahead of the October 2018 presidential election, when Akere Muna of the People's Development Front (FDP) withdrew his candidacy to support Kamto, was unable to mobilize enough support to mount a strong challenge Biya(C. C. Fonchingong 2005; Fernández and Mommen 1996). Furthermore, state patronage and the president's control of high-level appointments help the CPDM retain power while(House 2019), according to Freedom house(2019), frequent harassment, intimidation, and arrests of opposition figures further reduces the ability of opposition parties to gain power through elections.

The presence of multi-partism in Cameroon does not suggest the presence of a strong opposition capable of holding the government accountable and to provide Cameroonians with an alternative agenda. The system is certainly of multi-partism

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<sup>47</sup><https://freedomhouse.org/country/cameroon/freedom-world/2019>

<sup>48</sup><https://freedomhouse.org/country/cameroon/freedom-world/2019>



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yet not competitive(Berman 1998)

The ability to organize in different political parties and the freedom of those parties to operate is quite limited in Cameroon as(House 2019). On the whole, however, organized and independent interest groups especially the broad-based ones like trade unions and their input into the political system are still relatively weak in Africa(Berman 1998) and almost nonexistent in Cameroon.

Furthermore, political competition in Cameroon is hindered by the fact that opposition parties and candidates are up against the organizational advantages of the CPDM (the ruling party)long incumbency, its dominance over electoral bodies and its superior access to media and resources(House 2019).

The high degree of fragmentation of opposition parties prevents anyone of them from becoming a viable alternative to the ruling party(House 2019). They seem to hardly differ from the ruling party, using similar ethno-client networks for the expansion of their power base, to their leadership that is divided by personal and ethnic animosities and to the limited opportunities and resources for concrete political action(Nyamnjoh, Wete, and T. Fonchingong 1996).

The new regime has continued to control the (shrinking) state resources, which enables it to buy the loyalty of the state élites and to co-opt some of the opposition leaders into the hegemonic alliance. It also continues to control the forces of law and order, which enables it to intimidate and oppress the opposition. Moreover, it continues to monopolize some pivotal mass communication media like the television, which enables it to preclude the opposition parties from presenting their leaders and programmes to the public.(Fernández and Mommen 1996).

## **The Media**

In Cameroon, the context has mostly been one in which Journalists are assigned the role of using their talents and the media to facilitate the government's task of explaining its policies to the population with the sole aim of mobilizing the latter to participate and to fully cooperate with the state. While the importance of the media as auxiliaries of the government has always been recognized, the latter has mainly failed to encourage the media to render an equal service to the public, which have been craving for a forum in which it could be objectively informed and in which it could discuss suggestions or alternatives to the leaders' development strategies and governments policies(Nyamnjoh, Wete, and T. Fonchingong 1996).

This one dimensional flow of messages from the governing to the governed that characterizes the media in Cameroon neither provides for feedback, nor for the active participation of the people in determining what the path nation-building should follow has led to the creation of a strengthened state authority which coexist with a muffled civil society(Nyamnjoh, Wete, and T. Fonchingong 1996).

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The subsequent centralization have left ordinary Cameroonians with almost nonexistent possibilities and space to affect policies and to advance their most pressing problems and interests. Especially as the political, socio-economic and cultural changes they were supposed to help bring about were and today continue to be planned and carried out entirely without reference to "them".(Bayart 1986).

The public media in the country have been and remains an integral part of civil service. The government has ensured that the public media think of themselves more as part of the central administration than as a separate institution and profession(Nyamnjoh, Wete, and T. Fonchingong 1996). According to Nyamnjoh et al.(1996), the integration of state-owned media into the civil service was part of a process of political socialization that the government adopted in order to ensure total loyalty and subservience from state-employed journalists.

Although certain aspects of the draconian press law that have existed in the one-party era were liberalized in the Freedom of Mass Communication law of December 1990, the selective application of the law has been to the detriment of the critical private press, and has made it very difficult for this press to have the freedom and independence it needs for the objective transfer of information(Nyamnjoh, Wete, and T. Fonchingong 1996).

With the private press muffled through the selective application of the law, the government finds itself neither with a viable opposition, nor with critical media, especially since the country's main media outlets, the Cameroon Radio and Television (CRTV) and Cameroon Tribune are under the state's exclusive control(Nyamnjoh, Wete, and T. Fonchingong 1996). The suppression of the independence of the press to comment and to criticize government policy, hinders circulation of information and the spread of ideas which would educate citizens on their rights and stimulate the forming of interest groups to fight for and protect those rights(Aziz n.d.).

Opportunities for citizens to participate in politics is thus highly confined to voting with limited amount of choices and even more limited information. The Cameroonian public is hardly ever truly informed about the process that lead to the decisions it is called to comply with let alone participate in the process of these decisions. Public opinion in Cameroon seems to continue to be, as it was at the time of decolonization, an opinion about matters of national importance held by those who felt compelled to take part in politics because they belonged to the inner circle of the elite(Engueleguele 2001). Cameroonian public opinion was and is still mainly by no means the opinion of Cameroonian people as a whole(Engueleguele 2001).

### **Other Societal Organizations**

The influence of civil society has gradually weakened over the years as many non-governmental organizations (NGOs) relying entirely on foreign assistance and others

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have been co-opted by the regime(House 2019). One of the greatest weakness of civil society in Cameroon as in many African country seems to lie in the absence of on independent and robust bourgeoisie (Hyden and Bratton 1983). The indigenous business class in Cameroon - the bamileke group - is lacking independence because it has usually grown up under the protection and privileged support of the politico-bureaucratic elite.

In a context where the state is absent 'the masses turn to ethnic, religious and philanthropic organisations for hope, leadership, self-expression and support'(Ihonvbere 1994). This tendency is expressed by the boom in associational and ethnic groupings in the country through the logic of autochthony politics. These ethnic cleavages representing different geopolitical interests are carved along tribal lines(Ihonvbere 1994). In practice, women are able to advocate for their interests yet this happens only through representation in the ruling party the CPDM(House 2019).

Generally speaking, the state's development agenda which is supposed to be driven by a sound state-civil society initiative has been forfeited(Aziz n.d.). One of the reasons for such a result is, according to Aziz(n.d.) the erroneous notion of the state that sees civil society organizations as adversaries rather than potential collaborators in driving the developmental objectives declared by the state.

In reality, there is no coherence in terms of the conduct and nature of the Cameroon civil society and there seem to be an actual separation between the state and the society that it governed(Sellers 2011).

The regime fortified its tactics to engender divisions among various civil society groupings, while fostering a politics of appeasement to regional and tribal linkages. Consequently, the appointments of political elites from one region or ethnic group against the other at a particular cabinet reshuffle only help to reinforce this division, in a country that is already saturated with massive ethnic diversity(Aziz n.d.).

Accordingly, this ethnic diversity has had a very negative effect on civil society's strength and on its capacity organize and to hold the state accountable regarding government policies. The current state of the Cameroon civil society therefore seems to be under captivity(Aziz n.d.).

The state is now left alone to decide the development future of its citizens, which most often is done with political bias of which the outcomes often lead to asymmetric development(Aziz n.d.).

Development promises are delivered on the altar of alliance with the regime in place whereas timidly existing civil society no longer has a unifying base as individuals are now considering their personal interests before those of the general public(Aziz n.d.).

The state monopolization of power over society was further enhanced by the elimination of autonomous forms of organization. Previously independent organi-

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zations became subordinated to the political party through the party's women's, youth and labour wings or through domination by or incorporation into government agencies (Fernández and Mommen 1996)

A considerable chunk of people and what is left of civil society groups are now identifying themselves with the ruling party just to make sure they are on a safe side regarding their livelihood while others are still very passive concerning issues of political and economic governance.

Having discussed in details the state, society and civil society in Cameroon, i now turn to the discussion regarding the linkages patterns between the state and the Cameroonian society.

### **State-Society Linkages: Patrimonial Networks and the Domination of the State's Bourgeoisie**

Having considered the above aspects, the assessment of linkages between institutions of the state and society thus becomes a very important task to address before concluding this chapter (Clements et al. 2007).

The colonial legacy of bureaucratic authoritarianism, pervasive patron-client relations, and a complex ethnic dialectic of assimilation, fragmentation and competition seems to have persisted in post-colonial African societies. The reliance of chiefs and headmen in the colonial state was linked to the exchange networks of rural society and implicated in the factional conflicts of lineage and clan through the chiefs' increasing control of peasant labour, peasant access to land, and the distribution of state patronage and resources (Berman 1998).

Colonial domination thus came to rest on the unstable and contradictory mutual dependence of the colonial state and local African strongmen. As the principal clients of the colonial state, the chiefs were, in their own right, the most powerful patrons in local society and became the central focus of the development of clientelistic patronage networks around political institutions and positions of authority, networks that were also linked to and reproduced the relations of clientelism and dependence of pre-colonial societies (Berman 1998; Monga 2000; Bayart 1986).

These ethnically defined networks existed within the 'tribal' context of local administration. Peasant rights to land and other resources increasingly came to depend on their ability to sustain claims to kin, client and ethnic affiliations that cut across developing class cleavages and, through the chiefs, blurred the line between state and society (Berman 1998).

State-Society relations in today's Cameroon is most crucially made of such patron/client relations (Berman 1998; Monga 2000). These networks not only are the fundamental mode of access to the state and its resources, but also, as in pre-colonial society, the fundamental relationship between ordinary people and those with wealth

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and power(Berman 1998).

In Cameroon, state linkages to society continue to be those Patron-client in nature. State-society relations are dominated by ethno-client networks that have persisted through time with elites playing a prominent role in the factionalization and integration of classes and ethnic groups in national politics (Monga 2000) .

Ethnocentrism and regionalism is the order of the day in Cameroon's polity(C. C. Fonchingong 2005). Every important ethnic group that is represented within the regime is thus able to exercise some influence on government policy. Loyal followers in the ethno-client networks are rewarded by appointments and nominations to state offices, access to state resources and rent-seeking opportunities(Konings 1996).

To secure such rent-seeking opportunities, political sloganeering and the 'motions of support' syndrome meant to pledge abiding loyalty and to garner support for the regions in favor of the regime in place are frameworks under the manipulation of the elite(C. C. Fonchingong 2005). The strategy has had the merit to divide the country into ethnic and regional networks<sup>49</sup>. Moreover, it is also a tradition that senior officials upon appointment or nomination seek tribal endorsements from their various villages and regions thus conveying a strong message of division, ethnicisation and regionalism that stains Cameroon's political landscape. What Fonchingong(C. C. Fonchingong 2005) refers to as the 'tribal canonization' following high-level appointments put the elite in a political vantage point, as they bargain for the group's share of the national cake(C. C. Fonchingong 2005).

These self-seeking sectional politicians use sloganeering as a veneer for development and infrastructural provisioning to constituencies that purchase their ideologies(C. C. Fonchingong 2005). Elites claim that they send 'motions of support' to the President in order to attract development projects and other benefits for their regions. However, it is also a singular opportunity for them to seek representation in government through appointments and nominations to top state institutions. Since it is their relation to the state which largely enables actors to get rich and to dominate the social scene, power struggles within the elite are often struggles for wealth(Konings 1996; Jean-François Bayart 2009).

The link between holding positions of power within the State apparatus and the acquisition of wealth is also very much related to the political hierarchy. Unfortunately, it is the case in Cameroon, as in many African countries, that the exercise

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<sup>49</sup>For instance, in the run-up to the 2004 presidential elections, these motions of support and slogans were earnestly and unceasingly addressed to the head of state and read over the state media. The use of such strategy is a clear illustration of the politicization of ethnicity by the Cameroonian political elite and a prevalent feature of politics in Cameroon(C. C. Fonchingong 2005; Konings 1996).

Also embedded in the messages are words of thanksgiving for appointments, either of an 'illustrious son or daughter' as minister or some other high government appointee(C. C. Fonchingong 2005).

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of supreme authority in particular generally goes hand in hand with a proportional increase in wealth(Horowitz 1993). The opposition is outlawed, and in practice, a single-party state declared, pronouncements that the single party is ethnically inclusive are made, but in fact keeps power in the hands of minorities allowing the single party to become in Horowitz's words, the mask of ethnic domination(1993).

Elites are in the front-lines of ethno-political supremacy by the various ethnic groups and political representations in Cameroon. The government's hand picked elite or barons continue to serve as the historical and natural transmission belts between the president and the different ethnic groups(Nicolas Van de Walle 1993). The Biya regime thus continues to enjoy the firm support of the Beti elite who fears that their privileged access to state resources would come to an end if an opposition party was to seize power(Nicolas Van de Walle 1993).

# Chapter 7

## Case Study: China - Cameroon Investment Relations

### Introduction

China and Cameroon established diplomatic relations in 1971. The initiation of Cameroon's diplomatic ties with China was followed by the end of Cameroon's official links to Taiwan. Between 1971 and 1990, the ties between the Cameroon and China were essentially diplomatic and driven by Beijing's need to seat its legitimacy in Africa as well as to increase the number of its diplomatic allies in the developing world (Cabestan 2015).

China's strategic ambitions in Africa coincided with Yaounde's non-alignment policy and desire to loosen France's influence on Cameroon's economy and foreign affairs (Cabestan 2015). However, despite the reciprocal desire for further Sino-Cameroon bilateral ties, the relationship remained mainly diplomatic, highly symbolic and economically marginal. It is only in 1997 that a first turning point was reached with the visit of the then Chinese premier (Li Keqiang) to Cameroon and the signature of a key agreement on the reciprocal protection and promotion of investment that reiterated and materialized Beijing's intention to become economically involved in Cameroon (Cabestan 2015).

The tenure of the first Forum on China-Africa Cooperation (FOCAC) in 2000 is seen as a pivotal moment in China's economic relations with the African continent. More than being a critical juncture in China's economic interactions with the African continent in general, the summit had the strong impact on China's relations with Cameroon. This first forum that was held in Beijing in 2000 played a crucial role in disseminating China's intention across the continent and participated in strengthening the perception of Beijing as a reliable economic partner for Africa<sup>1</sup> The forum

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<sup>1</sup>See the chapter IV for a more detailed discussion

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provided China with a window of opportunity it needed to finally consolidate its economic ties with Cameroon. A country seen as an important element in China's geo-strategic ambitions and long term vision in the continent(Cabestan 2015). Right after this first forum, bilateral and economic cooperation projects rapidly increased between the two countries. In 2002, a Chinese Trade Promotion Centre was created in Cameroon's economic capital Douala. The same year witnessed the second visit of the then Chinese Premier (Li Keqiang) in Cameroon and the signature of an ambitious agreement on "Economic and Commercial Cooperation" that became the framework accord for specifying China's willingness invest in Cameroon and to offer grants and loans to Cameroon(Khan and Baye 2008).

Few years later, in January 2007, Hu Jin Tao, then on an eight-nation tour in Africa became the first Chinese president to visit Cameroon when he made first African stop in Cameroon(Cabestan 2015). His visit saw the signature of eight agreements worth 129 million Dollar targeting the construction of a gynaecological, obstetric and paediatric hospital in Douala as well as two primary schools in return for China's participation in Cameroon's oil sector(Cabestan 2015).

Following this visit, the two countries economic ties entered a new phase. Since then, China has become both the largest customer and supplier of Cameroon. Cameroon has also become one of China's main investment destination in Africa(Cabestan 2015). Between 2007 and 2016, China has invested approximately USD 9 billions in Cameroon.

This chapter analyses China-Cameroon investment cooperation between 2007-2016. It is a case study which goal is to bring into the forefront the role of an African agency in Sino-African investment relations. Moreover this chapter is also an attempt to show, through an empirical case study that indeed African government have had more room for manoeuvre in their investment dealings with China. The chapter further serves as an illustration of the crucial role played by African countries' domestic politics in shaping the nature and outcomes of Sino-African investment cooperation.

To guarantee the accuracy of the arguments made within this chapter, and in the absence of minutes of China-Cameroon negotiations that could have provided a step-by-step account of negotiation processes and the position of the parties involved, it was necessary to use a diversity of sources.

Policy documents, Cameroonian reports on China's investment in Cameroon, coverage of Cameroonian newspapers, International Financial Institutions' reports and documents from the Chinese Ministry of Commerce (MOFCOM) were used to extract part of the needed information on the Cameroonian government stated objectives, the actors involved in negotiations with China, and on investment loans contracted in the 2007-2016 period.



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The information on China-Cameroon investment negotiation processes and their outcomes included in this chapter as well as the remaining needed information on the loans and their content were obtained through interviews with high levels Cameroonian officials and experts. About eight individual semi-structured interviews were conducted with high-level Cameroonian officials who are still or have been involved in investment negotiations with China. About ten other interviews were also conducted with Cameroonian expert who have had experience analysing Cameroon's foreign policy and economic ties with China.

Considering the sensitivity of the issues discussed in this chapter, and the fact that many of the officials interviewed are still in positions of responsibility, the interviews were conducted under conditions of anonymity in Yaounde (Cameroon) between 2018 and 2019.

The first section of this chapter discusses Cameroon's state-led development strategy and how this strategy informed the country's investment policy. I also discuss the objectives pursued by the Government of Cameroon (GOC) in Sino-Cameroonian investment negotiations in the 2007 - 2016 period. The second section is an analysis of the deals that were signed between the two countries in the period under investigation. I link the deals to the choices, decisions and preferences of Cameroonian officials. Attention is specifically given to the role played by the GOC in shaping how much was invested, the sectors that were prioritized, and the nature of the resulting investments. I discuss the patterns of investment across sectors and the nature of the deals that were signed mainly focusing on their compatibility with the GOC stated national objectives and their development potential. The last section explains the investment choices made by the Government of Cameroon (GOC) with an emphasis on the role played by domestic political configurations in shaping these choices.

## **7.1 The Cameroonian Government's Objectives**

This section mainly discusses the national objectives pursued by the GOC in investment relations with China as stated by the Cameroonian government. It first highlights the state-led development strategy as they have been said to dictate government priorities in specific domains including foreign relations. Although in this section I discuss both the state's led development strategy and the GOC stated objectives for Sino-Cameroon investment cooperation, however, I do not address the possible gaps that may have existed between the objectives stated by the GOC and those actually pursued in investment negotiations with China. I also do not attempt, at least at this point to assess potential discrepancies between what was said and what was done. These aspects of China-Cameroon investment

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cooperation will be discussed in the coming sections on this chapter.

### **7.1.1 The State-Led National Development Strategy**

The process of formulation and the definition of national objectives in Cameroon is characterized by the state domination and the complete exclusion of society. The unconstrained character of the position of chief executive has allowed the president of the republic to unilaterally defined not only the country's development strategy but also its foreign policy.

The president determined the country's general development priorities as well as the objectives and goals that were to be pursued in international relations while the ministers were in charge of executing and implementing the president's vision.

In many African countries, national objectives for international cooperation are often linked to aspiration of development and better quality of life for African citizens. However, the concept of development is a multifaceted concept(Ray 1998). Even when governments claim to act in their country's best interest because it seeks to foster development and to better the lives of its citizens, it is always important to understand what exactly is meant by development and if the announced measures are implemented. It is also important to pay attention to specific indicators and elements that each governments use to define the concept as well as the strategies and instruments that it attempts to use to reach that goal are all ind. What is seen as development, how it is measured and how it is truly pursued will often depend on how it is defined, who is involved in the definition of the concept and the instruments that are used to achieve the goal(Ray 1998; Chenery et al. 1988).

