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Sino-African relations: some solutions and strategies to the policy syndromes

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Abstract

We survey about 110 recently published studies on Sino-African relations; put some structure on the documented issues before suggesting some solutions and strategies to the identified policy syndromes. The documented issues classified into eight main strands include, China: targeting nations with abundant natural resources; focusing on countries with bad governance; not hiring local workers; outbidding other countries by flouting environmental and social standards; importing workers that do not integrate into domestic society and living in extremely simple conditions; exhibiting low linkages between her operations and local businesses; exporting low quality products to Africa; and the emergence of China hindering Africa's development.

JEL Classification: F19; F21; O10; O19; O55
Keywords: Economic relations; China; Africa

1. Introduction

There is a growing body of literature sustaining that the lost decades in Africa could substantially be traceable to its application of the Washington Consensus (Lin, 2015) and false economics of preconditions (Monga, 2014). Accordingly, policies of privatization, liberalization, marketisation, complete openness, and growing reduction of government involvement in economic activities have not led to expected benefits in the continent (Fofack, 2014, p. 6; Amavilah, 2014). Unappealing external trends that have led to the shifting tendency include, inter alia: slavery, colonialism, Bretton Wood's structural adjustment policies, Cold War manipulations, neocolonialism, and corruption by companies from the West (Robinson, 2009). In this light, China has tailored its foreign policy to take advantage of this growing frustration from African policy makers (Asongu et al., 2014).

According to Lyman (2005), "*China returns to Africa in the 21st century with not only a need for economic resources but with the cash to play the game dramatically and competitively*". China's growing influence in the world economy, especially its increasing footprint on the African continent has engendered numerous debates in academic and decision-making circles. Indeed, the issues surrounding Sino-African relations are for the most part centered around China's unconditional and non-interference foreign policy (Asche et al., 2008; Taylor, 2006; Besada et al., 2008; Ortmann, 2012; Biggeri et al., 2009)[1]. The plethora of studies have centered on, inter alia: the short-turn interests of the relationship (Duclos, 2011); the imperative for strategies of development to be oriented towards multi-polarity (Tull, 2006); investment decisions based on bad governance and resource-seeking ambitions (De Grauwe et al., 2012; Kolstad and Wiig, 2011; Renard, 2011); hard political perspectives of the relationship (Taylor, 2007); pull and push motivations (Biggeriand Sanfilippo, 2009) and; analyses of the West's growing suspicion about the relationship (Huliaras and Magliveras, 2008).

[1] China's foreign policy has both positive and negative effects on the New Partnership for Africa's Development (NEPAD). While it is consistent with the NEPAD's view of African ownership and sovereignty, it also favors autocracy which is not in line with the NEPAD's perspective of democracy (Asongu et al., 2014).

To the best of our knowledge, the bulk of recent literature has consisted of presenting and depicting the issues surrounding the Sino-African relationship[2].

This stream of studies has left room for solutions to the documented policy syndromes. We fill this gap by extending Asongu and Aminkeng (2013) to suggest solutions and strategies to issues in Sino-African relations. The study has assessed and debunked burgeoning myths surrounding Sino-African relations. Our paper extends the underlying paper in a twofold manner. First, we restructure the myths into policy syndromes from further perusal of the literature. Second, we review the available literature to suggest strategies and solutions to the identified policy syndromes. The two contributions are relevant to African policy makers because the Sino-African relationship has been substantially documented as asymmetric (Giovannetti and Sanfilippo, 2009, p. 506; Villoria, 2009, p. 531; Ndjio, 2009, p. 606; Huliaras and Magliveras, 2008; Alden, 2016, p. 147; Brooks, 201, p. 113; Askouri, 2007, p. 71; Kiggundu, 2008, p. 130; Elu and Price, 2010, p. 587; Chemingui and Bchir, 2010, p. 562; Power, 2008, p. 7; Breslin and Taylor, 2008; Large, 2008, p. 93).

