ROLE OF CHINA IN THE DEVELOPMENT OF SOUTHERN AFRICA: EXAMPLE OF ZIMBABWE

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Purpose: the role of China in Zimbabwe, that has been under long-term sanctions implemented by EU and US, and also experiencing serious economic difficulties. Discussion: the author analyzed the development of relations between Zimbabwe and China. The priorities of Beijing, the main trends and key areas of bilateral cooperation are shown. Results: while in isolation and in terms of Western sanctions, the leadership of Zimbabwe found a reliable ally – China, which became its one of the leading trade and economic partners and political allies, helped to overcome the negative consequences of a large-scale economic crisis. The author predicts that in the medium term, it is possible to expect a decrease in the role Beijing is playing in the economic and political life of Zimbabwe, which is due to a number of circumstances, including the removal of most of the EU sanctions, the possible abolition of US restrictive measures, the activation of Russia, India, as well as other developing countries in the Zimbabwe. However, the link between Zimbabwe and China, which emerged in the last century, the achieved level of influence on the Zimbabwean elites will allow Beijing in the foreseeable future to remain a key player in this country.

Keywords: economic cooperation, trade, investments, foreign policy, sanctions, Robert Mugabe, Zimbabwe, Africa, China, EU, US.

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«We have turned east, where the sun rises, and given our back to the west, where the sun sets». Robert Mugabe, President of Zimbabwe, 2005» [9].

1. Introduction
Against the backdrop of a significant number of economic, social and political problems, Zimbabwean President Robert Mugabe, who has been in power for several decades, expands all-round ties with developing countries in his foreign policy, primarily with China, using its economic support and political
assistance in order to improve the economic situation in the country, to neutralize the sanctions pressure from the West [20]. In general, in the example of Zimbabwe, it should be noted that the preservation of the competitiveness of the national economy can be ensured by the state, when it has the ability to respond quickly to dynamically changing economic and political environment [2].

2. Discussion

In the first years of his tenure as President of Zimbabwe, Robert Mugabe actively enjoyed wide support in the West, primarily the United States and Britain, and the leader himself was described as «pro-Western». In general, these states believed, that Mugabe’s upraising was the largest defeat of the USSR in Africa for many years [16].

Contradictory policy of R. Mugabe in those years is ambiguously estimated by historians, nevertheless, it is worth noting that the UK and the US did not raise the question of its legitimacy. However, in the late 1990s the situation changed, when these states started to consider the growing threat of the expropriation of land from white farmers, the decline in the standard of living of black workers, the growth of authoritarianism in Zimbabwe as some critical factors. Then the opposition, calling themselves «alternative government», started to benefit from the financial assistance, obtained from the West, in particular from Germany and Scandinavia.

The internal political and economic situation was aggravated by the fact that the already implemented in 2000s Mugabe’s policy of seizing land from white farmers did not give the expected results, which was due to the incompetence of the indigenous black population, who, without much success, was engaged in agricultural management, lack of necessary means of production, fertilizers, as well as severe drought and the generally worsening economic situation in the country. At the same time, there was a high proportion of the population, which generally supported the ongoing reforms, because it disagreed with the earlier deprivation of black property by whites and welcomed its return in 2000s.

The media drew a very grim picture of what was happening in Zimbabwe – chaos, violence, underutilization of land, etc., rarely one characterized the time as the end of the colonial settlement era. Responding to such actions, the Zimbabwean government became involved in the fight against its opponents and to tighten the rules of the political game, seeking to strengthen control over the dissenters and the position of the ruling party.

The West’s response to the expropriation of private property was accusation against R. Mugabe in tyranny and dictatorship. In addition, the Zimbabwean President was considered as a leader, who escalated violence, intimidated political opponents and limited freedom of the press. As a consequence, in 2002, with respect to Zimbabwe’s leadership, the European Union imposed sanctions that included freezing of funds, financial assets, a ban on entry into the EU for the Zimbabwean elites, and exports to Zimbabwe of equipment that could be subjected to repression, technical advice, assistance and training military
specialists. Following the European Union in 2003, the United States imposed restrictive measures against Zimbabwe, which were similar to those, introduced by the EU [7, 8, 16, 15].

Not only the population and business of Zimbabwe, but also South Africa suffered from sanctions (Mugabe’s regime enjoys rather stable support of this regional leader). In general, of course, the attitude of the official authorities of South Africa to this situation in Zimbabwe is quite critical. South Africa recognizes the need to move its neighbor toward «democracy», but very much fears to lose the control over the situation and the appearance in the neighborhood of some new, unpredictable elites. At the same time, because the «junior neighbor» gets carte blanche for authoritarian actions inside his country, the big business of the «senior neighbor» suffers (the companies of South Africa have to work in the unpredictable and dysfunctional economic system of Zimbabwe) [19].