To the Cameroonian government, more specifically to its chief executive , development for the 2007 - 2020 period meant, at least as officially stated, improvement in the country's productivity through investment in infrastructure, improvement in human capital and generation of employment as well as amelioration in the quality of governance. Indeed, Cameroon is not only plagued by high level of unemployment, the country also faces a shortage of adequate infrastructure. Therefore, choosing these specific aspects of development as the focus of the state-led development strategy left little doubt to the fact that these objectives were a reflection of the country's needs and if effectively pursued would be in the best interest of the Cameroonian people.

In 2007, a policy document was drafted that outlined the president's vision for the country and a detailed strategy to reach the level of high income developing country in 2035 was developed and published. This document, it was said, would serve as the government's road map for every policy actions domestically and internationally These goals and priorities were compiled in a policy document called the DSCE 'Growth and Employment Strategy Document').

The policy document clearly highlighted the country's urgent needs, the goals that were to be

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achieved and the specific instruments that were to be used to reach these goals. The first stage of the development strategy covered the period going from 2007 to 2020. This first stage focused on medium-term objectives that included the development of infrastructures, of human development, the generation of quality employment, improvement in governance and the strategic management of the state.

An analysis of the policy document and the interviews with state officials in Cameroon revealed the pillars of the development strategy as including human capital upgrade, employment creation and the increase in infrastructure both qualitatively and quantitatively. A look at these pillars suggests that, although societal actors were not included in the process of defining the country's development priorities, time, efforts and resources had been mobilized to ensure that the needs of the Cameroonian people as a whole were considered and that their interests would be taken into account.

According to the policy paper, these objectives were to be the focus of every state actions - national and international - during the 2007-2020 period that would ensure that the quality of life of Cameroonians was improved. As the policy document's title 'Strategy for Growth and Employment' suggests, the development of infrastructure and the generation of quality employment figured among the plan's top priorities. As such, it was expected that, not only infrastructure would be at the center of the government's actions but also that human capital and employment concerns were to have a place of choice in all state's actions and programs (domestic or foreign).

Now whether these stated development priorities truly dictated the government's actions in the 2007-2020 period will be discussed later in this chapter. For now, a detailed outline of the content of the development strategy paper is a useful entry point to facilitate the assessment of the objectives pursued by the state in Sino-Cameroon investment cooperation.

The development strategy was centered around few priorities - (1) Developing infrastructure (2) Improving human capital and Reducing Cameroon's unemployment level from 75,8 percent in 2007 to less than 50 percent in 2020 and (3) Improving governance and reducing monetary poverty level from 39,9 percent in 2007 to 28,7 percent by 2020.

I now turn to the brief assessment of each of these priorities and I discuss what they meant in the Cameroonian context of the 2007 - 2016 period.

- Infrastructures Development

The strategy to develop infrastructure was centered around sectors related to energy (with the goal to increase the country's energy production capacity to 3000MW by 2020 ), roads (with the maintenance of 2000 km of road by 2020 and the construction of 3500 km of roads by 2020), transports (Construction of two ports and one highway network matching international standards). Schools infrastructures, housing (Construction of 1700 social housing), water and sanitation (reaching 75 percent total access to clean water by 2020) also made it to the list of priorities in the domain of infrastructure development. Infrastructures development was not only expected to improve the country's productivity, but also to create employment.

- Human Capital Development

According to the policy document, the plan to strengthen the country's human capital was to be centered around the improvement of education and the intensification of training programs and opportunities

- Quality Employment

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From the assessment of the content of the DSCE policy document and the statements of policy-makers collected during interviews it appears that employment was at the center of the state's development strategy. In this aspect, the Cameroonian government's official goal was that Cameroon would reach an unemployment rate below 7 percent by 2020. The apparent importance of employment as shown in the policy document and in the discourses of policy-makers suggest that employment concerns would motivate all government's actions at the national level and in investment negotiations with China considering FDI's potential to generate employment (Moran, Graham, and Blomström 2005).

- Governance and State's Strategic Management

The policy document highlighted the state's intention to strategically manage state's resources and to improve governance. This aspect of the strategy was to be focused on facilitating citizens' access to information regarding the way the country's affairs were conducted and increasing Cameroonian citizens participation in politics.

The implementation of all these stated objectives clearly required the mobilization of important resources beyond what the state itself could provide. It was thus decided that the implementation of these priorities would mainly rely on external capital. Efficient budget management techniques were to be designed and used in order to free up resources to finance the state's development projects. In addition to the careful management of the state budget, the promotion of foreign investments would complement the state's efforts to secure the needed capital.

Why is discussing the GOC development strategy important at this point? The answer to this is related to the fact that Cameroon investment links with China and the objectives pursued by the Cameroonian government on Sino-Cameroon investment cooperation were motivated, as stated by state officials, by the need to gather capital to fund these exact development projects. This was the point of departure and the framework that was intended to dictate the state's discussions and economic cooperation with China in the domain of trade and investment.

Three main elements made China the ideal partner in the GOC search for capital. First and foremost, is the fact that China needed Africa and considered Cameroon as an important ally in the region and therefore was willing to invest in the Country. This increased the perception that China would be willing to invest in Cameroon because China too had interests in the country. Second, China's investment approach to the African continent was mainly contingent to the needs and objectives of host countries as expressed by host governments. This is a very important aspect of China's dealing with developing countries, especially African countries that considerably departs from the approach used by Africa's traditional investors. Therefore the GOC had the confidence that it would have the freedom to direct China's investment capital according to their preferences. Third, in addition to the freedom that seemed to come with Chinese investment, China financing model, again contrary to other traditional partners, was free of the political conditionality (Robinson 1993)<sup>2</sup> that had previously limited governments' access to needed capital (Brautigam 2011). Without the political conditionality element, not only the distribution of investment by sector could reflect the preferences of the GOC but the increased freedom provided by the absence of political conditionality increased accessibility to the needed capital.

Last but certainly not least, was the element of trust that characterized China's dealings with the African continent. Trust in Sino - African relations was mainly the product of history. The absence of the colonial past between China and its African partners removed the elements of

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<sup>2</sup>The leverage by donors who attach conditions of democratic governance to the disbursement of capital (Aid or investment) (Robinson 1993)

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scepticism that characterizes Africa's contemporary relations with its former colonizers. This fact is well illustrated in a statement made by one of the interviewees: "No matter what China is doing, at least it did not colonize Africa".

Although some of these elements are discussed more thoroughly in the Chapter I of this project, it seemed important to position them within the specific context of China's investment cooperation with Cameroon.

In the next section, I discuss the specific objectives pursued by the GOC in Sino-Cameroon investment cooperation in the 2007-2016 period as stated and officially formulated by the GOC. In doing so I do not limit the discussion on the objectives themselves, but I also pay attention to the processes by which they were formulated.

### **7.1.2 Government Objectives in Sino - Cameroonian Investment Cooperation**

Like most African governments that are engaged in economic cooperation with China, and contrary to general assumptions, the GOC had a clear set of goals and objectives that they intended to pursue in investment relations with China. The focus of the section of the chapter is on the understanding of the objectives and priorities of the GOC in Sino-Cameroonian investment cooperation in the 2007-2016 period and on the understanding of the processes through which they were formulated. I also pay attention to the actors that were involved in their formulation and their role they played within this process.

Just like it is the case for any other policy in Cameroon, the process that generated the objectives that were to be pursued in Sino-Cameroon cooperation investment was completely dominated by the state. The president stood at the center of the process. He defined the focus and the framework of Cameroon's approach to China and the nature of China's investments in the country in the 2007 - 2016 period. The implementation of his vision and the definition of the specific elements of Cameroon's investment cooperation with China was left to his key ministers.

After the country's development strategy had been defined (This development strategy was a sort of umbrella within which all foreign policy objectives especially with regard to China had to be confined), it was left to high ranking state's officials, all belonging to the ruling party (especially those in key ministries) to decide, under the president's supervision, on the sectors and projects that were to be prioritized in that specific period.

The then Minister of Foreign Affairs was tasked with the authority to coordinate the implementation of all aspects of the country's external relations based on the the president's defined guidelines. The process of formulation of national objectives and priorities to be pursued in Sino-Cameroonian investment cooperation was structured in appearance yet quite complex and at times incoherent as different ministries with different preferences for specific projects and with considerable room for maneuver almost had to compete for Chinese capital. They were given the authority to decide which sectors were to be favored and which projects were to be financed. Therefore, each ministry had its own preferences.

In general, the first stage of China-Cameroon investment negotiations was the China-Cameroon mixed-commission meeting. Every two years, a China-Cameroon mixed-commission took place in Beijing <sup>3</sup>.

During these commission meetings, China's officials met with their Cameroonian counterparts

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<sup>3</sup>established by an agreement between the two parties in September 1986 although the very first of such meeting only took place in 2001

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(Including the Ministry of Economy and Territorial Administration, the Ministry of Foreign Affairs, the ministry of Industry and the Ministry of Finance) to evaluate the state of the two country's investment cooperation in the previous two years, discuss the general guidelines that will dictate investment cooperation between the two countries and select the investment projects that were be the focus of the China-Cameroon investment cooperation for the following two years.

The mixed-commission meetings usually too place in Beijing. These meetings represented a critical step in Sino-African investment negotiations in the period under investigation as they represented the starting point of investment negotiations between the two countries. They were also essential because it is in these meetings that decisions regarding the overall nature and characteristics of China's investments in Cameroon in the two years following the meeting were made. The joint-commission meetings were the first and the main table of negotiations in which both party gathered to discuss the state of the investment cooperation of the past two years and to initiate discussions regarding the nature of Chinese financing for the two following years. Therefore, it was prior to these mixed-commission meetings that Cameroon's state's officials who were involved in the process would formulate a strategy and determine the objectives that the state would pursue in Sino-Cameroon investment negotiation for the two years to come.

Between 2007 and 2016<sup>4</sup>, five Cameroon-China mixed-commission meetings took place (2007, 2009, 2011, 2013, 2015).

On these occasions, a delegation of Cameroon's high ranking officials (mainly Ministers of key ministries) headed by the Cameroonian minister of foreign affairs met with their Chinese counterparts in China to discuss the investment priorities of both governments, the nature and the trajectory of their investment cooperation as well as the investment preferences of the Government of Cameroon (GOC) in terms of the nature and content of China's investment in Cameroon.

The focus of this section is on the formulation of the national objectives that the GOC pursued in investment negotiations with China. Although this process is a domestic process that takes place domestically and does not involve China, it was important to briefly discuss the China- Cameroon mixed-commission meetings to highlight their deterministic nature as the point of departure of Sino-Cameroonian investment negotiation. Briefly discussing the mixed-commission meetings at this point also enabled the better illustration of the the importance of the domestic process of formulation of national objectives for Sino-Cameroon investment cooperation. Moreover, the deterministic nature of these mixed-commission meetings does not end there. It is no coincidence that the four last China-Cameroon mixed-committee sessions have all taken place right after the tenure of the Forum on China and Africa Cooperation (FOCAC). These forums (FOCAC) are known to be the platform through which China implement its 'showing off'<sup>5</sup> policy by promoting its grandiose ambitions for the continent and promulgating the size of the Chinese investment cake to be shared by African countries for a specific period. The FOCAC forums are multilateral, however, the real negotiations with individual African countries were bilateral and they took place after the forums.

Therefore the joint-committees meeting between China and their Cameroonian counterparts were the opportunity for the Cameroonian government to negotiate and claim a bigger size of the investment cake pledged by the Chinese government during the last FOCAC forum.

Now, having briefly discussed the joint- commission meetings and having put in context the process of formulation of domestic preferences for China-Cameroon investment cooperation , the next paragraph of this section discusses in more details the formulation of the state's priorities for

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<sup>4</sup>This time represents the time frame of this analysis. In August 2007, the fourth meeting of the joint commission took place and August 2015 the eighth

<sup>5</sup>See Chapter IV for a more detailed discussion on this argument

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Sino-Cameroon investment cooperation.

As stated before, prior to every Cameroon - China joint-committee meeting, Cameroonian officials gathered for an inter-ministerial meeting to define the country's objectives and the priorities that were to define and channel Chinese investment in the country for the two years following the mixed-committee meetings.

This explains why these inter-ministerial meeting usually took place right before the next China-Cameroon joint-committee session. It was during inter-ministerial meetings that the decisions regarding the country's investment priorities, its approach to negotiations with China and the specific projects that were to be financed were made.

The actors present in these meetings were mainly ministers of Cameroon's key ministries including the ministry of Foreign Affairs, the ministry of Economy and Territorial Planning, the ministry of Finance, and the Ministry of Industry. In addition to these key ministers, ministers from other technical ministries were also present depending on whether they had prepared proposals for projects they wanted to see financed by China. Depending on the specific session, these included ministries such as the ministry of energy, the ministry transport, the ministry of agriculture, the ministry of sport, etc.

In general, the authority to choose which projects were financed rested on the discretion of key ministers. Each relevant ministries came to the inter-ministerial meeting's table, according to their 'expertise' with their own list of projects proposals for the projects they wanted to see financed. Therefore, the construction of a dam for instance was proposed by the ministry of energy.

Ministers were thought to know exactly what was that their sector needed and were given the authority to select, taking as reference the predefined development strategy as formulated by the head of the state, sectors and projects that were to be the focus of China's investment in Cameroon within a specific period of time. Therefore, every ministry that had a project it wanted financed was given the opportunity to draft a project proposal that was then presented during the inter-ministerial meetings.

All the presented proposals were discussed during the ministerial meeting. However, only the ministry of Economy and Territorial Planning was vested with the authority, in consultation with the ministry of Finance, granted by the president of the republic to decide which projects made it to the list of priorities to be presented to China. The projects were validated according to two main 'official' criteria: Their compatibility with the state's predefined development strategy and the soundness of the feasibility study that was included in the proposal. Only the proposals that were thus validated made it to the list of projects to be discussed with China during the China-Cameroon mixed-committee meetings.

For instance if the minister of transport thought a specific road had to be built, his ministry prepared a financing proposal that he then presented at the inter-ministerial meeting. If the project was approved, the proposal was then included in the list of projects that were considered for China's investment.

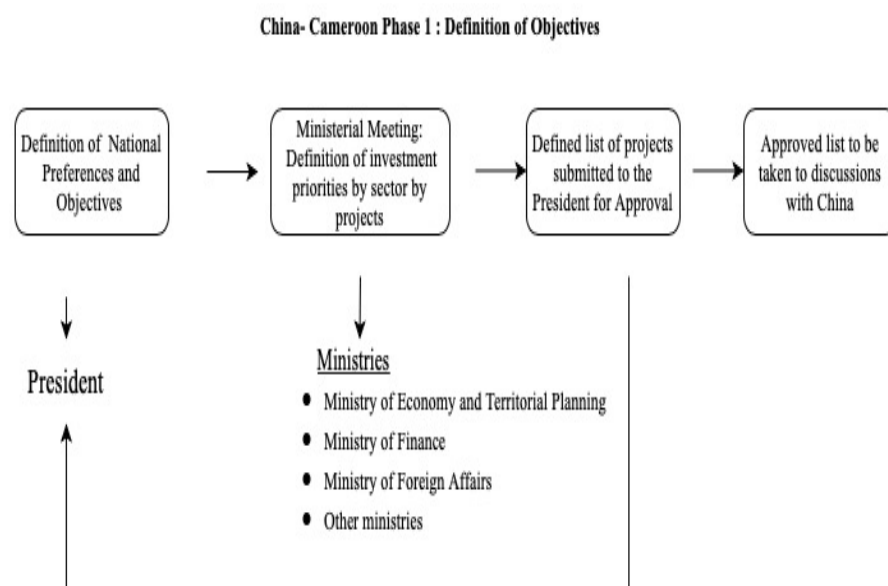
Once a list of validated projects was made, the list was sent to the office of the prime minister who had the task to validate it in consultation with the President of the Republic. Once the Prime Minister had given his approval, the list was then submitted to the Chinese counterpart during the next joint-committee session.

This process represents the main route through which national objectives to be pursued in investment negotiations with China were determined. It is also the main trajectory through which the biggest chunk of Chinese bilateral investment in Cameroon in the 2007-2016 period occurred. However, it was not the only route.

There have been few occurrences where an alternative road to the one described above was

taken when ministers wanted a project to be financed but did not want to wait for the next mixed-committee meetings or for the next competitive inter-ministerial meeting. In these instances, the specific ministry would present a project proposal directly to the Ministry of Economy and Territorial planning that will then submit it to the office of the prime minister for validation. If the project proposal was validated, it was sent back to the Ministry of Economy and Territorial Planning. The minister of Economy and Territorial Planning would then, after having informed the ministry of Foreign Affairs, directly send the proposal to the Chinese counterpart for consideration for investment.

Within these processes, ministers were given considerable authority and freedom to choose the projects they wanted to see financed. This is why all the projects that were financed during the 2007-2016 period reflected the preferences of the country's key ministers to whom the president of the republic had given ample room for action.



Source: Author's design based on information collected during interviews

Now, having discussed the process that followed the formulation of the national objectives that were pursued in investment cooperation with China as well as the actors that were involved in this process, many questions emerge. What type of projects made it to the list of projects to be financed in the 2007-2016 period? What sectors were targeted and prioritized? How were the investment deals negotiated? Did the deals that were signed truly reflected the national objectives and the national interest as officially defined and stated by the president of the republic? Finding answers to these questions is the focus of the next sections of this chapter.

## 7.2 Sino - Cameroon Investment Negotiations: Context and Process

In this section of the chapter, I discuss the context within which China-Cameroon investment negotiation take place and the processes through which they emerge. I start this section by a discussion on the context within which Sino-Cameroon investment negotiations took place during the period under investigation. In doing so, I focus on the actors and on their perception of each other, the nature of their interaction and their communication patterns. Then after highlighting



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the context of investment negotiations between the two countries, I address questions related to the processes that have preceded the signature of investment agreements. Questions relating to the process focus on the main steps through which the parties arrived to the signature of investment agreements. Although I do not discuss the many details of the negotiation process over the signature of a particular agreement, I highlight the general trajectory through which bilateral agreements between the two countries were signed.

### **7.2.1 Sino-Cameroon Investment Negotiations Context**

In this section, I discuss the context within which investment negotiations take place between China and Cameroon.

In this section, I discuss the context within which China-Cameroon investment negotiations have taken place in the period of time under investigation. In analyzing the context here I pay attention to perceptions within the interaction. Perception here is not only related to how the Cameroonian government perceived its Chinese counterpart and vice-versa, but it is also related to the GOC's perception of gains. Moreover, I also look into the nature of their interaction, whether they attempted to jointly solve a common problem by increasing the size of the cake to be shared in order to ensure mutually beneficial outcomes or whether their interaction was mainly strategic (characterized by the use of methods and techniques that aim at maximizing one's gain at the expense of the other). I also pay attention to communication patterns as well as how information was acquired and transmitted.

#### **Time, Perceptions and Actors**

The time element was an important contextual factor in Cameroon's negotiations with China during the 2007-2016 period. Cameroon's negotiators were mainly interested in getting as many projects financed as they possibly could in a relatively short period of time. They sought after capital which gave Chinese negotiators an additional edge. Because of the time pressure and the precipitation that characterized their approach to negotiations, they never took the time to understand what was at stake before each negotiations. They focus on what they wanted and how to get what they wanted with little consideration being given to the value of what the Chinese was getting from the interaction. One indicator of this time argument is the number of poorly executed projects proposals that did not make it further than the inter-ministerial meeting table or that were rejected during China-Cameroon mixed commission meetings. Another illustration of the time pressure is seen in situations that have been observed within which loans were engaged, interests had started to be paid on loans that were not yet disbursed because of poorly executed feasibility studies on projects that were not ready to be executed.