The proposed Sino-African policies are also drawn from a broad stream of studies on '*achieving development success: strategies and lessons from the developing world*' (Fosu, 2012, 2013a) based on past historical experiences (Fosu, 2010). These include, inter alia: Malaysia, South Korea, Vietnam, and Thailand in East Asia and the Pacific (Khan, 2013; Lee, 2013; Warr, 2013; Jomo and Wee, 2013; Thoburn, 2013); the burgeoning Asian giants of India and China (Singh, 2013; Santos-Paulino, 2013; Yao, 2013; Asongu and Aminkeng, 2013); Latin America and the Caribbean with some emphasis on Costa Rica, Brazil, the

[2] The interested reader can confirm this position by referring to, inter alia: Alves (2006), Gaye (2006), Schiere and Walkenhorst (2010) Alden et al. (2008), Jenkins and Edwards, (2006), Moreira (2007), Brenton and Walkenhorst (2010), Guerroro and Manji (2008), Chemingui and Bchir (2010), Schiere (2010), Sanfilippo (2010), Wu and Cheng (2010), Kitissou (2007), Wei and Wang (2009), Lall et al. (2005), Biggeri and Sanfilippo (2009), Muneko and Koyi (2008), Wang and Zheng (2010), Ji (2010), Wang and Zheng (2012), Wei (2007), Duclos (2011), Mawdsley (2008), Zhu (2010), De Grauwe et al. (2012), Klaplinsky and Messner (2008), Renard (2011), Lin and Farrell (2013), Drogendijk and Blomkvist (2013), Wei (2013), Zhang et al. (2013), Munemo (2013), Diaw and Lessoua (2013), Adekunle and Gitau (2013), Babatunde (2013) and Asongu and Aminkeng (2013).

Dominican Republic and Chile (Solimano, 2013; De Mello, 2013; Trejos, 2013; Cardoso, 2013; Pozo et al., 2013); the Middle East and North Africa (MENA) region with cases of Oman, the United Arab Emirates (UAE), Bahrain and, Tunisia (Drine, 2013; Looney, 2013; Nyarko, 2013; Baliamoune-Lutz, 2013) and; sub-Saharan Africa with emphasis on Ghana, Botswana, South Africa and Mauritius (Robinson, 2013; Lundahl and Petersson, 2013; Subramanian, 2013; Naudé, 2013; Fosu, 2013b).

Therefore, in addition to solutions that are drawn from the Sino-African literature, the suggested policies for identified syndromes reflect a diversity of multi-polar strategies in development, inter alia: the diversification strategies of the UAE, Oman and Bahrain; the political economy of China that is based on '*disinterested-government*'; optimal strategies in the management of natural-resources from the UAE, Oman, Bahrain and Botswana; the social sector programs of development in Costa Rica and Tunisia; dynamic policies in Malaysia and Vietnam based on orthodox-heterodox initiatives; Indian approaches of diversity management based on democratic political systems and; reforms in Ghana that are based on the Washington Consensus.

The remainder of the study is organised as follows. The policy syndromes surrounding the Sino-African relationship are discussed in Section 2. Section 3 suggests solutions and strategies to the identified syndromes while Section 4 concludes.

2. The policy syndromes in Sino-African relations

Table 1 below synthesizes eight syndromes documented in the literature. Borrowing from Fosu (2013c), the term 'policy syndrome' is employed to elucidate circumstances that are unfavorable to economic prosperity. These include amongst others: 'state controls', 'suboptimal inter-temporal resource allocations', 'administered redistribution' and 'state breakdown'. According to Fosu, these syndromes are responsible for the humiliating growth of African countries after independence. Within the framework of this paper, 'policy syndromes' are unappealing trends surrounding Sino-African relations. The identified policy syndromes include: China more willing to trade with African countries that have abundant natural resources (Panel A); or nations with relatively poor governance standards (Panel B); Chinese entrepreneurs not hiring local workers (Panel C); China surpassing other corporations and countries because it is flouting environmental and social standards (Panel D); compared to Western entrepreneurs, Chinese managers and workers live in relatively simple conditions (Panel E); low nexuses between Chinese projects and local businesses (Panel F); the Chinese, relative to Western countries, export only products of low quality to Africa (Panel G) and; from a broad perspective, Sino-African relations are straining Africa's emergence by stifling development and living standards in the continent (Panel H). According to Collier (2007), the sad reality is that although globalization has powered the majority of developing countries towards prosperity, it is now making things harder for these latecomers. Asian economies have established competitive agglomerations with low wages and economies of scale. Hence Asia is attracting most of the Foreign Direct Investment (FDI). Collier (2007) contends that the bottom billion are locked into natural resource exports twice over: by the threshold effects of Asian export agglomerations and by Asia's desperate need for natural resources.