Less inclined to attach importance to the internal problems of this country are its other international partners – primarily, China.

It is of fundamental importance to note that the cooperation between Harare and Beijing began in the 1960-1970s, when the Chinese authorities supported the struggle of African blacks with the colonialists. At that time, the main political forces in the country were the Zimbabwe African People’s Union (ZAPU) and the Zimbabwe African National Union (ZANU). As a result of the struggle for independence, Robert Mugabe, the leader of ZANU, first became prime minister in 1980, and in 1987 – the President of Zimbabwe. It is worth noting, that ZAPU was supported by the Soviet government, and ZANU – by the Chinese [14].

Thus, the friendly relations between Harare and Beijing became the consequence of the Chinese support during the national liberation struggle in Zimbabwe [3]. Beijing helped ZANU party to win and as a result received about 30 years ago a dependent leader. However, if the relations between Harare and Beijing were initially of an ideological nature for a long time, then from the beginning of the 2000s, trade, economic and investment cooperation became a clear priority.

Coming back to the early 2000s, in the face of strong sanctions from the West, Harare sought to find alternative partners, as access for local companies to the EU and the US was closed. China became such a partner, ready to actively develop trade and investment cooperation: to purchase products with low added value, to sell ready-made goods in Zimbabwe, to lend to the Zimbabwean government and make significant investments in the economy of this African state.

The intensification of cooperation with Zimbabwe remained one of the priorities of the Chinese Communist Party (CCP) foreign policy. This is due to the fact that Zimbabwean land is extremely rich in mineral resources, which are necessary to ensure China’s economic growth [14].

In addition, it is worth noting that the population of China is constantly
growing, the number of workforce increases every year. Each percentage point of GDP growth translates into roughly one million new jobs a year, which means that China needs GDP to rise at least ten percent every year in order to absorb the influx of laborers [11]. In this regard, for a long period of time Beijing needs to employ its often low-skilled specialists by maintaining high economic growth within the country or by expanding internationally. It seems that in principle, economic growth cannot be separated from the set up and consolidation in new markets.

Beijing has been also considering Zimbabwe as a springboard for expanding its own influence in the South African subregion, and showed interest in developing relations with Harare further at all levels and in virtually all areas of the economy [20].

One of the reasons for the success of the Chinese in Zimbabwe is their clearly stated position in support of Harare of pursuing an independent policy without regard to the reaction of the US and the states of Western Europe. Of no small importance in the positive development of bilateral relations is the fact of coincidence of approaches to the solution of most pressing international problems.

Important for the Harare’s elites has been Beijing’s recognition of the results of the elections in Zimbabwe, full support for the land reform carried out by the authorities of the country, sharp criticism of the West in connection with its interference in the internal affairs of this country. Using state and commercial credits provided by Beijing and other flexible schemes of mutual settlements, Zimbabweans have been successfully increasing the volume of bilateral trade and economic cooperation [14].

Despite Zimbabwe’s uncertainties, China invested in at least in 128 projects in Zimbabwe from 2000 to 2012. Zimbabwe is among the top three Chinese investment destinations in Africa, attracting a total FDI of more than USD 600 million in 2013. Moreover, China was Zimbabwe’s largest trading partner in 2015, buying 27.8 percent of the country’s exports. Chinese companies have also been actively engaged in contractor services in telecommunication, construction, irrigation, and power [18]. To date, the key elements that form a positive image of China in Zimbabwe are Chinese investments in infrastructure and active business activity (41% of the population believe so), the low cost of the Chinese products sold in the country (31%), the support provided by CCP to Harare in the international arena (5%) and non-interference in domestic affairs (4%) [1].

Cooperation between the two states is also developing effectively in the military-technical field, the basis for which was set up in the period of the national liberation struggle for the independence in Zimbabwe, when Beijing rendered diverse support to the military-political group headed by President R. Mugabe. An important factor determining the stable current situation of China in the Zimbabwean arms market is the high activity of the leading Chinese exporting companies: Norinco (China North Industries), the manufacturer and seller
of weapons for the ground forces and Catic (China National Aero-Technology Import and Export), responsible for the production and sales of Chinese aircrafts in the foreign markets [20].

Collaboration in the financial field is also emerging. Beijing has been one of the main creditors of Zimbabwe for a long time. As of 2014, Harare’s total debt to China was about USD 700 million. In the same year to intensify trade and economic cooperation the leadership of Zimbabwe made it possible to carry out trade operations in Chinese renminbi [14].

The special interest of Beijing are the programs on the development of cooperation in the field of education, culture, and science. In the mid-2000s, the parties agreed on the opening of the Confucius Institute at Harare University. Formally, the key declared goal of the work of this educational institution is the training of the Zimbabweans in the Chinese language and the dissemination of Chinese culture. The educational institution also organizes internships in China for Zimbabwean students. It is noteworthy that Grace Mugabe, the wife of the Zimbabwean president and a possible future leader of Zimbabwe, was trained at the Renmin University of China (People’s University of China).