The second important contextual element is perception. In negotiations, perception considerably influences behavior because people reactions are often based on their subjective perception of reality regarding a situation, an object or a person (Jagodzinska 2016).

Within China-Cameroon investment cooperation and negotiations in the 2007-2016 period, there was a perception of mutual need that existed between the two partners. The idea of mutual need here is related to the fact that investment negotiations between China and Cameroon occurred in a context within which both parties were aware of their need of the other for the realization of their respective objectives.

China's main interests in Cameroon were mainly connected to the exploitation of natural resource and the use of Cameroon's market for China's excessive domestic production. However,

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beyond natural resources and market, China also saw Cameroon's geo-strategic position as a essential asset in its ambitions in Africa.

Cameroon on the other hand needed China's capital. The Chinese investment model offered to the GOC an opportunity to get the capital needed to finance its development objectives without strings attached. The Chinese model also gave the opportunity to the GOC to channel investment to sectors of interest.

Furthermore, the Chinese model also allowed capital also made capital quickly available allowing very few limitations on time gaps between investments. Cameroonian policy-makers also claimed to be interested in China's expertise and technology however, as it will be shown in the next sections, the model of Cameroon's investment interaction with China left very little room for technology transfer from China to Cameroon.

Apart from the knowledge that China was interested in Cameroon's natural resources, Cameroonian negotiators of gain within Sino-Cameroon investment cooperation was quite peculiar. To the GOC, gain was not calculated in terms of the value of what China was getting in relation to what the GOC demanded. Gain meant that they simply got what they were demanding from China. The idea of win-win relation was focused on receiving what they asked, not on how the investment performed or the positive impact it had on the country's economy. The focus was centered on the physical manifestation of the project that was asked to be financed regardless of what China was getting away with. Interestingly, no attempts were made to understand whether the deliverable from China matched the demands. The perception of winning and gain from the Cameroonian side was not very coherent with reality and the normative idea of a beneficial agreement. It was based on the gratification of specific demands. Although the GOC had no clear idea of the precise value of what China was getting from the encounter, Cameroon's state officials were aware of the value of the country in China's strategic calculations.

This *laissez-faire* approach of the GOC toward China was not the result of lack of resources necessary to conduct due diligence work in order to assess the value of what the country had to offer. It was also not due to lack of resources to conduct post-implementation quality control on the infrastructures that were delivered in order to ascertain that what was asked for, in terms of quality, was what was delivered. Interviews with state's officials revealed that this approach was mainly the outcome of a lack of will by Cameroonian negotiators and their desire to get projects approved and financed as quickly as possible.

The Chinese negotiators and the firms implementing the deals perceived Cameroon as what can be translated in French as a "Zone de non-droit". Meaning that to them Cameroon was perceived, due to structure of its political configuration (very limited accountability, low degree of transparency in the state dealings and limited to no constraints on those who make decisions) and the rampant corruption in the country (Cabestan 2015) as a country within which any rule and law could be bent or broken.

This perception led to the idea that everything was possible and that Cameroon was a fertile land where confidential information could be obtained using approaches that were not always ethical. It also led to the perception, and perhaps the understanding by Chinese negotiators that Cameroonian officials had more room and incentive to make concessions without fearing retaliation.

Regarding the perceptions of Cameroon's power and of the ability of Cameroonian officials to get what they wanted from the negotiations with China. Cameroonian officials interviewed all argued that they did in-fact had what it took in terms of power and resources to negotiate beneficial deals with China and to ensure that the country's interests were well represented within the deals that were signed. They also revealed that they were free to walk away from any agreements that did not reflect their preferences.

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This perception of power rested on the knowledge that Cameroon was in possession of resources that were specific to the context and that were either needed by China or weakened China's position. Such resources included for instance the presence of other sources of capital (such as the African Development Bank, the Islamic Bank of Development, the European Commission and to a certain extent the World Bank), although some were less flexible alternatives to China's investments, China's interest in the country's natural resources and raw material (Khan and Baye 2008) and its geo-strategic position (Scobell et al. 2018), and China's need to compete with existing economic partners such as France, The Netherlands, Spain, Italy, and to a certain extent the USA and Japan (Kilama 2016; Humphrey and Michaelowa 2019).

## Mutual Need and Strategic Interaction

Because of the mutual need aspect of China-Africa investment cooperation in general. The compatibility of interests between Cameroon and China provided the China-Cameroon investment negotiation with integrative bargaining potential. This is because although both countries interests were different they were not in opposition. What one party wanted from the relationship was exactly what the other party had to offer. This type of context presented an environment within which each party could attain its objectives because the objectives of one party were not in fundamental conflict with those of the other (Weber et al. 2001). This means that the gain of one party would not be translated into the loss of the other. However, despite a context that was clearly favorable mutually beneficial outcomes and that favored problem-solving interactions between the two partners, China-Cameroon investment negotiations showed elements of bargaining with distributive and competitive characteristics.

Surprisingly, China-Cameroon investment cooperation in the 2007 - 2016 period proved to be quite strategic in nature. And as it is the case for every strategic encounter, the parties most watch out for their interests even though that means the outcome will be detrimental to the other (Zartman and Rubin 2002; Zartman 2007; Zartman 1994).

In general, both parties had different priorities and objectives. Therefore both parties went after what they wanted using different bargaining tactics. Tactics and strategies were used, especially by China that were more focused on increasing the gains of one side while trying to systematically reduce those of the other. On the one hand, Cameroonian negotiators relied on much yielding and accommodation with regard to elements in deals that were considered less valuable to their interests and preferences while refusing to compromise on what they considered to be necessary. China on the other hand, used a mix of what Pruitt (1983) referred to as competition and yielding. The yielding aspect of the Chinese technique ensured that the Cameroonian side got what it wanted to an extent that would not threaten the realization of an agreement while competition was used to considerably increase China's gains from deals and reduce the positive externalities that could have been associated with the investments.

Many studies have argued that China's economic resources and its position in the international system allow the country to pressure African governments into signing unfavorable agreements (Khan and Baye 2008; M. Brown and P. Singh 2018). However, interviews with Cameroon's state officials revealed that governments have actually had more room to maneuver than they have been given credit for. In most cases they have been able to shape and influence - for good or ill - the trajectory and the nature of China's investment within their countries through the objectives they pursued and the choices they made within Sino-African investment negotiations.

It is this possibility to negotiate and the freedom to choose where the money goes that the Chinese model offers that appeared to be the most appealing to most African governments (X.

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Wang and Ozanne 2000).

Despite the opportunities that the Chinese model offers, it comes with a price. The freedom it gives can be used by host governments in the service of private political interests at the expense of the general good of their citizens.

Although the absence of conditions attached to loans means that the opportunities to positively affect host countries development through investment are greater, the motives and interests of host governments as well the degree of political constraints they face in their ability to sign specific investment agreements become central in determining the nature of the deals and their potential for impact.

This suggest that the window of opportunities provided by the Chinese model may lead to more problems if those who make decisions are not held accountable and their decisions are left unchecked.

## Information and Communication Patterns

Communication in Sino-Cameroonian investment cooperation in the 2007-2016 period were characterized by one-sided information transfers from Cameroon to China. Chinese negotiators, used all ways available to get the information they needed regarding what the Cameroonian side wanted, needed, in whose hands was the power and the authority to make specific decisions. The GOC on the other hand had very little precised information on China's needs even less in the value of China's gains in investment negotiations with Cameroon. This one-sided communication patters was not at all the result of a lack of resources in the Cameroonian side but rather an unwillingness to engage in the time and resources-consuming but yet so crucial activity that is information seeking.

Scholars analysing international negotiations have shown that the available information is crucial in monitoring of the negotiations by each each partyAvenhaus and Zartman 2007. An efficient negotiation needs information on the situation, the context, what is at stake and the other party's needs, means of action, personality and values Avenhaus and Zartman 2007.

Not only the Cameroonian side was not interested in what China got in terms of the value of its gain, but also no attempts were made to estimate the real value and quality of China-financed projects.

One key informant reported that what Cameroonian negotiators were interested in was whether they got what they asked for not what China got. "If we asked for a table" he said, "and we got the table then it was a win-win transaction. We got what we asked for and China got what it wanted". It is clear that Cameroonian negotiators had little incentives to engage in information seeking activities although the gathered information could have had the effect of strengthening their bargaining position.

Attempting to get all the necessary information demand time and resources, it slows down the negotiation process and would therefore delays funding. Without the weight of political accountability and the in the absence of checks-and-balance mechanisms capable of constraining the executive's use of power, decision-makers had no incentives to bridge the information gap in order to increase the size of their investment cake far beyond their own personal preferences. It was possible to get what they wanted in a shorter period of time without needing additional information.

Actually considering the speed with which they wanted projects to be financed, information seeking would have been counterproductive. While seeking more information is aimed at equipping the negotiators with the tools they need to bargain harder and thus increasing the chances that they get what they are after, it can delay the signature of an agreement leading to longer periods

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of negotiations.

Seeking additional information, whether in preparation to negotiations or post-implementation (quality control) was not favored by the GOC as it would have delayed the gratification of a signed agreement. It would have also had an effect on the number of investment projects that would have been financed by China in that period of time which would have been contradictory to the interests of Cameroonian politicians. The self-impose time pressure of Cameroonian officials did not only have an effect information seeking, it also created an environment that facilitated the making of concessions. Studies have shown that, under time pressure, negotiators set lower minimal goals and make larger and more frequent concessions (Pruitt and D. F. Johnson 1970). Time not only influences concessions-making, the goals and the demands but also leads to situations that are conducive to settlement (Avenhaus and Zartman 2007).

Having discussed few important element that characterized the context within which China's investment negotiations with Cameroon took place in 2007 - 2016 period, in the next section, I discuss the processes through which deals and agreements were signed.

## **7.2.2 China-Cameroon Negotiations Processes: State Monopoly and Incoherence**

As discussed above, every two years, a joint committee meeting took place in Beijing that brought together government officials from both China and Cameroon. The projects that are negotiated during these joint-committee sessions are those listed in the priorities and objectives prepared by the GOC during the ministerial session that takes place before every joint committee meeting. It is during these sessions that the majority<sup>6</sup> of investment projects of the following two years were discussed.

In total there have been five joint committee meetings in the 2007-2016 period <sup>7</sup>. During these meeting the GOC is represented by a delegation of ministers (including the Ministry of Economy and Territorial planning (MINEPAT), the Ministry of Finance (MINEFI), the Ministry of Industries (MINI)) headed by the minister of foreign affairs. These were usually the actors on the Cameroonian side who sat at the table of negotiation with China.

On the Cameroonian side, the foreign minister ensured the coordination of discussion within the Cameroonian team. Upon arrival of the Cameroonian delegation to China, the head of the Cameroonian delegation - the foreign affairs minister - would hand over all the prepared projects proposals (including feasibility studies and cost estimations of the projects) to the Chinese delegation headed by China's foreign affairs minister. All the projects included in the package were discussed however not all of them were financed in the specific session in which they were presented. Some projects have been excluded at this point because proposals did not seem complete or because the total amount demanded by the Cameroonian side to finance all the projects proposed China's investment budget.

As important as these meetings were, they were only the first stage of Sino-Cameroon investment negotiations. Discussions regarding the state of China's investment in Cameroon in the past two years were held. The projects that were to be financed in the following two years were selected and initial discussions on these projects were engaged. More detailed and specific negotiations

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<sup>6</sup>I say majority because as I will discuss later on, some projects that have been negotiated outside of the normal approach although the China - Cameroon joint-committee meetings remained the main table for Sino-Cameroon investment negotiations

<sup>7</sup>2007, 2009, 2011, 2013, 2015

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on the elements of the loans, financing conditions and the project-related requirements from both sides were further discussed later in the process.

After this preliminary meeting, the Chinese side would schedule its own internal governmental meeting while the Cameroonian delegation returned to Cameroon to wait for the Chinese government response. Once the Chinese government had reached its own agreement, an answer in the form of an agreement-in-principle was sent to the GOC via its foreign affairs ministry. As soon as the response from China was received, the second phase of negotiations was initiated.

In this second phase, technicians from China's state-owned companies were sent to Cameroon to conduct a second feasibility study<sup>8</sup> of the projects that had been selected. Once the feasibility study were completed, a financing agreement was then be prepared by the EximBank of China. This agreement included details related to how much China was willing to invest in each project, Cameroon share in the investment, more specific the terms of the loan and China's preferences regarding project's implementations.

Once this financing draft was completed, it was submitted to the GOC. Upon reception of the draft, the relevant ministries (Those that were present during the first meeting in Beijing) in addition to the Cameroon Debt Amortisation Fund came together again to discuss China's proposal while simultaneously continuing negotiations on the loan's terms and preferences with the Chinese side with the goal to find a middle ground and sign mutually beneficial deals.

The absence of checks and balances mechanisms, the centralization of power in the hand of the executive branch of the government and the absence of an independent overseeing body to coordinate and ensured that the behaviors of officials reflected the priorities and interests of the nations as a whole often led to the country's two key ministries to pursue somehow opposing interests in negotiations with China.

In a few occasions, it was the case that the Cameroonian Ministry of Economy and Territorial Planing (MINEPAT) and the ministry of finance (MINEFI) had different preferences during negotiations with China. The ministry of economy and territorial planing was endowed with the responsibility to seek investment to finance the state's projects and thus often did not take into account the country's indebtedness in its calculations. The ministry of finance (MINEFI) on the other hand had the responsibility to keep the country's level of debt under control which was specially important considering the IMF watch of the performance of the country's economy.<sup>9</sup> Between 2012-2016, the IMF often warned and advised the Cameroonian government to keep Cameroon's

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<sup>8</sup>The first feasibility study has already been done by the Cameroonian side and presented in the proposal at the joint committee meeting in Beijing

<sup>9</sup>From the mid-1980s to the late 1990s, Cameroon went through an economic crisis that resulted in rising prices in Cameroon, trade deficits and massive loss of government revenue. Cameroon's trade partners, particularly France, Germany and the United States offered to help the country under the condition the the government would follow strict cost cutting suggestions led out by the International Monetary Fund (IMF). Their proposal was at first rejected by the president Paul Biya who at the time preferred to follow his own plan that consisted in the reduction of civil servants subsidised electricity, housing, and telephones, the forcing of older civil servants into retirements, and the closure of the country's economic missions in foreign embassies as well as the privatisation of state and parastatal enterprises. The 1987-1988 budget fir instance reduced government's spending by 18 percent. The measures met with international approval. However, by October 1988, it became obvious that they will not be able to raise the country out of the crisis as the intended effect was less than had been hoped. It is only then that the president Paul Biya agreed to an IMF package worth USD 150 million and accepted the structural adjustment program (SAP) loan from the World Bank(M. D. DeLancey, M. W. DeLancey, and Mbuh 2019).Although the structural adjustment program was extended till 2006, The country's economy has remained under close watch by International Financial Institutions.

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debt under control and to limit the frequency of loans contracted from China<sup>10</sup>. According to the official interviewed, the IMF intervention, was mainly in the form of advises to the Cameroonian government to refrain from contracting new loans from China and to focus on the payment of those already contracted. Cameroon's ministry of finance was therefore taxed with the mission to try to keep Cameroon's indebtedness toward China manageable whereas the country's ministry of economy and territorial planing was given the authority to seek capital to finance the state-led development strategy. Their opposing interests therefore had to be reconciled by the foreign affairs minister who acted as coordinator of the Cameroonian team in bilateral investment negotiations with China.

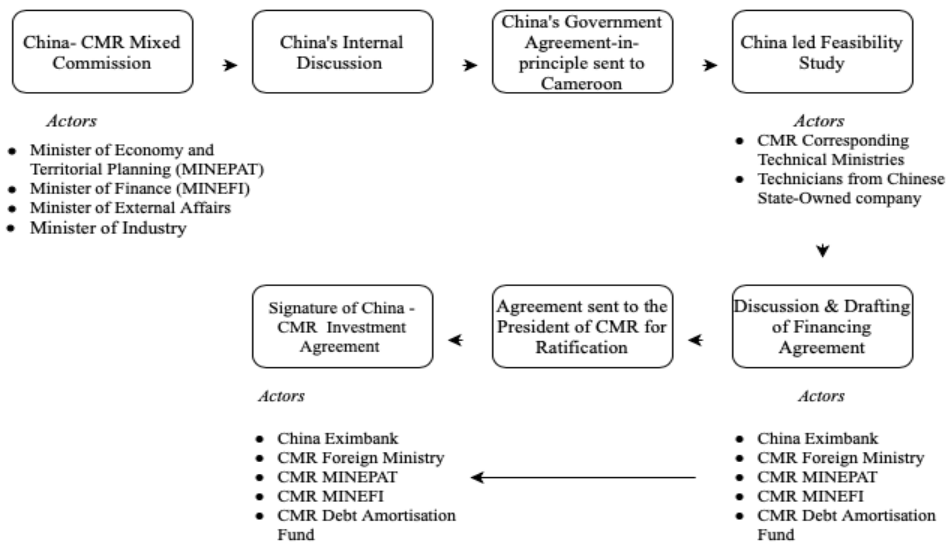
One of these moments of diverging interests between the two ministries happened in 2009 and 2011 when the Chinese counterpart demanded tax exemption on materials imported from China for China-financed investment projects. The Ministry of economy and territorial planing, considered that the demand could be granted. However, this idea was met by the opposition of the ministry of ministry of finance who specified that since China's investments were loans that were to be reimbursed as opposed to grant, tax exemption was not acceptable also considering that most of these loans were already tied to the exploitation by China of Cameroon's natural resources. The two ministries opposing preferences not only regarding the frequency with which the loans were contracted but also the conditions that characterized these loans further made the coordinating role of the foreign affairs ministry necessary.

Once an agreement between these key ministries about what was acceptable and what was not, and a common ground had been found with China, the final draft agreement was sent to the president of the republic for ratification. As soon as the president's approval had been received, the GOC was then able to give its okay to China and a China - Cameroon bilateral investment agreement was signed and a way was made to prepare and start the implementation phase. These were the main steps (As also illustrated by the chart below) of China's bilateral investment negotiations with Cameroon. In general, this process was quite straightforward and repetitive. A process that was characterized by the centralisation of decision-making authority in the hands of few individuals within the executive, the absence of an independent and overseeing body with ratification powers and by a very low degree of transparency.

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<sup>10</sup>This information was obtained during an interview with an official from Cameroon's National Investment Corporation (SNI). Founded in 1964, Cameroon's SNI has the mission to mobilize and channel national savings and all other financial resources towards the financing of economic and social investment operations in the industrial, agricultural, commercial and financial sectors, as well as in the services and hotel sub-sectors. The interview was conducted during my fieldwork in Cameroon on July 21st 2018.

#### China- Cameroon Phase 2 : Bilateral Negotiation



Source: Author's configuration based on data collected during interviews

Apart from this main trajectory, there have been instances where a specific technical ministry (i.e Energy, transport or sport etc.) expressed the need to see a project financed by China before the inter-ministerial meeting was to take place. In these cases the procedure was a bit different in the sense that, after receiving the request, the MINEPAT would send the request directly to the Chinese counterpart after it had received the prime minister's approval. In these cases, the ministry of foreign affairs was only sent an informative note stating that a request for investment had been sent to the Chinese government. Once the financing approval had been granted by the Chinese government, a letter was sent to the Cameroonian ministry of foreign affairs stating the the request was granted and highlighting the general elements of the investment.