The impact of the rise of the Brazil, Russia, India, China, and South Africa (BRICS) in Africa is dynamic and varies from country to country. Carmody (2013) examines the rise of the BRICS in Africa and observes that the hegemony of the western-dominated financial institutions has been challenged by the rise of the BRICS, reshaping global governance and geopolitics, and the prospects for African development. According to Carmody (2013, p.6) "*the rise of the BRICS has presented African countries with an alternative range of "partners"; opening up policy space and reconfiguring and restructuring processes of globalization*." Carmody claims that the Chinese EXIM (export-import) bank is now the largest provider of loans to Africa, ahead of the World Bank. The BRICS, in contrast to the

Western powers, pride in a policy of "non-interfering". While this policy might increase the independence of African nations, it might also sustain and strengthen authoritarian regimes. Indeed we observe a shift from the "good governance" to governance that works.

The rise of the BRICS is resulting into the (dis)empowerment of African states, depending on and in relation to individual actors. For example:

- Empowerment through new sources of finance to resist World Bank/IMF diktas
- Empowered relative to their populations, even as their ecological space is being further colonized by (new) overseas-based actors.

Table 1: Synthesis of the policy syndromes

	Panel A: China targets countries with abundant natural resources
Alden (2006)	The asymmetric character in the Sino-Africa relationship is raising a lot of concerns in Western nations. "*Motivated by vital resources and new markets to fuel its economy, coupled to a commitment to multilateralism, Beijing has embarked on a comprehensive trade and diplomatic offensive that is challenging Western pre-eminence in the region*" (p. 147).
Kiggundu (2008)	Investments in Africa are driven by resource-oriented ambitions for the most part. "*Results show that largely driven by monopolistic state-owned enterprises (SOE), china's outward FDI is concentrated in a few large resource-rich African countries characterized by high risk governance environments and poor global competitiveness*" (p. 130).
Asongu and Aminkeng (2013)	"*China targets aid to African states with abundant natural resources and bad governments, Chinese do not hire Africans to work on their projects"* (p. 263).
	Panel B: China targets countries with bad governance
Kiggundu (2008)	Investments in China are motivated by poor governance in the recipient countries. "*Results show that largely driven by monopolistic state-owned enterprises (SOE), china's outward FDI is concentrated in a few large resource-rich African countries characterized by high risk governance environments and poor global competitiveness*" (p. 130).
Breslin and Taylor (2008)	Violations of human rights may accompany Sino-African relations.
Large (2008)	China's non-interference policy in the Darfur crisis in Sudan is very preoccupying. "*Today China faces the challenge of accommodating its established policy of non-interference with the more substantive and growing complexity of Chinese involvement developed over the past decade in Sudan, amidst ongoing conflict in western Darfur and changing politics after the North-South peace agreement of January 2005*" (p. 93).
Asongu and Aminkeng (2013)	"*China targets aid to African states with abundant natural resources and bad governments, Chinese do not hire Africans to work on their projects"* (p. 263).
	Panel C: Chinese do not hire Africans to work on their projects
	There are substantial issues in labor relations in the textile industry of Zambia. "*Wages*

Brooks (2010)	*were suppressed through casualisation, working conditions worsened and strict discipline was imposed. Workers did not gain the modern livelihoods they anticipated and through labour struggles, meanings and understandings of racial differences were produced and anger towards the Zambian state was articulated*" (p. 113).
Mohan (2013)	While much has been documented on the Chinese importing their own labor resources, more studies are needed to substantiate the policy syndrome. "*It then examines a pervasive theme in China–Africa relations, which assumes that the Chinese work through enclaved investments to secure the resources of low-income economies, though in this sense the Chinese are no different from other investors. Where they do differ is in their bundling of aid, trade and FDI and their use of imported labour, which has been termed 'surgical colonialism'. The article does not dispute the existence of Chinese enclaves but argues that we need more empirical evidence on the levels of labour importation in relation to local labour market conditions*". (p. 1255).
Asongu and Aminkeng (2013)	*"Chinese do not hire Africans to work on their projects" (*p. 263).