Beijing has also organized trainings for Zimbabwean civil servants, giving priority, of course, to the Zimbabwean establishment [14]. Thus, Emmerson Mnangagwa, former First Vice President of Zimbabwe (dismissed on November 6, 2017), also claiming the post of R. Mugabe’s successor, was military and ideologically trained in China. In this context it is worth mentioning, that both potential candidates for the post of the Zimbabwean President (rivalry for the presidency of Zimbabwe entered the active phase in 2015 [10, 6]) are at least loyal to CCP or even dependent from China.

At the same time, it should be noted that against the backdrop of Harare’s statements and Beijing’s actions, China behaves extremely cautiously both on the political scene, and in the financial and investment spheres.

Beijing is playing a behind-the-scenes game with Mugabe’s political opponents. Of course, the reason for this is not the desire for a simple change of power in Zimbabwe or an increase of the effectiveness of Zimbabwean democratic institutions, it is the wish to preserve the funds invested in the Zimbabwean economy and the level of trade and economic cooperation. So, in 2013, the Chinese intensified their contacts with the main Mugabe’s opponent – presidential candidate, leader of one of the largest parties in the country – Morgan Tsvangirai. It is also important that Tsvangirai himself, despite his «pro-Western» stance and previously noted criticism of Beijing, showed interest in a dialogue with the Chinese [14].

China’s caution is also observed in the financial and investment spheres. In 2005-2014 China refused to allocate at least USD 18 billion in funds requested by Harare for the needs of the national economy, in particular for the development of agriculture, mining and information technologies. In addition, in 2014, Beijing in an ultimatum demanded Harare to repay borrowed funds of USD 180 million,
threatening to stop further lending to the Zimbabweans [14]. Perhaps this is due to the fact that the Chinese government recently sought to reduce the number of mergers and acquisitions of foreign assets to preserve capital in the economy and strengthen the national currency. In addition, today Beijing’s one of the key priorities – the «New Silk Road» project, in which the government often forces businesses to invest, even if such investments are unprofitable for companies [13].

It should be noted that against this background Zimbabwe has intensified its relations with international financial institutions. In particular, in 2016, the World Bank, together with the African Development Bank and the IMF, decided to write off USD 1.88 billion from the USD 8.3 billion foreign debt of Zimbabwe [12].

Often excessive deepening of trade, investment, scientific, technical and cultural cooperation causes criticism from the part of the Zimbabwean electorate (including certain elites), oriented toward building constructive relations with the West. Pro-Western supporters in Harare regularly raise the question of who is the real beneficiary of friendly relations with Beijing, believing that Mugabe is fulfilling the will of Chinese investors, who control many of Zimbabwe’s key enterprises.

In general, the discontent of a part of the population, primarily concentrated in large cities, in the context of Zimbabwean-Chinese relations is linked with social and economic issues. For instance, Zimbabweans complain, that local producers cannot compete with the Chinese, since their goods are traded at a low price. In addition, Zimbabweans are not satisfied with the sanitary and epidemiological norms adopted at Chinese enterprises and which are run counter to local legislation. Another issue of concern for Zimbabweans working in Chinese companies are low wages and non-compliance with Zimbabwe’s labor laws. Often, the Chinese behave, in the opinion of Zimbabweans, as new colonists who enslaved the local population.

Some experts emphasize the groundlessness of the conclusions that Zimbabwe’s key assets are almost completely under Chinese control, as the Zimbabwean Indigenisation and Economic Empowerment Act, adopted in 2007 does not allow foreign companies to own more than 49% of the shares of an enterprise.

However, there is also an opposite thinking. Some experts note that the mentioned Act, which was, in particular, adopted because of Robert Mugabe’s fears that Western companies are steadily increasing their activities aimed at supporting the opposition, did not touch a number of Chinese enterprises [14].

In general, China’s negative image in Zimbabwe is formed by low-quality Chinese products (as 48% of the Zimbabwean population believe), using the country as a «raw material appendage» (18%), an excessive number of Chinese specialists depriving Zimbabwe’s jobs (9%) [1]. It seems, that a greater problem are strong ties with Beijing, which are extremely beneficial to the elites in Harare. These elites often disregard the opinion of their population, given preference to their own political and economic influence and, what is maybe more critical, their own enrichment.
So, what is China for Zimbabwe in general, the true friend or country that is plundering the mineral resources of this African country? According to a number of researchers, relations are too complex for an unambiguous answer to this question. However, it seems, that since the beginning of the 2000s, when sanctions against Harare were imposed by the EU and the US, partnership can be still characterized as beneficial for both sides [5].