The ministry of foreign affairs would then transmit this letter to the president. The president would then issue a note give authority to the Ministry of Economy and Territorial Planning to sign a bilateral investment agreement with China. Once this was done, the Chinese side would then conduct a feasibility study and engage negotiations on the specifics of the loan and the implementation with the Cameroonian side.

On the Cameroonian side, negotiations in this case involved the Cameroonian Ministry of Economy and Territorial Planing whereas the Chinese team included directors from the Eximbank, the Chinese foreign ministry and Ministry of economy. It was always the case that a delegation from the Ministry of Economy and Territorial Planing headed by the minister would travel to China to engage in discussions with the Chinese counterpart.

In most cases, Cameroonian negotiators returned with a draft agreement for the financing of the proposed projects. Although in 2015, during one of those meetings, the Cameroonian delegation walked away from negotiations without an agreement because Cameroon's negotiators as a result of the Cameroonian delegation's rejection of China's conditions. According to the Cameroonian official interviewed, Cameroonian negotiators were later followed to Cameroon by Chinese negotiators who then accepted the demands made by the Cameroonian side<sup>11</sup>. Once a draft agreement stating the negotiated terms was prepared, the ministry of economy and territorial

<sup>11</sup>This information was obtained in an interview with an official from the Ministry of Economy and Territorial Planning who participated in negotiations with China. The interview took place in Cameroon on July 17, 2018



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planning would then send it to the president for ratification. In case the president was satisfied, he gave his approval and issue a declaration authorizing the Ministry of economy and territorial planning to sign the agreement. About twelve out of all Chinese investment during the 2007-2016 period were signed through this procedure.

The two approaches mentioned above were the main roads to Chinese investment in Cameroon in the 2007 - 2016 period. However, another procedure involving Chinese private firm has been identified during that period. In this case, Chinese firms, mostly private would identify infrastructure needs in the country. Once this is done, they would then approach corresponding ministries based on the infrastructure. Once they had been in contact with a specific minister, they would then agree on the financing aspect of the project. Needless to say that this process not only lack transparency but is also characterized by a considerably high level of corruption with projects that in most cases were not implemented which increased the country's debts. Once agreement has been reached between the Cameroonian ministry and the Chinese private firm. the firm would then go on to propose to seek capitals for the realization of the project from the Chinese governments on behalf of the GOC.

The procedure was the following. The Chinese firm approaches a Cameroonian ministry with a project to be financed, the firm discusses with the minister to receive its approval to directly make an investment request to the Chinese government via the Eximbank on behalf of the GOC. The firm would then approach the Eximbank of China stating to be backed by the Cameroonian government. The bank has a specific fund that is destined to encourage Chinese private companies to invest in Africa. Once Eximbank had approved the financing, the money is given to the Chinese firm that is responsible for the implementation of the agreement. Except often, once this money is received by the firm, it was rarely invested in what is was aimed at in the first place. The firm would often use the money elsewhere on its own investment. Such failures have happened on two occasions during the 2007-2016 period and only one project in the same period have been financed through this procedure. Chinese private firms have used this method to increase their visibility and positioning in the Eximbank and to receive capital from the bank that they would not have otherwise received.

Having discussed the processes through which China-Cameroon investment agreements are signed, in the next section, I discuss the elements related to the context within which investment negotiations between China and Cameroon occurred. This is important because it increases our understanding of the behaviours of those involved, the objectives that are pursued, and of the choices that have been made within specific contexts.

## 7.3 The Choices

In this part of the chapter, the choices made by the GOC in investment negotiations with China between 2007-2016 are discussed. More specifically, I discuss three specific aspects of those choices including the patterns of investment during the period under investigation and the nature of choices (deals) made by the Cameroonian government in investment negotiations with China in the 2007-2016 period. As already discussed in the previous chapters, I use investment projects as proxy for the decisions made by the GOC in negotiations during the period under investigation.

However, although the aspect related to the use of projects as proxy for investment choices have been discussed in previous chapters<sup>12</sup> I find it necessary to further highlight, in this part, some aspects of the methodology associated with the use of projects as proxy for choices.

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<sup>12</sup>More specific discussion of the subject is made in the Chapter III of the project

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Equating investment projects to choices made by the Cameroonian government have important implications. This requires an understanding of what the GOC wanted in the first place and of what happens behind close doors during negotiations. It also required the confidence that all the relevant aspects of the projects have been freely agreed on by the GOC as well as the confidence that implemented projects reflect the content of signed agreements.

The prior assessment of the objectives pursued by the GOC in Sino-Cameroon investment cooperation, the assessment of the content of investment agreements and interviews with Cameroonian decision-makers who have been involved in negotiations with China in the period under investigation have been able to provide precise information related to the issues mentioned above.

Interviews with stakeholders were essential as they provided valuable information on what went on in negotiations rooms. More specifically, they revealed the content of discussions and the dynamics within negotiations. They have been able to shed light on aspects of agreements that were agreed upon but that do not appear in formal agreements. They provided me with inside information related to the processes through which the deals were signed but they also yielded important information on the behaviour of negotiators and on their preferences associated to specific aspects of signed agreements.

Therefore, I am confident that, although it was not possible to access many of the physical agreements and that some of the agreements made no mention of some important issues, the information gathered through these interviews provided enough reliable evidence on the nature and characteristics of the decisions that were made by the Cameroonian government as well as the context within which these decisions were made.

In order to be able to assess the choices made by the GOC, an inventory of all bilateral investment projects/deals signed between China and Cameroon between 2007 and 2016 was produced. Considering the lack of clarity and transparency that often surrounds China's investment dealings with many African nations, attempts to finding consistent and reliable information on projects can be daunting. This is why I used triangulation to collect project-related information. I mainly relied on documents and reports (news feeds, presidential decrees, etc.) on projects provided by key ministries in Cameroon and on data on Chinese-financed projects in Cameroon published by the Chinese Ministry of Commerce, the Chinese Embassy in Cameroon, the Cameroonian Embassy in China, the Chinese Ministry of foreign Affairs, the Cameroonian Debt Amortization Fund as well as the data published by the United Nations Conference on Trade and Development and the Forum for China and Africa Cooperation(FOCAC). I also relied on the use of existing data-base on China's investment in Cameroon (Strange et al. 2017) to compare the information on similar projects and to fill some of the remaining minor information gaps.

Having addressed the requirements that come with using Sino-Cameroon investment projects as proxy for decisions, I now turn to the analysis of these decisions. The next sections of this part of the chapter focus on the patterns of investment choices by looking into their distribution by sector, the size of deals and their financing model. The next sections also address the nature of deals by assessing their compatibility with stated national objectives and their development potential.

### **7.3.1 Patterns of Investment Decisions**

#### **Distribution by Sector: A Focus on Greenfield Infrastructure Financing**

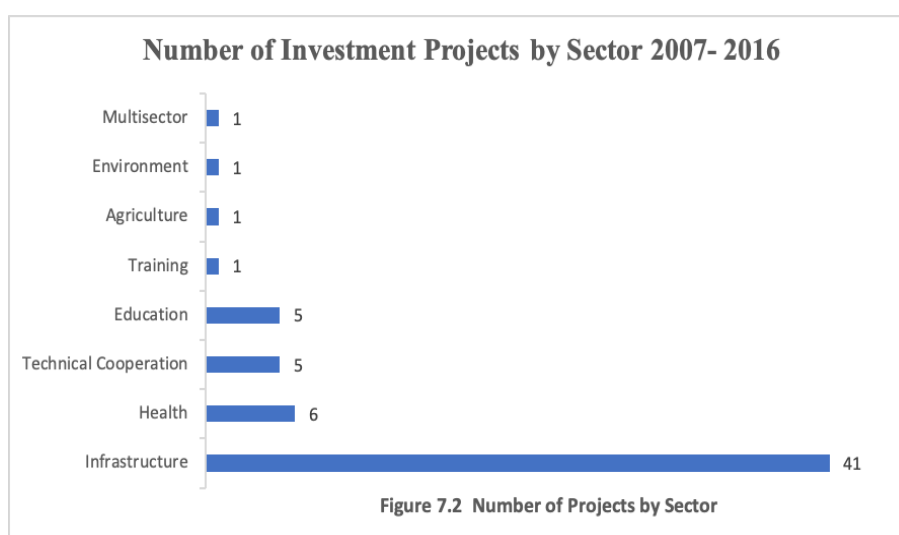
The collected data on project shows that during the period between 2007 and 2016, the Government of Cameroon mainly favored investment in greenfield infrastructure projects.

During the ten-year period, China has invested a total amount of about USD 9.009,72 billion

in Cameroon. Investments were mainly made through loans (often concessional), grants and free-standing technical assistance<sup>13</sup>.

Although Chinese foreign investment in Cameroon in the 2007-2016 period was relatively high compared to many other countries in Africa, it was heavily concentrated in infrastructure. The biggest chunk of China's investment in Cameroon was directed to greenfield infrastructure projects. There were very few projects on health and technical cooperation and even fewer project on education, training and agriculture. As figure 7.2 and figure 7.3 show, out of the 61 projects financed by China from 2007 to 2016, 41 were infrastructure projects worth USD 8.554 billion.

Although there was only one investment in agriculture during the covered period, agriculture took the second place in term of capital with USD 223 million invested over the ten-year period followed by investments in education (USD 155,15 million ), technical cooperation (USD 46,4 million), health (USD 13,234 million), training (USD 2,39 million) and environment (USD 700 thousand).



Source: Author's configuration based on data collected during interviews

It is not a surprise though that infrastructure financing seemed to have been the focus of China's investment in Cameroon. It is often argued that if China finances so many investment projects in Africa, it is because China among other things favors infrastructure financing (Brautigam 2011). China's favor for infrastructure investment in turn have been attributed to the role played by development of infrastructure in the country's own development(De Cremer, McKern, and McGuire 2019).

<sup>13</sup>The inclusion of Grants in the list of investment is related to the fact that although in nature they were different from loans in the sense that they carried different requirements and their cost did not involve any reimbursement on the Cameroonian part. However, they are still considered investment. They were part of China-investment package in Cameroon and In many cases, they were not completely free as they too were part of China's offer for the exploitation of Cameroon's natural resources. They were also a key instrument, together with investment of China's approach to Africa and part of the economic incentives that China uses to secure the exploitation of natural resources(Kittilaksanawong and Dai 2016)



Source: Author's calculations based on data gathered during data collection<sup>14</sup>

However, this argument only reflects part of the reality. China's financing approach, is in fact more flexible and favorable to infrastructure financing than the approaches used by Africa's traditional partners(De Cremer, McKern, and McGuire 2019; Brautigam 2011).

However, foreign investors, lenders and donors programs are generally affected by the type of government they face(Coolidge and Rose-Ackerman 1999). China is not an exception. China's investments in Africa in the last decades have been designed to adapt to the preferences of host governments(Brautigam 2011). China does not specifically favor infrastructure investments' although it is more willing to invest in infrastructure if this is what a host government requires.

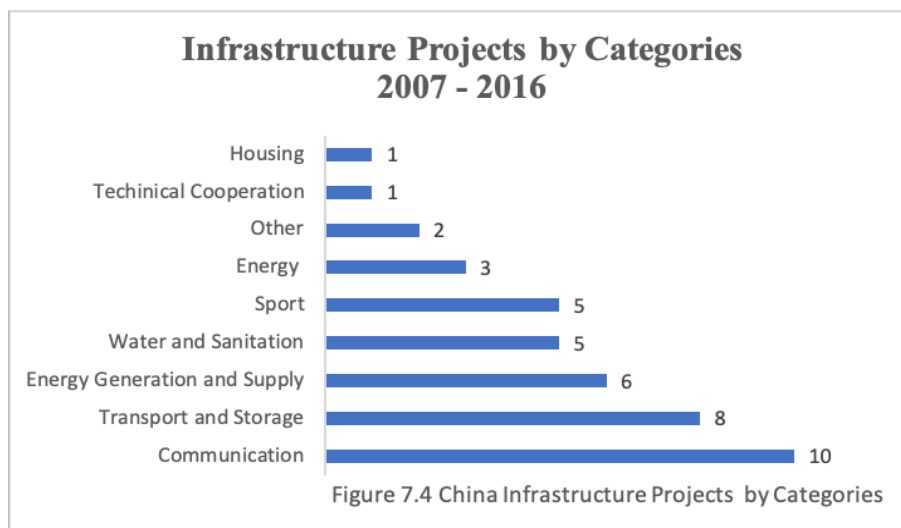
Although the difference between China and other traditional investors and donors is mainly found in a flexible investment approach that adapt investments to host governments' preferences and its willingness to invest in infrastructure, China's investment in Cameroon in the 2007 - 2016 period was mainly<sup>15</sup> channeled by the preferences and objectives of host the governments.

It is this flexibility and the unconditional nature of China's investment that provides host governments with the needed space and opportunity to advance their priorities and objectives and to channeled investments in sectors that are more aligh with their priorities. Therefore, China's investments in Cameroon between 2007 and 2016 have been channeled to address the GOC'S state-defined (state and unstated) development priorities.

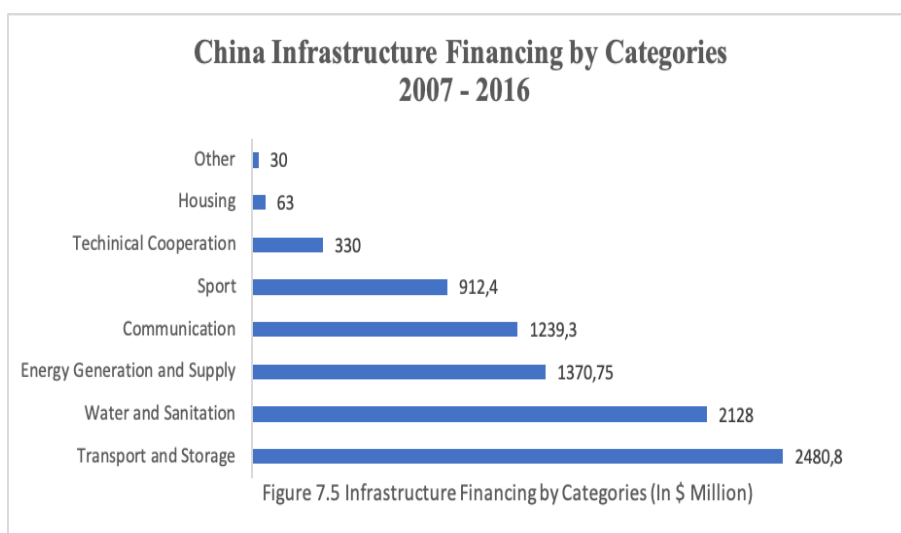
As Figure 7.4 and figure 7.5 show, much of the investment in the sector of infrastructure has been directed towards financing projects in transport and storage (2.480,8 billion), water and sanitation (2,128 billion) energy generation and supply (1.370 billion), communication (1.239,4 billion) sport infrastructure (912,4 million), technical cooperation (330 billion) and low cost housing (63 million).

<sup>14</sup>Details on data collection sources are discussed in the beginning of the chapter and in the research design section of this dissertation

<sup>15</sup>Here I use the term 'mainly' to illustrate the fact that some of the projects that host governments may want to see financed may not be attractive to China because of the low level of return on investment that characterises them. Such projects would usually not be financed by China. Another reason for the use of 'mainly' here is that elements such the poor execution of financing proposals led to some projects being left out. Only a tiny portion of proposals belonged to this category. Therefore this did not have a big effect on the sectorial distribution of Chinese investment in Cameroon during the period under investigation. All the projects that were financed in the period between 2007 to 2016 were those chosen by the host government.



Source: Author's calculations based on data gathered during data collection<sup>16</sup>



Source: Author's calculations based on data gathered during data collection

Moreover, Chinese investment in Cameroon during the ten-year period under investigation tended to favor greenfield infrastructure projects over brownfield projects<sup>17</sup>. only 3 out of the 41 infrastructure projects in that period were brownfield infrastructure projects.

## Size of Projects and Cost Effectiveness

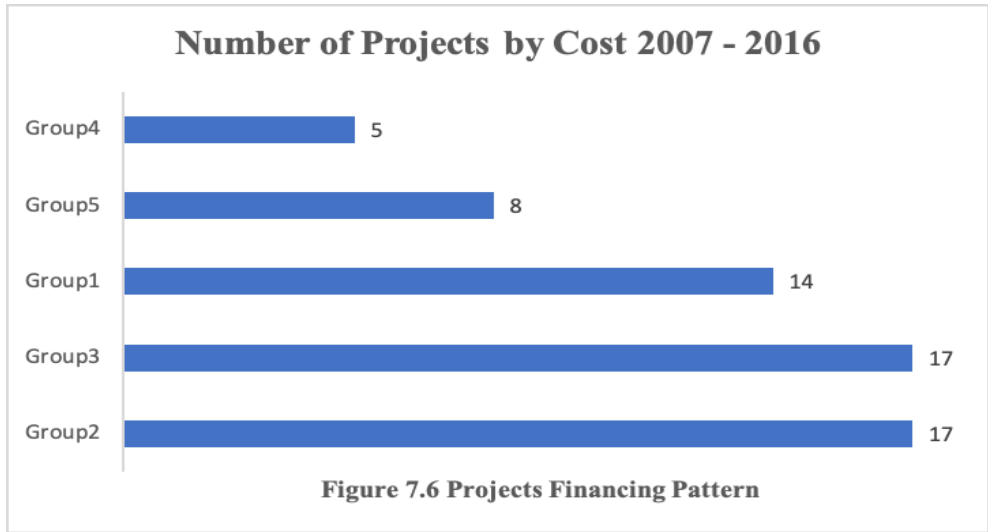
The size of an infrastructure project is estimated by the cost of its execution. Big projects are projects that cost over USD 100 million. Size matters because it has a considerable effect on the amount of resources that have to be mobilize and the time needed for its execution. The bigger the project the more resources and time it will requires to be completed(A. D. Bank 2012). Infrastructure projects are vulnerable to corruption, capture and mismanagement throughout the

<sup>16</sup>Details on data collection sources are discussed in the beginning of the chapter and in the research design section of this dissertation

<sup>17</sup>Greenfield projects are said to involve a project or structure that needs to be designed and constructed, where no infrastructure or building previously existed. Brownfield projects involve an existing asset or structure that requires improvement, repair or expansion.(Allison and Tufts 2015)

infrastructure cycle(Right 2017) Big infrastructure projects have been associated with high degree of corruption(Locatelli et al. 2017).

During the ten-year period under investigation, the Cameroonian government mainly favored big capital-intensive projects. The group 1 is an aggregation of the fourteen projects whose cost was between 300 to 700 million USD (Figure 7.7 Group 1). Eight of the projects financed in the same period had cost that were between USD 100 to 300 million (group 5). Projects belonging to Group 2 and Group 3 are projects whose cost were respectively less than USD 10 million and between 10 to 50 million USD. Moreover, five of the projects financed had cost that were between 50 to 100 million USD (Group 4) USD.



Source: Author's calculations based on data gathered during data collection<sup>18</sup>

### Financing Model and Frequency

In general, there are three types of Chinese presence in Cameroon however only two channels representing two modes by which the Chinese government invest in Cameroon.

Most investments between China and Cameroon are in the form of bilateral agreements. The general entry door of China's investment in the country is the Ministry of Economy and Territorial Planing.