Panel D: China outbids other companies by flouting social and environmental standards

Askouri (2007)	"*Ali Askouri charts the high cost of China's rising involvement in Sudan, placing emphasis on the lives lost and communities displaced in the Southern Sudan and Darfur. He explains the rapidly growing Chinese demand for oil and the involvement of Chinese companies in huge infrastructure projects*" (p. 71)
Asongu and Aminkeng (2013)	*"China outbids other companies by flouting social and environmental standards"* (p. 263).

Panel E: Chinese workers and managers live in extremely simple conditions as compared to Western advisors

Asongu and Aminkeng (2013)	*"Chinese workers and managers live in extremely simple conditions as compared to Western advisors"* (p. 263).
Mohan and Tan-Mullins (2009)	"*Socially, the Chinese have been welcomed in Africa although integration has been limited*" (p. 588)

Panel F: Low linkage between Chinese and local businesses

Giovannetti and Sanfilippo (2009)	"*With the intensification of economic relations, in fact, China has started flooding African markets with its low-cost manufactures, often at the expense of local*". (p. 506)
Villoria (2009)	Agricultural exports in Southern Africa have not been affected positively by the growth of China. "*We find little complementarity between China's agricultural import demand and the Southern African (SA) countries' agricultural export supply. We also explore the possibility of China affecting SA agricultural exports through higher world agricultural prices associated with China's growing demand for food. We find that, although China has moderately increased agricultural prices (in an aggregated sense), SA exports do not seem to benefit from these price increases*" (p. 531).
Elu and Price (2010)	"*With micro-level data on manufacturing firms in five sub-Saharan African countries, we estimate the parameters of firm-level production functions between 1992 and 2004. Our parameter estimates reveal that across the firms and countries in our sample, there is no relationship between productivity-enhancing foreign direct investment and trade with China*" (p. 587)
Chemingui and Bchir (2010)	"*In other words, China is expected to achieve in 10 years (2010–2020) what initially was expected to be achieved in 20 years in case of no agreement under the Doha Round, where a simple linear estimation on the evolution of Chinese exports is carried out. Our results also show that even in the case where China will offer more market access for African countries, the situation will not improve much for most of them. The reason is that Africa is still suffering from small productive capacities and a low level of diversification of its economy*" (p. 562).

Power (2008)	The relations are harmful to SSA's industrial growth because it challenges the mainstream wisdom of industrialization being a crucial development strategic component. "*These challenges are expressed through a combination of direct impacts (expressed in bilateral country-to-country relations) and indirect impacts (reflected in competition in third country markets). In current structures, these impacts are predominantly harmful for SSA's industrial growth, as expressed through its recent experience in the exports of clothing to the US under AGOA (African Growth & Opportunity Act). If Washington Consensus policies prevail, these harmful impacts will be sustained and deepened*" (p.7).
Asongu and Aminkeng (2013)	*"low linkage levels between Chinese and local businesses"* (p. 263).
Panel G: Compared to the West, the Chinese exports only low quality products to Africa	
Ndjio (2009)	Most of what comes from China to Africa is junk and cheap: from commodities to prostitutes. "*The main argument of this paper is that 'Shanghai beauties', as Cameroonians generally refer to Chinese migrant prostitutes, are part of the cheap and depreciated commodities that China is exporting to this country through its well-organised trade networks mostly controlled by Chinese traders from overseas. As such, the equivocal perception of these Asian sex workers by the native population as both cheap bodies and junk sex only reflects the general perception of China-sourced goods at large*" (p. 606).
Panel H: Overall Sino-African relations are making it harder for Africa to emerge by decreasing African living standards and development prospects	
Elu and Price (2010)	In the long-run, the relation would not produce higher standards of living in SSA. "*In addition, increasing trade openness with China has no effect on the growth rate of total factor productivity. To the extent that total factor productivity and its growth is a crucial determinant of economic growth and living standards in the long run, our results suggest that increasing trade openness with China is not a long-run source of higher living standards for sub-Saharan Africa*" (p. 587).
Chemingui and Bchir (2010)	Due to the small capacities in production and low levels of diversification in African economies, Africa will not much benefit from Sino-African relations.