A poll conducted in Zimbabwe in 2015 showed that China has the greatest influence, according to 55% of respondents, on the political and economic life of the country (the highest rate among all countries in Africa), followed by the United States (14%) and South Africa (12%). At the same time, 48% of the survey participants noted that Chinese influence favorably affects the Zimbabwean national economy and the domestic political situation, and 31% – that negatively.

In general, 46% of the respondents positively assessed the Chinese aid to the development of the economy of Zimbabwe, 30% – negatively. At the same time, 25% of respondents would like the country to follow the American model of economic development and 20% – the Chinese one. The following conclusion can be drawn: the opinions are divided, most are still satisfied with the development of the partnership between Zimbabwe and China, but at the same time, despite the negative image of the West, in particular, the US, formed by Harare, the residents of the country would prefer Zimbabwe to orient not to the East, but to the West [1].

However, as in the past, Robert Mugabe himself still declares his principled adherence to the most friendly relations with China and seeks common points of contact with this country. So, in November 2017, Mugabe noted, the further policy of CCP will give additional benefits to the developing countries, including Zimbabwe. The President expressed his sincere admiration for the results achieved in China and stressed that Zimbabwe and personally he adhered to the principles of socialism, as well as CCP. Mugabe expressed hope and interest in further mutually beneficial collaboration in all areas, including the cooperation in the field of public administration. Acknowledgment was also expressed to the CCP for the extended support to Zimbabwe over the years [17]. It can be assumed that Mugabe hopes for political and economic assistance from China in the future, given that he has already started his election campaign, which is scheduled for 2018 [21].

3. Conclusion

Being isolated and subject to sanctions implemented by Western countries, the leadership of Zimbabwe found a reliable partner – China, which is less interested in politics rather than in trade and investment cooperation.

Beijing not only helped to overcome the negative consequences of the large-scale economic crisis in the country, but also contributed to the preservation of power in the hands of the Zimbabwean President Robert Mugabe and his entourage.

For almost two decades, China has become one of Zimbabwe’s leading
strategic trade, economic and political partners. The intensification of economic cooperation between China and Zimbabwe is an excellent example of how Beijing can and is ready to fill the «vacuum» with mutual benefit.

At the same time, the potential for reducing the intensity of cooperation in the medium term cannot be ruled out.

First of all, this is due to the removal of most of the sanctions by the EU, the possible abolition of restrictive measures by the US in the foreseeable future. The European companies have already begun to compete with Chinese business in the Zimbabwean market. International financial institutions have also become more active in the country. Entrepreneurs from some developing countries, primarily from India, Iran are showing increasing interest in cooperation with Harare.

Russian business has also entered into an active phase of competition for this market. Today, the Russians are leading several major projects in Zimbabwe, but it is expected, that there will be further development of investment cooperation and implementation of export-import potential in many sectors of the economy.

It is of fundamental importance not to forget about the interests of South Africa, which at a certain stage can begin a full-scale economic and political game, intensify its efforts in the Zimbabwean direction, thus proving, that it is a truly regional leader.

Nevertheless, the dependence of the Zimbabwean economy and local politicians on Beijing will still determine the importance of the Chinese factor in the country’s politics for a long time.

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РОЛЬ КИТАЯ В РАЗВИТИИ ЮГА АФРИКИ: ПРИМЕР ЗИМБАБВЕ

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Цель: статья посвящена роли Китая в Зимбабве — стране, находящейся на протяжении длительного периода времени под санкциями со стороны ЕС и США, а также испытывающей серьезные экономические трудности. Обсуждение: автором проведен анализ развития отношений между Зимбабве и Китаем в XXI веке. Показаны приоритеты Пекина, основные тенденции и ключевые направления двустороннего сотрудничества. Результаты: сделаны выводы о том, что, находясь в изоляции и условиях санкционного давления со стороны стран Запада, руководство Зимбабве нашло в лице Китая надежного союзника, который стал одним из ведущих торгово-экономических и политических партнеров Зимбабве, помог преодолеть отрицательные последствия масштабного экономического кризиса, способствовал сохранению власти в руках местной элиты. Автор прогнозирует, что в среднесрочной перспективе можно ожидать снижение роли, которую играет КНР в экономической и политической жизни Зимбабве, что обусловлено рядом обстоятельств, в том числе снятием большинства санкций со стороны ЕС, возможной отменой резерривных мер со стороны США, активизацией России, Индии, а также ряда развивающихся стран на зимбабвийском направлении. Однако связка Харара и Пекина, возникшая еще в прошлом веке, и достигнутый уровень влияния на местные элиты позволят Китаю в обозримом будущем оставаться одним из ключевых игроков на зимбабвийской арене.

Ключевые слова: экономическое сотрудничество, торговля, инвестиции, внешняя политика, санкции, Роберт Мугабе, Зимбабве, Африка, Китай, Европейский союз, США.

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