These investment, as discussed above were mainly focused on infrastructure construction through Export-Import Bank of China (EximBank) a state-owned policy bank with the status of an independent legal entity<sup>19</sup>.

Within China-Cameroon bilateral investment loans of the 2007-2016 period, China financed projects to up to 80 percent of the total amount needed while the GOC brought in the remaining 20 percent. The loans usually had an interest rate of 2 percent on an average of fifteen-year time frame. For instance, during the 2015 joint committee, the projects that were financed included the construction of second phase for one of the country's biggest highways (Yaounde-Douala highway), the construction of two football stadiums in the country's two major cities (Yaounde and Douala)

<sup>18</sup>Details on data collection sources are discussed in the introduction part of this chapter and in the research design section

<sup>19</sup>The bank directly under the leadership of the State Council and dedicated to supporting China's foreign trade, investment and international economic cooperation. With the Chinese government's credit support, the Bank plays a crucial role in promoting steady economic growth and structural adjustment, supporting foreign trade, and implementing the "going global" strategy

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as well as the project of iron exploitation. The deal on the construction of the second phase of the Douala-Yaounde highway in 2015 was a loan of USD 450 million on a 2 percent interest rate on a twenty-year time frame. The loan had a deferred amortization of seven years, a management fee of 0,3 percent of the total amount of the loan and a yearly commitment fee of 0,3 percent of the loan committed but not scaled.

The bank is pivotal in China's economic relations with Africa. It is actively involved in the promotion, the design and the implementation of China's economic policy in Africa which includes an active involvement in the organization, agenda and tenure of all FOCAC meetings<sup>20</sup>.

The second channel is also quite grounded in the activities of the Eximbank. In its promotion of China's investment abroad, the Eximbank has set to fund specially destined to encourage Chinese companies to invest in Africa. It provides investment loans to company that qualify for them to support their investment in Africa.

Chinese companies can thus apply for funding in order to receive the need capital to invest in specific African countries. In the Cameroonian case, after putting into place a investment plan for a project that needs financing in Cameroon after gathering information on the project through various ways various ways, including backdoor interactions with representative of some ministries and getting through them the government engagement stating the need for capital for the project and ensuring its financing participation. They then approached the Eximbank with a proposal. Once the proposal was accepted and the bank had agreed to finance 80 percent of the proposed cost of the project, Chinese companies would then approach specific technical ministries with the project proposal and the Eximbank financing agreement.

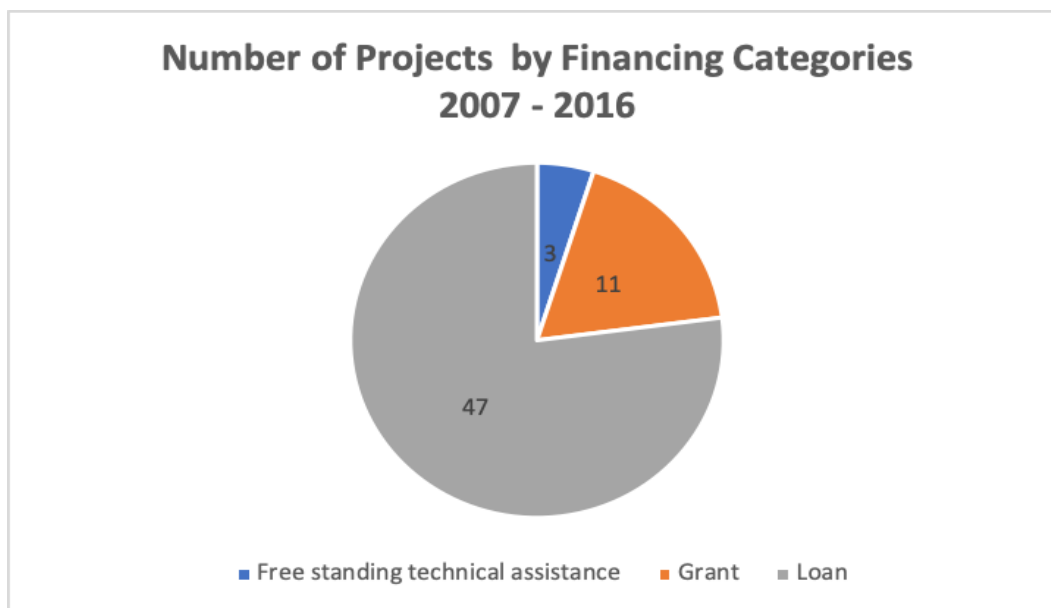
However, the data collected shows that only two investment loans of the 2007-2016 period were successfully financed through this channel. This approach was generally not favored by the GOC due to its higher risk of failure and the tendency for some Chinese private companies to use investing in Cameroon as an excuse to increase their visibility and access Eximbank's loans. There have been cases in which firms would apply for an Eximbank loan with a proposal to invest in industry or to finance an infrastructure project in Cameroon. However, once the funds had been delivered, they were directed to finance the firms' activities elsewhere.

The data collected also shows that of the 47 identified investment loans, 36 of them were directly financed by the eximbank, 6 by China Development Bank (CDB), five were obtained through investments by state-owned enterprises who are also contractors on various bilateral investment projects<sup>21</sup>, 7 directly through the Chinese President bilateral agreements the Cameroonian president and the rest through different state agencies including one from the Chinese Ministry of Commerce (MOFCOM), one from the Chinese Embassy in Cameroon, one from the Bank of China (BOC), one from the Industrial and Commercial Bank of China (ICBC).

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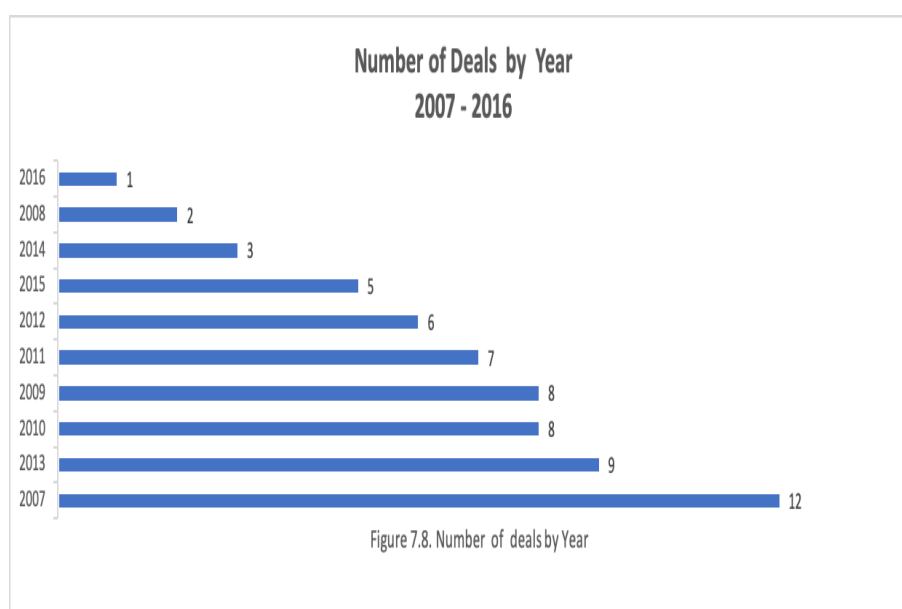
<sup>20</sup><http://english.eximbank.gov.cn/News/>

<sup>21</sup>China Machinery and Equipment (2), Synodro Corporation (1), Gansu Geo-Engineering (1) and Shanxi Construction Engineering (1)



Source: Author's calculations based on data gathered during data collection<sup>22</sup>

When it comes to the financing frequency, the data shows that the time frame between agreements was relatively short. From 2007 to 2016, China invested on a total of 61 projects in Cameroon through about 53 agreements<sup>23</sup>. During the ten-year period, an average of four bilateral agreements have been signed per years for about five projects financed per year. 2007 was the most intensive with twelve agreements signed and a total of twelve projects financed between China and the Cameroonian government.



Source: Author's calculations based on information gathered during data collection<sup>24</sup>

<sup>22</sup>Details on data collection sources are discussed in the introductory part of this chapter and in the research design section

<sup>23</sup>Few agreements combine two to three projects

<sup>24</sup>Details on data collection sources are discussed in the introductory part of this chapter and in the research design section



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Moreover, the projects financed were not cost-effective. A review from the World Bank of five large-scale projects financed by China since 2010 showed that the cost of these projects were two to six times higher than the cost of similar projects in countries with similar level of development<sup>25</sup>.

According to the IMF, Cameroon external debt in 2007 was about 2.157 billion USD. It quickly rose to 6.237 Billion USD in 2016 which represented a little more than 20 percent of the country's GDP.

Cameroon's external debt was in the form of undisturbed loans of which the largest share (about 36 percent) was owed to China which according to the IMF is larger than the share of all multilateral institutions such as the World Bank, the Islamic Development Bank and the African Development Bank combined (About 34 percent).

Since 2000, Cameroon has borrowed about 5.561 billion USD from China<sup>26</sup>.

Cameroon's National Public Debt Committee (CNDP) that is chaired by the ministry of finance has started reviewing externally- financed projects proposals and rejecting proposals that do not have any direct connection with the state-defined development objectives and priorities.

However, despite such regulating attempts and few debt forgiveness by China<sup>27</sup> from 2007 to 2016, Cameroon's external debt stock toward China has continued to increase, loans from China have continued to be contracted in a high pace with Cameroon public enterprises sometimes directly seeking financing from China. According to the IMF, This level of indebtedness has contributed in increasing the country's risk of external debt distress especially in the context of frequent financing of large projects from China.

After assessing the pattern of China's investment in Cameroon in the 2007-2016 period, I now turn to the discussion related to the nature of the choices (Deals/projects) that were made.

### 7.3.2 Nature of Deals

In this section of the chapter, I look into the nature of the deals (Choices/projects) made by the Cameroonian government in Sino-Cameroonian investment cooperation during the period under investigation. Here close attention is being paid to two essential aspects of these deals including their compatibility with stated national objectives and their development potential. With the acquired knowledge that China-Cameroon investment cooperation in the 2007-2016 period was focused on infrastructure financing, the following discussion will be mainly centered around infrastructure investment.

#### Deals' Compatibility with Stated National Objectives

According to the national objectives as formulated by the president of the republic in 2007, Cameroon was to attain a level of industrialized country in 2035. Following this formulation, a first ten-year plan was developed as the first step implementation of these objectives. Analysis of the policy document and of interviews with decision-makers revealed the ten-year plan's priorities and pillars as well as how they fit into Sino-Cameroonian investment cooperation.

These priorities included increasing the stock of infrastructure, increase in productivity, the generation of quality employment and the upgrade of human capital through a focus in education and training.

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<sup>25</sup><https://documents.worldbank.org/en/publication/documents-reports/>

<sup>26</sup>5.034 billion USD from Eximbank, 2 Million USD from China Development Bank, 2 Million USD in the form of supplier's credits and 523 million USD from other sources(CARI 2020)

<sup>27</sup>32 million USD in 2007 and 30 million USD in 2010

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These priorities were to be, and according to the state officials interviewed they were, at the center of every government's domestic and foreign policy action. Therefore, there were also expected to be at the center of Cameroon's bilateral investment negotiations with China.

As shown in the first section of this chapter, the GOC (Government of Cameroon) had clearly defined objectives and priorities that were taken to the table of negotiation with China. According to some officials interviewed, these objectives were tailored to match the country's development priorities as defined by the President of the republic.

Knowing what those development priorities were. And taking into consideration state's officials argument that these priorities were at the center of the government's investment cooperation with China. The question that prompts attention here and that this section attempts to answer is whether the choices made by the GOC in Sino-Cameroon investment cooperation in the 2007-2016 period were a reflection of the defined and stated priorities and objectives. The answer to the question can easily be summarized to a 'yes' and 'no'.

Yes because, the assessment of the different agreements that have been signed and the projects that have been financed reflect the importance given to infrastructure financing considering that increase in the stock of infrastructure was stated as one of the main priorities of the state's development strategy.

However, and this is where the 'no' comes in. Even though a large number of Chinese investment in Cameroon are concentrated in the Infrastructure sector. This reflects the importance given to infrastructure financing as one of the state's development priorities. However, the skewed distribution of investment projects by sectors that only favors infrastructure financing show the neglect of other crucial elements of the state's development plan that were also stated as priorities.

Out of the 61 investment projects, 41 of them were concentrated in infrastructure. Out of the 9 billions USD of Chinese investment in Cameroon from 2007 to 2016, about USD 8.5 billions were directed to infrastructure financing. Education and technical cooperation (including material donation and training) respectively came third and fourth with investments in both sectors being less than USD 200 million for a total of five projects for the education sector (three of which were grants) and six projects in the health sector four of which were grants as well as six projects in the technical cooperation sector.

Investment in labour-intensive sectors such as manufacturing that are known to labour-intensive, to better foster skills and technology transfer as well as productivity spillovers to local companies (Moran 2011; Borensztein, De Gregorio, and Lee 1998) are practically non existent. The lack of investment in sectors that were more likely to affect changes in employment, skills level and domestic productivity does not reflect the primarily stated priorities. Very few projects, actually two out of 61, were joint-ventures and they involved state-owned firms. This is in contradiction with the GOC's stated objectives to also improve human capital, strengthen domestic firms, and providing jobs to Cameroonians through investment relations with China even in a context within which the biggest chunk of China's investment in the country was concentrated in the infrastructure sector. Therefore, the absence of joint-ventures and the complete alienation of Cameroonian firms made it quasi impossible for their productivity to be positively affected by the presence of Chinese firms.

Governments policies and decisions govern how foreign investment are directed and utilized. Appropriate and supportive policies are essential to guide and influence infrastructure decisions, processes and actions....The mistaken belief that the provision of infrastructure and basic services by themselves reduce poverty irrespective of the means of delivery is erroneous (ILO 2010).

It has now been shown that constructing and maintaining is critically important to a society because of its impact on employment creation and local economic development and hence

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poverty(Moran 2011; Right 2017). Therefore, even a very skewed distribution of investments by sectors that heavily favored infrastructure financing might have still been able to address, albeit partially, the different priorities stated in the development plan.

Infrastructure investment can have a tremendous development potential. However, this is if it is delivered via employment-friendly technology that have the effect of injecting income into local communities with the immediate effect of increasing their purchasing power, develop necessary skills in the infrastructure delivery process. (ILO 2010; Moran, Graham, and Blomström 2005).

The developed skills would have then been used in other income-generating activities and in the maintenance work that most, if not all China-financed projects require Local enterprises and community participation by enabling the involvement of the private sector and industry, that is contractors, suppliers (even at the lower scale), and manufacturers of local materials, tools and equipment(ILO 2010) thus nurturing and developing the local construction and manufacturing industry.

The GOC stated development objectives included a focus on generating employment for the locals, strengthening domestic firms and creating more opportunities to increase the income of the local population and strengthening of the domestic construction industry. However, the interviews with Cameroonian stakeholders and the assessment of the deals that were signed between 2007 and 2016 reveal that the GOC did not really show eagerness to adopt a local-based approach to investment cooperation with the country's main economic partner - China(Khan and Baye 2008).

The whole China-Cameroon investment framework of the 2007-2016 period systematically discriminated against the use of local resources including labour, skills, local enterprises and materials available in favor of China-imported resources including labour. In that sense, the GOC actions in investment cooperation with China do not reflect the objectives that were previously stated.

However, most of the stated objectives and priorities got lost in the process of negotiations and were not truly reflected in the investment deals that were signed. Negotiators favored short term gains at the expense of elements such as employment, skill transfer, efficient infrastructure investment and investment in other sector of the economy that could have had a long lasting impact on the economy of the country.

In so doing, The GOC has failed to optimize the social and economic impact of investments in infrastructure for which it has mainly opted and to ensure that these investments were channelled through the local economy, so creating jobs for its significantly educated yet massively un- and under-employed labour force, stimulating the local market through the inclusion and implementation of local content requirements where it was possible.

Really taking into consideration the stated issues that had to be addressed, including them in their priorities and being committed to seeing them implemented would have made the decisions that were made to really reflect the stated development objectives and priorities of Sino-Cameroonian investment relations as stated by Government officials. This in turn would have had a real direct and indirect impact on development variables such as GDP, private consumption, private investment, balance of payment, public revenue and even imports(ILO 2010).

Moreover, encouraging entrepreneurship by providing local firms the opportunity to participate in the implementation efforts of the deals that were signed and by being a part, albeit a small part of the building and construction efforts of the infrastructures that were aim at serving them would have participated in strengthening the industry while safeguarding cost-effectiveness of the financed projects because the scarcity of foreign exchange has made the use of imported inputs (even those that could be sourced locally or regionally) an economically unattractive option for quality and sustainable asset delivery.

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## Deals' Development Potential

The assessment of the development potential of deals I am undertaking here focuses specifically on infrastructure projects as they represent the main sector for Chinese investment in Cameroon.

The skewed distribution of China's investment in Cameroon and the lack of sectoral diversity in these investment have the potential to affect the the impact of these investment on the local economy and on the possibility that Cameroon's state-defined development goals will be reached through investment cooperation with China. However, investment in infrastructures in themselves have a great potential in terms of their capacity to positively affect host economies. High quality infrastructure have been shown to support growth, improve well-being, generate jobs(Right 2017) and make a country more likely to attract more foreign investment within a host country(N. M. Jensen 2008; Martín, Velázquez, et al. 1997).

The economy of Cameroon, as those of many neighboring countries suffer from poor roads, limited capacity of the aging rails, and limited energy. The Cameroonian government's decision to upgrade and build a new infrastructure system can be in itself an important step towards development. Most infrastructures in Cameroon during the 2007-2016 period were built by China as part of the infrastructure deals from the Sino-Cameroonian bilateral investment cooperation. This section discusses the development potential of these infrastructures deals and mainly focuses on the development issues that these projects were supposed to address as articulated by state officials and that are identified in the infrastructure literature.

In the Cameroonian case, investment in infrastructures was seen as a necessary step to the country's development. To the policy-makers, investment in infrastructure were considered to be necessary to increase the country's productivity, generate jobs, increase the country's attractiveness to other non-Chinese sources of foreign investment , and better the provision of public goods such as health, electricity, employment and upgrade the technical skill level within the country.

- Employment Generation

Cameroon is the country in central Africa with the most skilled labour (A. D. Bank 2012). In 2007, Cameroon's labour force was estimated at about 8.571 million workers. The number increased to about 10.392 million in 2016. A survey carried out by the country's National Institute of Statistics in 2010 found that the expanded unemployment rate among young aged 15-35 stood at close 13 percent. Whereas the level of underemployment<sup>28</sup> was 71.9 percent in urban areas and 79.2 percent in rural areas.

In 2012, the very politicized Cameroonian civil service employed about 220.000 workers which represented only 2 percent of the country's labour force(A. D. Bank 2012). The private sector, mainly composed of small enterprises (about 75 percent) employed 430.000 people which was about 4 percent of the labour force(A. D. Bank 2012).

The issue of employment in Cameroon and the need for it to be addressed in order to reduce poverty and reach the desired level of development was recognized and highlighted in the 2007 state-led development strategy. Increase in job offers and access to quality employment were given a central place within the policy document. More specifically, the document highlighted the government's objective to reduce the level of underemployment to less than 50 percent by 2020 and unemployment to less than 7 percent.

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<sup>28</sup>Underemployment is defined as a situation in which workers lack adequate working opportunities. Because of this lack of opportunities, they were forced to use their skills only partially, to earn hourly income which are lower or work less hours than those they need, are willing and able to work(Greenwood 1999)

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Considering China's place as Cameroon's main economic partner and the intensity of China's investment in the country, It is therefore natural to expect to see employment concerns at the center of Sino-Cameroonian investment negotiations. However this has not been the case.