Source: Authors. SSA: Sub-Saharan Africa

In light of the above synthesis in Table 1, we briefly discuss the policy syndromes in eight main streams. In the first strand on natural resources, much has been documented on China exclusively targeting African economies with abundant resources (Kostand and Wiig, 2011). Alden (2006, p. 147) has established that the asymmetric nature of Sino-African relations is raising substantial concerns from the West, inter alia, because the nexus is based essentially on the availability of natural resources. This is consistent with the Askouri (2007, p. 71) on Chinese demand for oil and the Kiggundu (2008, p. 130) on China's outward foreign direct investment (FDI) concentrating on a limited number of African countries that are rich in natural resources.

In the second stream, China's investments and trade in Africa are: characterized by economic environments with substantial governance risk (Kiggundu, 2008, p. 130); high human rights violations (Breslin and Taylor, 2008; Large, 2008, p. 93), especially in coalition with the corrupt elites (Askouri, 2007, p. 71). The narratives of the first-two streams are consistent with Drogendijk and Blomkvist (2013, p.75), Gu (2009, p. 570), Zhang et al. (2013, p. 96), Kragelund (2009), Carmody and Owusu (2007), Kostad and Wiig (2011), Osei and Mubiru (2010), Sanfilippo (2010) and Askouri (2007).

The third stream focused on the hiring of local workers by Chinese companies is in line with: (i) Kamwanga and Koyi (2009) on investment in Zambia with fairly skilled Chinese workers and (ii) Asongu and Aminkeng (2013) on the general atmosphere in the continent. While Mohan and Tan-Mullins (2009) have documented this policy syndrome as part of the game of competition, Mohan (2013) has been consistent with the broad conclusions of Asongu and Aminkeng (2013) in establishing that more studies are required to prove that this policy syndrome is substantially significant in Sino-African relations.

The fourth strand emphasizes that China's competitive advantage is fuelled by its ability to flout environmental and social standards. This has led to substantial labour disputes in the textile industry of Zambia. According to the narrative, wages have been diminishing and the conditions of work have also worsened (Brooks, 2010, p.113). According to Askouri (2007), the Sudanese elite and Chinese '*…are joining hands to uproot poor people, expropriate their land and appropriate their natural resources*.' (p. 71). The environmental concern in the relationship has also been substantially documented in the literature (Asche and Schüller, 2008).

The concern about the Chinese living in relatively very simply conditions is the fifth policy syndrome. According to the narrative, relative to Chinese workers, Western experts working in Africa integrate into and spend in the domestic economy by purchasing commodities. The Chinese on the contrary, for the most part import their food and other subsistence needs from China (Kamwanga and Koyi, 2009; Asongu and Aminkeng, 2013). While an advantage of this syndrome is that it makes Chinese contracts relatively less expensive, spending on domestic commodities for subsistence purposes may also not significantly raise the cost of underlying projects.

Low inter-business nexuses or low networks between local and Chinese businesses constitute the sixth strand. Some accounts hold that, inter alia: trade with China is seriously crowding-out vulnerable industries in Africa (Giovannetti and Sanfilippo, 2009, p. 506); the export sector of Southern Africa's agricultural exports not being positively impacted by the burgeoning prosperity of China (Villoria, 2009, p. 531); there is no nexus between trade with China and productivity-enhancing FDI (Elu and Price, 2010, p. 587); the relationship is very detrimental for African industries because they are suffering from low diversification and small capacities of production (Chemingui and Bchir, 2010, p. 562) and; SSA's industrial growth is being substantially negatively affected (Power, 2008, p. 7).

The low quality of commodities supplied to Africa relative to the Western world constitutes the seventh stream. Indeed, with increasing economic relations, China is inundating African markets with manufactures of low quality which is to the detriment of local businesses (Giovannetti and Sanfilippo, 2009, p. 506). Ndjio (2009, p. 606) increases the tone of the narrative by establishing that everything from China is perceived as relatively cheap and junk: from female prostitutes to commodities.

Finally, there is a syndrome on Sino-African relations decreasing development and living standard from an overall perspective. This strand is supported by, amongst others: (i) Chemingui and Bchir (2010) on industrial development, especially in terms of mainstream industrial strategy (Power, 2008, p. 7) and; (ii) Elu and Price (2010) with a more radical conclusion which sustains that the evolving trade openness with China will not increase living standards for Sub-Saharan Africa (SSA) in the long-term (p. 587).