Data on the real contribution of Chinese investments in Cameroon are unavailable. However, observation of projects site, interviews with state officials and second sources documentations have been able to yield important information on the place of employment in Sino-Cameroonian investment negotiations during the ten-year period that this analysis covers. A trend that have been observed is the lack of consistent labour and employment requirements in deals. The term consistent here to highlight the fact that these requirements in most cases were completely absent from the negotiations and when they were present, they were quickly abandoned and sacrificed for more "worthy" demands.

In Cameroon, there are specific laws that regulate the employment of foreign labour. National laws fix the minimum quota of local labour in any project within any category. The Law N93/571 July 15 1993 requires that all blue-collar position in any project (National of foreign-financed) be reserved to Cameroonian nationals.

However, considering the fact the system does not provide space and opportunities for organised labour, labour interests were not represented during the each and every phase of Sino-Cameroon negotiations. Not during the definition of objectives to be pursued in Sino-Cameroonian investment cooperation, nor during negotiations with china. labour issues did not appear to be a priority for negotiators and quickly became part of the background noise in infrastructure negotiations with China.

Labour issues and local content requirements almost never appeared in deals signed with China during the 2007-2016 period. They often were mentioned in discussions but were quickly compromised and abandoned. The few times these issues made their way into agreements, they were often simply ignored by the Chinese firms that implemented the agreements. The firms favored Chinese labour at the expense of the locals. Chinese workers were quickly populating infrastructure site and performing even the most basic tasks<sup>29</sup>. Cameroonian workers were present, but very few compared to the Chinese workers. They were given the most basic positions.

Although the situation was similar on most projects implemented by Chinese firms, there is a need to highlight few context-related particularities. It is however important to be specific, because many scenarios have been observed when it came to labour laws and the consideration of local employment requirement by the Chinese side.

In the first scenario - grants. Whenever China financed a project through a grant (they represented less than 4 percent of China-financed projects in Cameroon during the period investigated), the Cameroonian steering committee felt that it did not have the room to make requirements regarding the number of Cameroonian that were to be employed in projects and the conditions under which they were to be employed. This is because of the idea that since the project was financed by a grant, Cameroon's authorities could not impose requirements on something that was considered to be a gift. However, propositions were made regarding local workers according to the national regulations on local employment in every projects and investment taking place within national borders. These propositions remained just propositions as they were left to the depend on the decision of the Chinese side to see if they wanted to abide by the law or not. In every case, China favored its own labour at the expense of local workers.

The second scenario - China's loan-financed investment projects. In these cases, considering the fact that the projects were financed through loans, that China expected returns on investments,

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<sup>29</sup>Often these most basic tasks were performed by Chinese prisoners imported from China

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that 20 percent of the required amount was to be provided by the Cameroonian side and that in most cases, loans were attached to natural resources exploitation by the Chinese side, Cameroonian officials had the necessary room to impose local labour quotas. Most of the time, these requirements were not made and when they were made, the Chinese side agreed to abide by them but defected in the implementation phase choosing to use Chinese labour rather than locals.

Usually, there have been Cameroonian workers on Chinese sites, but they were generally the minority in many cases. Not only local labor did not really benefit from Chinese investment in Cameroon, the few Cameroonian workers employed in Chinese-financed projects often complained of the non-respect of agreed requirements by the Chinese side. In October 2016 for instance, rising tensions between Cameroonian workers and the China First Engineering Company led to strikes on two Chinese road projects in Matomb, situated 85 km South of Yaounde in support to better pay and working conditions. The workers complained that, the agreed-upon salary and allowances as well as working hours were not respected by the Chinese company implementing the bilateral investment deal.

In the absence of strong and organized labour that have the capacity to affect policy-making and make their demands heard, workers were left to themselves in a context where the government plays more a role of peace-makers than anything else.

At the end of the year 2015, there were about 4303 Chinese workers working on Chinese projects for only 716 in 2009 (CARI 2020). It was not possible to have an exact number of local workers that were employed in China-financed projects. This is because the GOC did not have a record on Chinese contribution to the local employment. Moreover, Chinese projects were usually implemented at different times. All the workers (or part of them) that worked on one project could be the same to work on another. However, the understanding of the place of labour in negotiation and in contracts as well as the understanding of the situation on projects' site provide sufficient evidence for the argument discussed in this section.

A last scenario was observed. Whenever an investment project was implemented by a Chinese company (Because the firm had won the bid) but financed by an international institution such as the World Bank or the African Development Bank, experts from these institutions not only participated in negotiations, but also made sure that labor and domestic content requirements were clearly specified and implemented. Therefore, in these cases, the situation was different. Not only biggest chunk of workers were locals, they also enjoyed good working conditions.

- Local Skills Upgrade

As discussed above, the Cameroonian labor was not positively impacted by the deals the GOC signed with China during the 2007-2016 period as many of the deals signed did not take into account employment consideration. In the deals that included labour requirements, those aspects were simply not respected during the implementation phase of the deals.

Most of Chinese investment in Cameroon, as discussed in the precedent sections are concentrated in infrastructure. Although infrastructure investment is not considered a labour intensive sector (Moran 2011), it still presents considerable opportunities for creating jobs during development, operation and maintenance. Investment in infrastructure not only does improve the livelihood of the local population but also a providing locals with the learning opportunity that can considerably impact the skill level in the country and strengthen local capacity.

China's reliance on its own labour, even in position with low demand for skill has had the effect of reducing the chances for Chinese investment to positively affect the skills of locals.

Even for the few locals that were employed on Chinese projects, they worked in the lowest category with no demand for any skill except physical strength.

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However, Although it was not possible to upgrade the local skill level through involvement of the local labour forces in China-invested projects, training was another capacity building possibility through which locals could have benefited from China's investment in the country.

Many of China-invested infrastructure projects in Cameroon were mainly in between equipment-based and labour-based <sup>30</sup>large scale energy and construction projects with high maintenance demands once projects were completed. This aspect of the projects offered an opportunity for local training because many of these projects required technical maintenance once completed.

On-site and off-site training of the local population ensures that technical skills are passed from one side to the other. Training thus ensures that not only locals will be able to maintain the built infrastructure but it also provide long-term employment to the local population. The important questions here are: Were the Cameroonian trained to undertake the maintenance of the infrastructures that were destined to serve them? What happened after China had completed the implementation of a project? What happened after the projects had been inaugurated and the "keys" handed to Cameroonian authorities? who took care of maintenance? The answers to these questions provide an outlook of the condition of technology transfer element of Chinese investments in Cameroon.

Well in most cases Cameroonian were not trained to ensure maintenance of built infrastructure projects. In most cases Chinese teams remained on the ground or had to often travel to Cameroon to ensure the maintenance of the built infrastructures simply because Cameroonian, not only did not have access to most jobs, they also weren't trained to replace the Chinese once the projects were completed. The maintenance work of many Chinese-financed projects are still being undertaken by Chinese technicians even decades after the projects had been completed.

Clearly and understandably, China has been reluctant to transfer its technology, even the less complex ones to Cameroonians. Like one interviewed official rightly pointed out " No country developed itself by having technology being handed out to its people, technology must be demanded and taken". China certainly had no incentives in ensuring that Cameroonians would be able to operate its built infrastructures and to exposed them to a technology that could potentially replicated. Because contrary to the common belief, Cameroonians are mostly educated<sup>31</sup> and although Cameroon's labour force does in fact lacks some of the specific technological skills needed in Chinese projects, mainly due to the lack of exposure to these technologies and equipment. The shorter technology gap between African country and China (In contrast with the gap that exist between the West and Africa) and their quick-learning capabilities would have made the transfer of technology less complicated thus positively affecting the country's human capital.

This was clearly an issue. However, it was not due to China unwillingness only. In 2009, the construction of Cameroon's China-financed Multi-Sport complex was completed and the keys handed to GOC in a festive and honorable ceremony. The project was financed through a grant from China, so practically it was clear that China would bring its own labour. However, this grant was not without conditions such as tax exemptions on the needed material and equipment that were all imported from China, the provision of the land by the Cameroonian government, the construction of the complex's hotel and parking was also the responsibility of the Cameroonian party. After the project was completed in 2009, China was supposed to ensure the maintenance of the multi-sport complex (free of charge)for a period of three years (2009 - 2011) after which it became the responsibility of the Cameroonian government.

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<sup>30</sup>any aspects of the construction work were done by equipment but also supported by a relatively big labour force(ILO 2010)

<sup>31</sup>Cameroon's primary school completion rate was 54 percent in 2007 for 73.3 percent in 2016. The country's Human Capital Index was 4 in 2016

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The ministry of sport, was responsible of organizing the on-site training, with the assistance of the Chinese technicians, of a Cameroonian team that would replace the Chinese one. However, after three years, there was no Cameroonian team ready to replace the Chinese counterparts. The ministry of sport sent a report to the foreign ministry asking that China continues to take care of the maintenance demands of the sport complex until Cameroon is 'ready'. Of course China accepted the demand, except this time maintenance was no longer free, costing hundreds of thousand dollars (US) per year (Cost fixed by the Chinese side). Every year since 2011 to this day, the demand is renewed, Cameroonians are not trained, money is spent that China records as development assistance.

It is therefore the case that, in general, Cameroonians have had little working opportunities in Chinese investments as the projects did not generate much jobs for Cameroonians. Moreover, the conditions and context within which deals were implemented did not contribute in building or at least strengthening the country's capacity and in helping solve the country pressing employment issues. In the contrary, they have contributed in alienating the locals who now have to "use" infrastructures that they cannot operate and in exacerbating the country's dependence on China for the maintenance of the country's infrastructure system.

- Productivity Spillovers to the Local Firms

The private sector in Cameroon is made of about 88000 enterprises. Ninety percent of which are small enterprises (six employees or less), 5 percent are medium size and only 1 percent of them are large enterprises. Small enterprises contribute 50 percent of local jobs for only 15 percent turnover which suggest very low productivity(A. D. Bank 2012). The character of domestic enterprises, low productivity and high contribution to employment suggest the need for measures and policies aiming at strengthen their technical and material capacity. Moreover, these numbers suggest the economic weight of small and medium enterprises and the priority that they have to be given within government development goal and a crucial element in any strategy aiming at growth and employment (A. D. Bank 2012).

And in fact, developing the informal sector and strengthening the capacity of domestic enterprises were among the government's priorities as stated in the 2007 national development plan. One of the main reason behind the need to attract foreign investment is also related to the fact that they are potentially an important source of productivity growth(Newman et al. 2015). The basic premise underlying the expectation of FDI spillovers such as productivity growth is that foreign firms are technologically superior and that knowledge is transferred through their interactions with domestic firms which in turn leads to the local firms' productivity improvements(Newman et al. 2015; Moran, Graham, and Blomström 2005).

According to Cameroonian officials, one of the main reasons for directing China's investment into the country to infrastructure building was motivated by the idea that infrastructure was a crucial element in changes in growth. The expectation was therefore that these investments will have an impact of domestic enterprises while reducing the cost of factors of scale. In general, backward spillovers occur when domestic firms experience productivity improvements as a result of an increase in the presence of foreign firms in downstream sectors(Newman et al. 2015).However, for productivity spillovers to occur from foreign firms to local ones, there need to be some sort of backward linkage between the two.

There are three main possible linkages One of the main linkage could take place through joint-ventures where foreign firms would cooperate with a domestic firms on projects(Newman et al. 2015). In this type, a deliberate knowledge transfer could take place if there are policies and mechanisms put into place deliberately designed to help increase the capacity of local firms(Newman



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et al. 2015).

Vertical spillovers<sup>32</sup> may also allow domestic firms experience productivity improvements through local sourcing of input by foreign firms to domestic suppliers (Newman et al. 2015; Smarzynska Javorcik 2004). Horizontal spillovers<sup>33</sup> may also arise when workers move from foreign firms or from working on projects with foreign firms to domestic firms bringing with them the knowledge learnt (Newman et al. 2015).

In 2018, there were about 172 Chinese enterprises operating in Cameroon<sup>34</sup> among which Sinopec which is Cameroon's second fuel oil producer with about 30 percent of the country's market shares, the constructor China Harbour Engineering Corporation (CHEC) that is constructing Kribi's deep water dam, the biggest in the region. The implementation of China-invested projects in the 2007-2016 period did not allow participation of Cameroonian enterprises, all project have been implemented by a Chinese state-owned or private company. All infrastructure deals signed allowed for outsourcing arrangement or any participation of Cameroon's local enterprises. Chinese companies solely controlled each and every steps of the implementation of agreements including the rehabilitation and the maintenance of the financed infrastructures.

During these ten years, China-Cameroon investment cooperation have not allowed the intervention and the participation nor in their conception, neither in their implementation the participation of local economic operators who are considered as potential beneficiaries of China's investment presence in the country. Cameroonian firms were completely alienated in the process of implementation of China-Cameroon investment deals. Deals made no provision for the participation of local firms not as potential participant in joint-ventures (the only few joint-venture involved Cameroon's state-owned enterprises) neither as local provider of resources and services.

The complete absence of link between Cameroon's private sector and Chinese companies implementing deals and executing contracts suggest that the lack of possibility for productivity spillovers as a result of the absence of linkages that did not allow Cameroon to benefit from the positive externalities associated with foreign investment in general and in infrastructure in particular.

China's investment in Cameroon, whether in infrastructure of the few other sectors have had no effect on the reinforcement of local companies. But on the contrary have increase the dependence of the country by creating a void once the infrastructures were delivered requiring China's continuous presence to ensure maintenance thus also increasing the final cost of the built infrastructures.

On the other hand, the government have attempted to link state-owned enterprises to Chinese private companies through Public-Private Partnerships agreements (PPP) some of which were quite unsuccessful.

One important thing that has been noted is that, even in project financed by the Cameroonian government which deals contracts were given to Chinese companies as part of the PPP, the participation of locals and the linkages between the Chinese company and the state-owned one was minimal. For instance between 2007 and 2018, Huawei, the Chinese IT giant entered a partnership with Camtel, a Cameroon's communication company. for the implementation of a deal that included the installation of two command video-surveillance centers of a capacity of about 1500 in Cameroon as a part of the smart city projects initiated by the Cameroonian government implemented by Huawei. The implementation phase of the project was characterized by the complete alienation of the private sector and low degree of joint endeavours between engineers from

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<sup>32</sup>Vertical spillovers are those that transfer through the supply chain from foreign firms to domestic input suppliers

<sup>33</sup>Horizontal spillovers are those that result from knowledge and technology used by FDI firms transferred to firms operating in the same sector

<sup>34</sup><http://www.statistics-Cameroon.org>

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the state-owned Camtel and Huawei suggesting a reluctance from Huawei to share technology with Cameroonians which had the effect to ensure that Huawei, whose equipment have been used to completely equip the center, Huawei will continue to ensure the maintenance of the centers that have been inaugurated in 2018.

- Electricity Provision

Electricity shortage has been identified as one of the main hinders of Cameroon's growth has been slightly improved since 2001 with the construction of few dams.

In 2007, when the state-led strategy for development was drafted, Cameroon energy production was about 933 MW which was very low compared to the demand not only of households but also of industries. Only about 48 percent of households had access to lighting electricity (90 percent in urban areas and 23 percent in rural areas)(Dominguez-Torres and Foster 2011).

Since 2007, the country's demand for electricity knows an average increase of six percent per year which was estimated at about 842 MW increase in 2015 and 1500 MW increase in 2025(Dominguez-Torres and Foster 2011).

It has been estimated that in the 2000-2005 period, deficient power infrastructure in Cameroon held the country's growth by 0,28 percentage points (Dominguez-Torres and Foster 2011). Power failures have also been another manifestation of Cameroon's power deficiency. The country's ministry of economy and territorial planing has estimated that every year Cameroon lost about 5 percent of its GDP growth to power outages(Dominguez-Torres and Foster 2011).

In its development strategy, the government has made the goal to increase energy production one of the centerpiece of its strategy with the goal to increase production by 2,9 percent every year in the 2009 - 2011 period and a yearly increase of 13 percent (representing about 110 MW) between 2012 -2020 bringing the country's electricity production capacity to 3000 MW by 2020.

The plan displays the infrastructures that were to be put into place in order for this goal to be reached which included the construction of five dams that were expected to produce together about 2841 MW by 2020<sup>35</sup>.

The data on China's financed projects in Cameroon in the 2007 - 2016 period shows that the GOC<sup>36</sup> signed a total of eight agreements in the sector of energy generation and supply with China representing a total amount of USD 1.370 billion. In fact most of these energy deals were signed within a very short period of time (between 2009-2012).

The eight agreements resulted in the financing of four large-scale hydro-power dams<sup>37</sup> and of one electrification project <sup>38</sup>.

Has the goal been reached? in 2016, Cameroon electricity production - installed generating capacity was of 1558 MW. Now in 2020 the country's power supply remains expensive and unreliable. Cameroon did not reach its target of 3000MW by 2020, the country's power production capacity is still ... in 2020.

Few main reasons have been mentioned as being the cause of the financed projects failure to deliver the expected results<sup>39</sup>. The first one is delays in the construction of those infrastructures.

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<sup>35</sup>Lom Pangar Dam (1300MW), Kribi Central Plant (210MW), Mvele Dam (201MW), Song Central Plant (900MW), Natchigal Central (230MW)

<sup>36</sup>Government of Cameroon

<sup>37</sup>(1)Mvele Dam: phase 1 cost USD 480 million and phase 2 cost USD 240 million expected to generate 201MW, (2) Mekin Dam: USD 49 million, (3)Bini a Warrack Dam: USD 303 millions, (4) River Dja Dam: USD 47 million

<sup>38</sup>bearing a cost of USD 229 million

<sup>39</sup>Information regarding the reasons behind the projects' failure to yield expected results were mainly obtained through the analysis of reports and complemented by interviews

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The Mvele dam, which costed USD 641 million was expected to have a capacity of 211 MW. The dam, which is the implementation of an investment agreement signed between China and the GOC in 2012 was expected to be completed in 2017, however, it is only at the end of 2019, eight years after the start of construction that the dam was operated for the first time. The delay is said to have been the result of technical problems observed during the testing phase that delayed the powering up of the dam.

A second reason for the inability of the energy infrastructure to deliver on their promises is related to malfunction observed in the execution of the project which themselves have their sources in the numerous failures that have been recorded at the technical level. One example of such project is the Mekin Hydroelectric Dam which is the physical manifestation of investment agreement on a concessional loan of USD 49 million signed in 2012 between China and the GOC. (add geographic location in footnote).

The construction of the dam, just like most if not all projects of the Sino-Cameroonian investment cooperation, was given to the Chinese state-owned company China Machinery Engineering Corporation (CMEC). With a production capacity of 15 MW, the dam was expected to contribute in increasing the country's energy production along with the other projects of this type. Its activation was announced for 2015, however, at the end of 2019, the dam was still not in function after many missed launches due to technical damages. In fact, one of the dam's generator was damaged when it was received (from China) and hasn't been replaced to this day. After the dam was powered up in May 2019, the 15 MW hydroelectric power plant has been shut down for several months due to neutral point coil failure.

The third reason for failure to achieve the expected objectives for which these large-scale projects were financed was related to delays engendered by money concerns. The Bini a Warrack dam<sup>40</sup> of a capacity of 75 MW, is the result of an loan agreement of USD 303 million signed by the GOC and the Industrial and Commercial Bank of China in 2013. The dam's construction were disturbed and delayed due to, according to the state official interviewed, lack of labour.

In 2017, the dam's construction works were stopped due to shutdown of funding by China. According to the official interviewed, the Cameroonian side had failed to provide the 20 percent, about USD 19 millions, part of the funds it had agreed to provide. This defection led to China shutting down funding. The shortage of funds then led to the unfair dismissal of two hundreds and fifty locals, to the return to China of eighty seven Chinese employees. Facing both a shortage of capital and of labour, the Chinese firm who was in charge of the dam's construction decided to interrupt the construction work. No explanations were provided for Cameroon's failure to deliver on its promise.

- Quality and Stock of Transport and Storage Infrastructures

Providing adequate access to markets and livelihood opportunities and services such as clean water, education, health and transport is still a major task in many parts of Cameroon. The lack of access is often associated with insufficient and poor road infrastructure. According to state officials, the development of infrastructure in a critical step in reaching the country's development objectives as well as meeting the Millennium Development Goals (MDG) including those related to livelihoods and income.

Infrastructure development not only can be an essential part in improving the living conditions of the people but can also provide opportunities to increase regional trade and within-country connection. This can be especially true for Cameroon as a key country for the land locked countries of Central Africa (Dominguez-Torres and Foster 2011).

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<sup>40</sup>Situated in the North region of the country

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However, the lack of quality infrastructure and significant deficiencies in logistics performance prevent Cameroon from reaping the economic benefits endowed by its geographical position and effectively playing the role of a potential crossing point and connecting center in Sub-Saharan Africa.

Regionally, transport costs along the main transit corridors to Chad and Cameroon are among the highest in Sub-Saharan Africa while transport time are abnormally long(Dominguez-Torres and Foster 2011).

Cameroon's infrastructure-quality indicators show quality decline as infrastructure spending rose<sup>41</sup>.

According to the World Bank report on infrastructure in Cameroon, these Inefficiencies are, among other things, caused by poor performance and long dwelling times in the Douala port<sup>42</sup>. In 2007, the need for more investments to be mobilized in the road infrastructure sector was quite apparent, however, as stated in the same report from the World Bank, the sustainability of these investments also has to be guaranteed as Cameroon also lacked an efficient road maintenance system(Dominguez-Torres and Foster 2011).

Poor transport infrastructure, both in terms of quantity and quality, is a huge handicap for business in Cameroon. Evidence have shown that Cameroon's transport infrastructure constraints is responsible about 42 percent of the productivity gap faced by Cameroonian firms(Dominguez-Torres and Foster 2011). Because of the poor condition of its roads network and the delays in the Port of Douala, Cameroon's ability to move goods and connect manufacturers and consumers with regional and international markets is one of the lowest in the world(Dominguez-Torres and Foster 2011). An improvement of Cameroon's transport infrastructure could improved the country growth performance by as much as 3.3 percentage point per capita (Dominguez-Torres and Foster 2011; A. D. Bank 2012).

The state-led development strategy drafted by the GOC in 2007 clearly highlights the problems of the transport infrastructure sector while also providing solution to address those issues. The main solution is focused on increasing the stock of transport and storage infrastructures which brought the transport infrastructure financing at the forefront of the Sino-Cameroonian investment cooperation.

The data on Chinese investment in Cameroon for the 2007-2016 period shows that China signed eight agreements with the GOC. The eight agreement concerned the financing of three projects in transport and storage infrastructure sector<sup>43</sup> for a total of USD 2.488 million in Cameroon's transport and storage sector.

Most of these agreements (four out of eight) were aiming at financing the biggest China-financed project in the region to this day - The deep sea Port of Kribi. This project because of its scale (compared to the other projects in the same sector and Chinese-financed projects in general), the finance it mobilized and is still to mobilize as well as the expectations that were placed on its

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<sup>41</sup><https://documents.worldbank.org/en/publication/documents-reports/documentdetail/>

<sup>42</sup>The Port of Douala is the Cameroon's major seaport. Located on the shores of the Wouri River estuary some 24 kilometers upstream and about 210 kilometers west of Yaounde, the city has road, rail, and air connections to all of the country's major cities. This deep-water port is home to most of the country's international trade, and it has facilities dedicated to cargoes that include timber, gasoline, bauxite, and bananas. It has serves a busy fishing industry. This Port is among central Africa's most important industrial centers. It is home to breweries, food-processing plants, and factories that produce palm-oil, soap, building materials, plastics, soaps, glass, bicycles, and paper goods. The port includes a ship repairing facility

<sup>43</sup>(1)Kribi deep seaport: 1.979,80 million; (2) Douala-Yaounde Road construction: USD 451 thousands; (3) The purchase of 3 MA60 aircraft of USD 408 million by Eximbank; (3)a loan of USD 10 million to be used in the development of unidentified transport capacity

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construction in terms of its capacity to change the country's transport and storage infrastructure landscape and therefore to solve the issues that hinders the sector and the country's development is the focus of the discussion in this section.

The first Sino-Cameroonian agreement to finance the port of Kribi deep sea port was signed in 2011. The agreement concerned a loan of USD 432 million to finance the first phase of the port construction. After this first agreement, many others were signed in the 2007 - 2016 period covering the total amount of USD 1.979,80 million. This port, whose construction has been entrusted to the Chinese state-owned company the China Harbour Engineering Corporation (CHCE), is considered to be the most important port platform in the west African coast, entered in operation in 2018 (later than the start in 2015 that was announced at the beginning of the project) with the arrival of a first boat marking the operationalization of the port container terminal. However, although the port has resumed partial operation, a lot still needs to be done despite the massive amount of funds already injected. The port's implementation map includes an hydrocarbon terminal associated to a storage area, a cereals terminal, a methane terminal, a fishing station and a natural gas liquefaction plant. According to the prime ministry website, all these additional arrangements were to be carried out between 2012 - 2040 period for a total cost of about USD 11 billion.

So it will take 22 years for the port to be fully operational in itself. But the problem is not limited to the time-frame of the port construction and the high degree of debts and capital it will swallow considering that the Exim Bank of China finances the project at 85 percent on concessional loan with the other 15 percent of the total amount has to come from the Cameroonian side. Another issue questions the rationality of such an investment.

When it comes to the port itself, the construction phases that have been completed are enough to allow the port to function partially and to start playing the role, albeit partially, for which it was planned and constructed. However, this infrastructure is a case of putting the cart before the oxen as the French saying goes<sup>44</sup>.

This is because, for the port to function even partly, the supporting infrastructure has to be put into place, which does not exist that will require more capital and further exacerbate the country's indebtedness.

One of such supporting infrastructure, among many others, is related to the port's massive needs for electric energy. For its operations, even preliminary, this port will require Cameroon to secure an additional production of more than 1500 MW (A. D. Bank 2012) of energy which is about 90 percent of Cameroon's already insufficient actual production. Especially considering that most of the other energy infrastructures that were supposed to correct the country's energy deficit are not yet productive.

The other problem related to this infrastructure, apart from its price, size, execution timing, and massive energy needs is the absence of an efficient road system and a train line that is required to link the port to other cities within the country and surrounding countries. Without such a transport network, even if at some point the electricity shortage can be corrected, without such a transport network, there is no way this port will fulfill the tasks it is expected to fulfill let alone correct the country's infrastructure deficiencies.

A better and more sustainable move perhaps, would have been to go for the construction of a smaller port and the rehabilitation of the existing port of Douala which despite being the rotating wheel of the country's and sub-region trade, is suffering from poor maintenance which considerably reduces its efficiency. The port of Douala, the country's first port is largely saturated, the containers terminal in concession has never been rehabilitated to this day and functions way

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<sup>44</sup>Mettre la charrue avant les boeufs

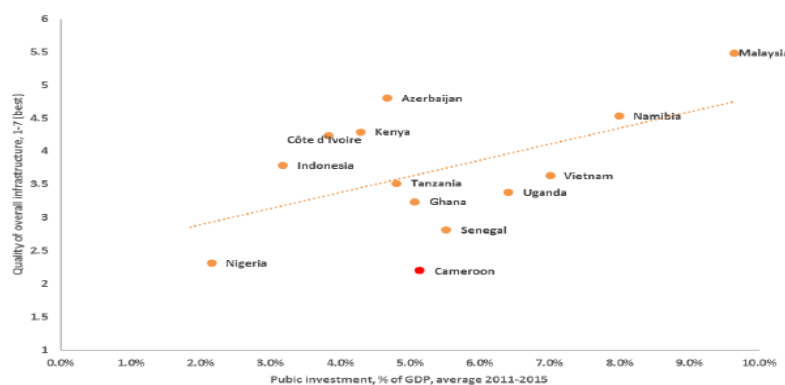
below its capacity. The quay and the storage rooms that date back to the colonial era also have to be renovated.

The only terminal that has been rehabilitated is the fruit terminal. To this deficiencies, bureaucratic delays and the associated levies and payments are among the root behind the port under-performance. For instance, the transportation costs of a container from the USA to Cameroon is equivalent to the transportation costs of the same container from Douala where the port is to Yaounde the political capital only about 246 km away (A. D. Bank 2012). So the problem is not only related to the lack of infrastructures, excessive number of formal and illegal checkpoints as well as governance issues in the management of transport services are also among the reasons behind the inefficiencies of Cameroon's transport system (Dominguez-Torres and Foster 2011).

If in 2010, 42 percent of the productivity gap in Cameroon was still due to the quality and quantity of the country's infrastructure, the huge chunk of 58 percent of that productivity gap was due to poor governance, red tape and financial constraints (Dominguez-Torres and Foster 2011).

Despite the capital that have been invested in Cameroon's infrastructure through investment cooperation with China, the country's infrastructure quality and performance remained abnormally low.

**Figure 5: Overall Infrastructure Quality versus Public Investment, Cameroon and Comparators, 2011-2015**



Source: IMF (2017) and WEF (2017).

Therefore, solving the quantity problem, even if quality, sustainability and efficiency were guaranteed, would not have been able to solve the country's transportation-related problem. Even with the infrastructure already in place, the country would have been able to perform better than it is performing with additional infrastructure if the maintenance and governance issues were effectively addressed (A. D. Bank 2012; Dominguez-Torres and Foster 2011).

## 7.4 Sino-Cameroon Investment Cooperation: Explaining the Choices

As discussed above, despite well written, desirable and clearly stated development priorities, the GOC failed to translate the stated objectives into action in general and in their investment cooperation with China.

Chinese investment in Cameroon during the 2007-2016 period did not achieve the goals it was aimed to achieve, neither did it produce the benefits it was expected to produce. The choices that were made in terms of the patterns of investment and the nature of the deals considerably undermined the predetermined development goals and objectives.

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Even though infrastructures were built, the negotiation and implementation processes that led to them were neither efficient nor productive enough for the investments to have a real positive impact on the country's economy. Moreover, not only did Chinese investment in the 2007-2016 period failed to yield the expected results, the inflated cost of China-Financed infrastructures added a heavy debt burden on the country that will be felt for decades to come while also considerably increasing Cameroon's dependence to China.

However, the failure of Chinese investment to deliver is not much due to China's overwhelming power and pressure on the GOC neither is it due to the GOC helplessness. These particular outcomes are the products of the choice and decisions made by the Cameroonian government officials. Choices and decisions that were made based on the preferences and interests of those who negotiated the deals.

These outcomes are mainly due to the failure of decision-makers to advance stated priorities and to translate stated objectives and into concrete, coherent and reliable action. The system provided high level politicians with the opportunity, the authority and the space to shape Chinese investment in the country in accordance with their preferences and personal interests and this often at the expense of the country's general interest.

It is often rightly pointed that no leader is really benevolent whether be it in democratic or authoritarian context (De Mesquita and A. Smith 2011). All leaders regardless of the regime type under which they govern are more interested in remaining in office than in the well-being of their country as a whole. It is the constraints on decision-making imposed by the domestic structure that channel and shape leaders actions and choices by creating incentives to shy away from self-seeking behaviours (Morgan and S. H. Campbell 1991). Elections and institutional setting such as the presence of an independent institution that checks the executive use of power are mechanisms that ensure that decision-makers do not pursue policies and make choices that serves special interests. These mechanism are only nominally present in Cameroon <sup>45</sup>.

In the Cameroonian case, there was no independent institutions with ratification authority such as the legislature (present but not independent) that could challenge or reject the investment decisions that were made within Sino-Cameroon investment cooperation. Instead, a group of high level politicians belonging to a single institutional entity - the executive and led by the president had to define the state's objectives, negotiate all investment agreements with China and ratify all negotiated deals. The authority to define objectives and priorities to be pursued in negotiations with China, the authority to negotiate as well as the decisions to sign an agreement was concentrated in the hands of the state elites. The specific characteristics of the Cameroonian political regime and the decision-making processes affected not only the objectives the state pursued in investment cooperation with China but also the choices that were made in investment negotiations. The political context provide an environment that encouraged the pursued of personal preferences at the expense of commitment to the general good of the nation. The next sections focus on explaining the elements that have have characterized Sino-Cameroon investment cooperation in the 2006-2016 period. I mainly focus on explaining the deviation from stated national objectives and on the focus on capital intensive infrastructure projects as well as unfavorable infrastructure agreements as functions of domestic political configurations.

### 7.4.1 Deviation from Stated Objectives

The lack of public accountability, despite the presence of nominally democratic institutions and the concentration of the state's power in the executive, the absence of institutional constraints on the

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<sup>45</sup>Refer to the chapV for an in-depth discussion on Cameroon's domestic political configurations

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executive use of power, and the absence of strict ratification rules are all elements that facilitated the penetration of personal preferences and interests within Sino-Cameroonian investment negotiations.

De Mesquita(2011) argues that despite the apparent presidential unlimited authority and monopoly over the decision-making process that characterises many regimes, no ruler is truly monolithic in the sense that no leader can govern alone and do what he wants.

All leaders need supporters(De Mesquita and A. Smith 2011), therefore although the process of definition of the objectives to be pursued in Sino-Cameroon investment cooperation was again dominated by the chief executive - the president, the ministers and high levels officials that make up his inner circle and that not only occupy important positions within the state, but are also members of the ruling party were important actors in the process. They were given the authority to decide which sectors were to be prioritized, the investment projects and to negotiate agreements all in accordance with their preferences.

In a context where decision-making processes and transactions lacked transparency and were shielded from public scrutiny, the absence of public accountability and loose bureaucratic control created an fertile space for personalised pursued. There was no independent monitoring and enforcement organization that was to ensure that the selected projects reflected the a large extent initially stated objectives and priorities. No limits were imposed on high level individual politicians in the selection of projects that made it to the list of objectives to be financed.

This specific context provided opportunities for deviations from national objectives and for the penetration of personalistic interests within Sino-Cameroonian investment negotiations. Ministers involved in negotiations over investment deals could pursue objectives that reflected their personal preferences and interests. Decisions were made regarding the direction and the nature of Chinese investment in the country in a context characterized by very limited institutional constraints on those who made investment decisions as illustrated in the following discussion that I had with an interviewee during fieldwork in Cameroon. *“Question: Who makes the decision regarding what projects make it to the inter-ministerial session and what project ultimately get financed* **Interviewee:** *Well, its quite a straightforward process. Every key ministry (the minister) can propose a project for a need his ministry has identified in its area. For instance, the ministry of energy can see that the country needs to produce more electricity and decide that we need an additional dam. The ministry conducts a feasibility analysis and makes a proposal that includes the financial needs of the project and the site where the dam will be constructed”* **Question:** *So in general, it is mostly up to the ministers in charge to decide where the money goes.* **Interviewee:** *Yes, because we believe that they know best what is needed in their specific field.* **Question:** *What about the objectives that were previously stated? was there a way to ensure that the projects that were chosen reflected the national objectives? This of course includes elements such as the relevance and the projects’ potential for impact.* **Interviewee:** *We paid attention to those, although I must say not completely, not as much as we should have. But we mostly had in mind the national priorities as set by the president. We knew for instance that energy and transport infrastructures were key elements of the national development plan so projects that fell into that category were prioritized.* **Question:** *But the choice of specific projects within those general priorities was left to the relevant ministers* **Interviewee:** *Yes”*

In the absence of real accountability, and of independent body that could oversee and constrain the choices made by decision-makers, the incentives to act in the country’s best interests were slim compared to the opportunity to advance personal preferences. The power to decide where the money went and how much was needed and acceptable that rested in the hand of few individuals seems to have allowed this crucial choice-making process to be stained by personal preferences.

This led to a Cameroonian approach to investment cooperation with China that lacked co-



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herence, transparency and accountability. The lack of accountability and transparency in turn facilitated the infusion of personal preferences and interests in Sino-Cameroon investment cooperation thus transforming the definition of national objectives to be pursued in negotiations with China and the negotiations themselves into a race for capital in which ministers could request Chinese financing for projects based on their personal preferences as opposed to choosing investments based on real need-assessment and their potential for impact.

The system of patronage and the patron-clients relationships that characterizes the Cameroonian political sphere, the misuse of office and political position for personal gains and the endemic corruption that characterises the system (Fombad 2000; Coolidge and Rose-Ackerman 1999) <sup>46</sup> succeeded in permeating China-Cameroon investment cooperation. The national interest that had been neatly defined and clearly stated in the state-led development plan quickly became background noise prior to, during and post negotiations with China. They were replaced by other priorities that were a reflection of the private interests and the self-seeking motives of those involved.

The national development objectives stated in the state's development plan in theory made employment generation, human capital upgrade, poverty reduction and infrastructure development (aiming at generating employment, transfer skills and increase productivity) the cornerstones of the government development strategy that were to be carried to investment cooperation with China. However, these priorities failed to be transferred to the table of negotiations with China. When asked if the Cameroonian people benefited from the agreements that were made, if the country's human capital had been upgraded, if jobs had been created and if the infrastructures that were built yielded the results they were supposed to yield, one interviewee admitted:

*"I believe that the country benefited because we now have some infrastructures that weren't there before and that are helping. Look at the sport center for instance, in the past we could hold regional competitions exactly because we lacked such an infrastructure. Now we are able to hold sport events and conferences. However, if you ask me the question whether Cameroonians benefited, if there were more jobs available, and if they were trained, I will admit that it is not really the case but there are many other reasons for that."*<sup>47</sup>

## 7.4.2 Focus on Capital Intensive Infrastructure Projects

Data on China's investment in Cameroon in the 2006-2016 period shows the preference for capital-intensive infrastructure projects. Investment in sectors with higher development potential such as service and industry were purposefully overlooked and the infrastructure deals that were signed considerably lacked the domestic content elements that would have increase their potential.

Large-scale capital intensive greenfield infrastructure financing, known to create more opportunity for rents extraction and income maximization (Coolidge and Rose-Ackerman 1999) were favored at the expense of investment in labour-intensive industries known to offer less room for private gain but also known to have a greater potential in terms of affecting development through increase in employment generation, wages and skill upgrade (Moran, Graham, and Blomström 2005).

When asked about the high cost of most infrastructure projects that were financed, one interviewee from a key ministry admitted:

*"When we decide on a project, we conduct a feasibility analysis and we determine how much we will need for the project. When the project is approved by China, China sends its own team to conduct another feasibility analysis. The amount asked for is generally approved although there have been times when China proposed a lower amount which were often negotiated and we had the*

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<sup>46</sup>See Chapter V for a more detailed discussion on the country political context

<sup>47</sup>This specific interviewee preferred not to elaborate on the reasons

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*choice to accept the offer or not. Now as to what concerns the apparent high cost of infrastructures, this is also due to the fact that most materials used for the constructions are imported from China and that China brings its own engineers and workers. These increase costs, although there have also been some issues with cost-assessments at the start of each projects."*

Massive concessions were also made concerning key aspects of foreign investments such as labor, domestic sourcing and rigorous quality control for a focus on capital. Quantity was favored over quality and relevance. Most projects, it seems, were not chosen on the basis of their intrinsic economic worth and their development potential but on the opportunities they offered to generate personal gains. Investments in sectors, and in infrastructure projects that had the potential to distribute benefits widely thorough society with little opportunities to extract rents were not favored. Instead large scale infrastructure financing that, according to the literature on investment financing offer more opportunities to extract rent were what was sought after(Coolidge and Rose-Ackerman 1999; Hope and Chikulo 1999; Rose-Ackerman 1997).

When it comes to investments in infrastructure, the larger and more complex the projects the more there are opportunities for rent extraction for those involved(Coolidge and Rose-Ackerman 1999). The representation of private interests and preferences in Cameroon's investment cooperation with China was the trend whereas deals that would have benefited the whole society and that could have had more positive impact were overlooked.

As part of the interview protocol, I ask one of my interviewee who had been involved in many investment negotiations between Cameroon and Chinese officials why Cameroonian negotiators failed to channel investments in other sector such as industry and manufacturing as they could have done. He explained,

*We did not direct investments to other sector because we thought that the low level of skills of Cameroonians could be a hindrance. We also did not favour joint-ventures between Chinese firms and Cameroonians because of the absence of robust domestic firms in our country that could be capable of entering and sustaining partnership with Chinese firms.*

Yet even this argument is not consistent with the observed situation. When asked why China? One of the very common answers was that China's development model was a framework from which inspiration would be taken. The argument was that the smaller technology gap that exist between China and African countries as opposed to the North-South gap was an important aspect of China's investment potential in Africa. A smaller technology gap demands less rigorous absorptive capacities from the host countries' population. It would have been easier Cameroon as a developing country to absorb the technology from China because of the smaller technology gap between the two countries making China's investments more likely to result in upgrade in skills and in technology transfer(Y.-H. Kim et al. 2008; Moran, Graham, and Blomström 2005).

If the low level of skills amongst Cameroonians had been the issue, investment in few low-skilled manufacturing FDI could have been a good indicator of the willingness of the GOC to address poverty and unemployment through investment cooperation with China. This could have ensured that not only Cameroonians had access to better jobs but that the country's overall human capital was enhanced and that local firms would have benefited from productivity spillovers from Chinese firms(Moran 2011). Yet this was not made possible because the GOC chose to concentrate a sector and on deals that in themselves had very little potential to positively affect development.

Many governments in Africa have argued that their increased economic connection with China was motivated by their desire to emulate China's development approach and experience which they find to be closer and more achievable for African countries(Hanauer and L. J. Morris 2014). More than in any other country, China's officials know the importance of foreign direct investment for the growth of an economy. They do understand the importance of shaping the trajectory and the

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nature of these investments in order to reap the desired results. Because depending on the sector and the conditions that accompany it, each type of foreign direct investment can have different impact on host economies, especially developing ones(Moran 2011).

Foreign direct investment played a crucial role in China's own development. The technological innovation and the human capital accumulation that these investment fostered have been shown to be the most crucial proximate factors that fueled China's own development leading to growth in the Chinese economy of an average of 10 percent since the late 1970s(Su and Liu 2016).

China itself used and continues to use foreign investment to accomplish its technology transfer goals(M. Brown and P. Singh 2018). China's planning and strategy to attract foreign investment have been gradual and strategic. The country's approach to inward foreign direct investment as well as outward foreign direct investment have always been consistent with China's development goals and global strategy(M. Brown and P. Singh 2018).

At first, China had a gradual and prudent approach to the process of liberalization. When market institutions were not fully in place in 1980s and 1990s, and the skill level of its population was even lower than the Cameroon's skill level between 2007 - 2016. Yet China experimented with opening up to foreign investment in selected coastal cities and in special economic zones/industrial parks with a focus on attracting export-oriented manufacturing FDI which helped in better channelling and shaping the nature and the direction of foreign investments within the country(M. Brown and P. Singh 2018).

Moreover, China low human capital in the 70s and 80s led the government to encourage investment in low-wage and labor intensive manufacturing sectors. It also increasingly encouraged technology transfer through domestic content requirements and acceleration in spending in education, Research and Development and empowering domestic companies(M. Brown and P. Singh 2018). All these measures ensured from the very beginning that China harnessed the power of foreign investment to serve its development objectives as foreign investors became increasingly interested in investing in China.

Public spending on education is often used as a measure of governments' willingness to address their people social need and their commitment to improve their countries' human capital(Gupta, Verhoeven, and Tiongson 2002; D. S. Brown and Hunter 2004). One of the key aspects of Cameroon's state-led development plan was the focus on improving the country's human capital by providing better the country with better education infrastructures and by creating more opportunities to train its relatively young workforce.

Although this key aspect is not reflected in Cameroon's investment choices, spending on education could have been an indicator of the government's willingness and true commitment to upgrade the country's human capital.

Yet, between 2006 - 2016, the GOC spent an average of 2.81 percent of the country's GDP on education. This is below the 3.61 percent for Sub-Saharan Africa and below the 5.44 percent of Burundi, 5.71 percent of South Africa, 5.62 percent of Ghana and the 4.46, 4.58 percent for Ethiopian and Ivory Coast respectively(W. Bank 2020a). Moreover, the GOC government's consumption in the 2007 - 2016 period averaged 12.01 percent of the country's GDP higher the 9.80 percent for Ivory Coast and 9.90 percent for Ghana(W. Bank 2020b).

Which part of China's strategy is Cameroon emulating? because one investment does not equal to the other(Moran 2011; Moran, Graham, and Blomström 2005). One can argue that China had a massive market to leverage such requirements and greater control over inward foreign direct investment. However when it comes to Cameroon and China's investment cooperation, Cameroon too, as one of the crucial players in China's strategy in Africa not only had the geographical position but also the resources to direct China's investment into sectors that are more relevant

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to the country's need and the state's development objectives. As discussed above, Cameroon's officials were given the space and the authority to define the specific objectives to be pursued in negotiations with China and to define the main contours of China's investments in the country. It is what they did. Choosing deals that reflected their personal preferences and that were focused on capital rather than on development potential.

### 7.4.3 Unfavorable Infrastructure Agreements

In countries where the political regime has strong ratification rules, the presence of an independent ratification body such as the legislature that has to ratify agreements proposed by the executive tends to extend the duration of the international negotiation since those involved in negotiations cannot bind the country to an agreement without getting the approval of those who can veto it (P. B. Evans et al. 1993). Moreover, the presence of strong ratification rule has been shown to be a source of power for the negotiators who can use their limited freedom as a relevant reason to refuse to compromise (P. B. Evans et al. 1993). Bargaining thus tends to take more time because chief negotiators have to ensure that they do not return home with an unsatisfactory agreement (P. B. Evans et al. 1993; Borensztein, De Gregorio, and Lee 1998).

However, as stated by Fombad (2000), in Cameroon state's positions tend to be used as opportunities for self-aggrandisement and public office as a private resource. Moreover, the Cameroonian regime allows those who amass wealth to keep it, not as a right but as a privilege which ensures their continuous loyalty (Fombad 2000). The enduring system of patronage-based distribution of resources in which state's resources are used for political legitimisation (Sigman and Lindberg 2017) that characterizes Cameroon's political landscape makes it so that foreign investment contracts are used as an opportunity to distribute private benefits.

More ministries and posts are often created to absorb new converted from the ranks of the opposition as well as civilian elites. This creates a sense of insecurity and uncertainty around the tenure of these positions creating an incentive for ministers to accumulate wealth as much as possible and as fast as possible (Fombad 2000). Moreover, the fact that financial accountability by ministers and other high executives in ministries and state corporation is a best minimal in Cameroon (Fombad 2000) gave to those in ministries the opportunity to push for many projects to be financed during the time of their tenure in office.

Domestic structure is decisive finally in the elaboration of positive goals (Kissinger 1966). In a democratic environment, where political survival depends on elections and political competition centers around the ability to produce public goods, elected rulers also concerned with being re-elected have greater interest in providing public goods to society as a whole (Carbone 2012). In Cameroon however, as it has been shown in the previous chapter, the small winning coalition size and the lack of bottom-up pressure and systems of accountability means that political survival rests on few backers and political competition is focused on the provision of private goods (De Mesquita, Morrow, et al. 2002).

The regime did not provide enough incentives to make the good of the Cameroon's citizens a priority. The system's tendency to focus on the provision of private goods created a negotiation environment in which the interests of the people were relegated to the background. The very centralized decision-making process with no mechanisms to ensure that the interests of the society as a whole were taken into account led to the signature of agreements and implementation phases that completely ignored the real needs of the people.

Negotiations between Cameroon's officials and their Chinese counterparts were unusually quick, with strategies that were mostly centered around yielding behaviors and concessions-making by

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Cameroonian negotiators. The focus was centered on capital-intensive infrastructure projects like the Kribi deep-water port that required massive funding but had little chance to produce the expected results.

The movement within Cameroon's ministries created a sense of urgency that facilitated concession-making. This sense of urgency is illustrated by the amount of deals that were signed in 2007-2016 period and by the little attention given to important pre-negotiations procedures. Delay discounting<sup>48</sup> affected all decisions regarding which objectives were to be pursued in investment negotiations with China, which projects were to be funded, the content of agreements, the strategies to adopt and the nature of agreements to sign. This explains the choice of major construction projects that had an inefficient time path of net benefits and quick pay-offs and the neglect within agreements of important elements such as due diligence, employment, wage, local content requirements and quality control requirements.

Local content requirements such as the participation of local firms, the use of domestic resources whenever possible and labor demands and wages requirement were simply ignored. The few times they were mentioned, they were just mentioned as propositions that were left to the goodwill of the Chinese side. Therefore, they were rarely implemented. Due diligence and quality control were not planned nor implemented. Cameroonian negotiators favored investment in projects that had the most potential to create personal benefit in a shorter time frame with cost spread in the future (Coolidge and Rose-Ackerman 1999).

Chinese negotiators understood the system, the real mechanisms that governed politics within the country and it took advantage of it. Chinese negotiators made demands that increased China's control over projects. They also constantly defected from the commitments they made when implementing the deals.

## Conclusion

In the 2007 - 2016 period, it can be said that China and Cameroon's investment cooperation was intense. China became Cameroon's major trade and investment partner. The nature of the investment cooperation between the two countries and the context within which this relationship was grounded offered a window of opportunity for the GOC to truly address the country's development needs via its investment relation with China. Unfortunately, the opportunity was not ceased. Although a development strategy had been well defined and the objectives to be pursued in bilateral investment cooperation with China clearly highlighted, Cameroonian negotiators heavily deviated from the predefined objectives and from the stated priorities. The sectors toward which investment were channelled and the content of the deals that were signed did not reflect the stated and expected priorities. The domestic political context within which decisions were made and the system that direct the behaviour of politicians did not provide enough incentive and constraints on those who made decisions to prioritize the general good over personal interest and preferences. The system allowed the infusion of personalistic interests to infiltrate negotiations and to crowd-out the interests of those that were supposed to be represented.

China investment relations with Cameroon as with other African countries was not a benevolent enterprise, it was strategic. Both Cameroonian and Chinese politicians were aware of this

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<sup>48</sup>Delay discounting, one element which underlies decision-making, can be defined as the depreciation of the value of a reward related to the time that it takes to be released. High rates of delay discounting are found in subjects who are willing to forgo greater rewards available only after some length of time and who show a preference for smaller rewards that are available immediately (Matta, Gonçalves, and Bizarro 2012)

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fact. It belonged the GOC the responsibility to ensure that Chinese in the country would have a positive effect on the country's economy and that the benefits would be spread across its population as a whole. Yet, employment, good wages, technology transfer and efficient infrastructure were sacrificed in favor of capital and projects' accumulation. Adding huge economic burden to a country that is already having difficulties to provide an acceptable quality of life to its citizens and increasing the dependence of the country to China's capital and expertise.

# Chapter 8

## Conclusion

From a low income country in the 60s, to the second largest economy in the 20s, China's rapid growth went hand in hand with the intensification of the country's economic ties with the African continent. Massive capital flows, in the form of investment, trade or free range development assistance, have been part of the China-Africa relations since the late 1990s. As a result of the intensification of capital flows, especially in the domain of investment, Sino-African investment cooperation quickly became the center of attention for researchers and policymakers around the world. What exactly is China doing in Africa? what are the reason behind such interest? were the main questions that guided investigations of Sino-African investment relations.

Most of these investigations however, were mainly focused on China. They scrutinized China's motives and actions in the continent while often overlooking those who opened their doors to China's ambitions - African governments. African governments have been either completely absent from discussions or portrayed as passive bystander. This perception of the continent does not come as a surprise considering the continent historical past of slavery and colonization as well as its long standing image of the poor, weak and needy continent.

It is an image that decades of post-colonial sovereign existence did not suffice to erase perhaps because of the still present shadow of colonialism and its remains that continues to shape many of Africa's relations with its former colonizers. However, Africa's economic cooperation with China is different. The nature of China's ambitions, the historical configurations of China-Africa's economic ties, as well as the context within which modern China-Africa investment relations occur show striking differences from the historical western approach to the continent. As discussed in the first chapter of this dissertation, Africa's needs for capital and infrastructure met with China's need for the continent resources and support to provide Sino-African investment relations with the flexibility and the possibilities that have often been said to be lacking in Africa's economic encounters with its traditional partners.

More specifically, China's position as a newcomer in Africa, the country's global ambitions and its needs for the continent resources, as well as the nature of the issue-area of investment have contributed to facilitating the creation of a Chinese approach to Africa that was determined to compete with the Western model.

These elements, particular to the framework of China's investment relations with Africa, created a context of Sino-African investment relation that stood in opposition to the Western approach. The Chinese model offered flexibility with no conditions attached where traditional partners demanded governance reforms. China's willingness to finance infrastructures and to adapt its approach to host governments development priorities challenged the Western patriarchal model

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and the west's unwillingness to bear the burden of the continent's huge infrastructure needs.

Most research addressing the issues of China's economic encounters with African nations have looked at this relationship through the realists' conception of power in international relations. Which led to the expectation of China's unchallenged control over the nature and outcomes of investment negotiations with African nations. This in turn brought about a literature on China-Africa investment relations that has been overly centered on China's motives, power and activities in the continent at the expense of an African perspective.

This project aimed at filling this gap in the literature through the introduction of an account of China-Africa investment relations that shift the focus from the traditional power- and China-centric perspective to look at elements specific to the context of Sino-African investment relations.

The dissertation undertook to fill the aforementioned gaps and to analyze a crucial phase of China's investment relations with African countries. It did so by building upon two main arguments. The first argument made in the beginning of the project is that these elements that are specific to the context of China's investment cooperation with African nations and the authority bestowed to African governments by the sovereign nature of the states they govern provided African governments with the room and authority needed to shape bilateral investment relations with China.

The second main argument stressed the crucial role of domestic politics in shaping the objectives pursued by African governments in investment negotiations with China and in affecting the choices that were made in negotiations during the 2007-2016 period.

China-Cameroon bilateral investment cooperation has been chosen as an empirical case study to investigate the pertinence and the accuracy of the arguments made at the start of the project. The case of China's investment cooperation with Cameroon is an illustration of the decisive role that host countries' domestic political configurations played in shaping not only the choices that were made within investment negotiations with China but also the outcomes of these choices.

## 8.1 China-Cameroon Investment Cooperation and the Host Government

As the chapter six of this work illustrates, during the 2007-2016 period, Cameroonian decision-makers were able to define a set of priorities and objectives that were to be pursued in investment negotiations with China. They were also able to bring these objectives and priorities on the table of bilateral negotiations and to negotiate deals that reflected their preferences. However, the centralization of political power and its concentration in the hands of the executive, the absence of mechanisms of check and balances, the system of clientelism and the lack of real accountability that characterizes the Cameroonian political regime enabled the infiltration of personal preferences and interests within investment negotiations with China. The objectives that were defined and stated weren't successfully translated into concrete actions in negotiations with China. Although the choices that were made and the deals that were financed reflected the preferences of Cameroonian officials however, they were not compatible with the stated objectives.

Labor issues, local content requirements and human capital upgrade as well as the efficient financing of infrastructures that were announced by the state as priorities quickly became background noise in investment negotiations. The sectors and elements in deals such as those related to local content requirements that would have increased the development potential of Chinese investment in Cameroon were overlooked in favor of preferences for numerous and large investment projects in infrastructure.



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China's investment in Cameroon in the 2007-2016 period was characterized by the financing of large-scale capital-intensive infrastructure projects that were more likely to generate personal gains but with low development potential. Not only did the nature of the projects that were financed was not compatible with pre-defined objectives and priorities, they reflected the personal preferences of the ministries who were given the unchecked authority to make decision on what should be financed and how. The projects that were financed lacked sustainability, they failed to live up to the expectations that was placed on them. Not only these deals considerably increased the country indebtedness and dependence toward China thus threatening the Cameroon's sovereignty, they also did not benefit the Cameroonian society as a whole.

The process of definition of objectives to be pursued in negotiations, the negotiations processes themselves and the implementation of the negotiated deals were characterized by a systematic discrimination against domestic content elements in favor of China's resources. Cameroonians were scarcely employed. They were also not trained to take up on the maintenance of the many infrastructures built by China in the ten-years period. Most of the infrastructure that was built costed more than the same infrastructures in countries with similar characteristics as Cameroon. Moreover, many of the infrastructures built had defection or experienced years of delay in the execution.

The case of China- Cameroon investment cooperation illustrates one of the flaws of the Chinese model in Africa. However this unfortunately is not only China's responsibility. The lack of freedom and flexibility as well as the patriarchal element that critics of the western approach to Africa often point out have been offered by the Chinese model. The case of China-Cameroon investment cooperation brings to light the importance of domestic political configurations and the true preferences and interests of decision-makers in Africa in shaping China's relation with the continent as well as the outcomes of these relations.

## 8.2 Africa in International Relations: The Way Forward

This investigation is not specifically aiming at generalization, although it is expected that, governments under similar regimes will exhibit similar characteristics in investment encounters with China. This dissertation is mainly intended to illustrate the importance of domestic politics in shaping China's investment relations with African countries using the specific case of China-Cameroon relations as well as how the same mechanisms at work within Sino-Cameroon investment interactions could play in other countries as well. The intention is therefore also to set the pace for future investigations of China-Africa's economic ties in general and more specifically China-Africa investment cooperation that will use the same approach and perspective to investigate China's investment cooperation with other African countries that with similar or diverse political configurations than Cameroon. And in doing so, create a net of comparative investigations that will further highlight and confirm the pattern of behavior of African governments within interactions with China while also further highlighting and finally bringing to the forefront the often neglected role of African agency and African countries' domestic political settings in shaping Africa's interactions with the world.

This investigation calls to reconsider and pay attention to the existence of an African agency and of the need for greater attention to accountability in assessments of Africa's governments policies and of their dealings with the world. It also prompts an important question regarding the effectiveness of the Chinese no-string-attached approach to Africa while also opening a new

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discussion on what exactly would constitute a better approach to investment and financing in the continent. The western patriarchal model or the Chinese no-strings attached framework? No matter what the answer to this question is or will be, it should not exclude the African people from the equation.

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