Analyzing the ripple effects of China's economic ascendance in SSA, Zafar (2007) classifies SSA countries into winners, mixed and losers. Of the winners Zafar includes the oil exporters and resource-rich countries, such as Angola, Gabon, and Sudan, and base metal exporters, such as Mauritania (iron ore), Mozambique (aluminum), South Africa (platinum), and Zambia (copper) have been positively affected by the surge in international prices for oil, wood, and metals, due partly to increased China's import demand. On those with mixed effects, Zafar (2007) includes some 'resource-rich but oil-importing' countries such as Botswana and the Central African Republic. The effects of China on these countries have been ambiguous, since the upward pressure on metal prices has been partially dampened by the higher oil import bill, with the impact on the smaller economies particularly strong. The losers are the oil-importing countries that are also textile exporters, such as Madagascar and Mauritius. They suffer from negative 'terms of trade' shocks resulting from the added costs of oil imports and the competition of China's textile imports, which ultimately have consequences in terms of job losses and shrinkage in domestic manufacturing. Due to increased Chinese competition in third-country markets, these countries will lose world market share. Moreover, countries that are coffee producers (Burundi, Ethiopia, Rwanda, and Uganda) and exporters of other agricultural commodities (Côte d'Ivoire, Kenya, Malawi, Tanzania, and Zimbabwe) as well as oil importers will be hurt because; agricultural prices have not increased over the last couple of years. Moreover, these African countries do not have a strong comparative advantage in the production of any of China's main agricultural imports—wheat, corn, beef, and soybeans. As a result, these countries will most likely face a worsening of their trade balances.

According to Jenkins and Edwards (2006), the ways in which Africa has been affected differs from country to country, with some such as Angola, Nigeria and Sudan being important exporters, others such as Ghana, Ethiopia, Kenya, Tanzania and Uganda mainly importers from Asia, and Lesotho facing competition from China in export markets.

3. Solutions to policy syndromes

3.1 China targets countries with abundant natural resources

We first briefly discuss some perspectives from the literature on the syndromes before presenting the contribution of this study. First, the literature has substantially documented that, there is not much that can be done about China's targeting of African countries with abundant natural resources. Many narratives on this issue are consistent with the position that, natural resources are not the only motivating elements and China is not alone in her interest for natural resources (Tull, 2006; Asche and Schüller, 2008; Biggeri and Sanfilippo, 2009**;** Freschi, 2010; Asongu and Aminkeng, 2013). Accordingly, like most Western countries, China's foreign policy is motivated by a plethora of ideological, social, political and commercial factors.

In light of the above, the position of existing literature is that there may be no solution to this policy syndromes because, there are no genuine Western standards which represent credible benchmarks for such policies, inter alia: "*The paper concludes that SSA countries should maximise the opportunities opened to them by their resource-base by adopting a similarly integrated and focused response to Chinese (and other large) investors who seek to draw on the continent's natural resources"* (Kaplinsky and Morris, 2009, p. 551) and; China-Africa relations have also been rewarding to resource-poor countries like Mauritius (Ancharaz, 2009, p. 622). We discuss solutions to the policy syndromes in three main strands: avoidance of the Dutch disease, beneficial effects in resource-poor countries and, a more holistic approach in the negotiation of contracts.

First, given the ineluctable character of the resource-seeking dimension of Sino-African relations, resource-rich countries should take measures to avoid falling into the trap of the Dutch disease that substantially leads to low competiveness in the traditional industrial sector due to ‘import substitution’ and strengthening of domestic currency. These negative impacts include among others: decline in production and negative price shocks (Collier, 2007). Since the non-renewable character of natural resources undoubtedly implies production concerns in the long-term, it is important for African countries to beware of the perils of: over-dependence on a specific export commodity, too much reliance by an economy on the primary sector and resource curses. Therefore, a diversification strategy in resources (especially in oil-wealthy nations) would benefit concerned African countries in the long-run. The strategies in resource-rich countries recently documented by Fosu (2013a) are worthwhile here. They include, inter alia: diversification strategies of Bahrain (Looney, 2013), the United Arab Emirates (Nyarko, 2013) and Oman (Drine, 2013) and the optimal natural-resource management strategies of the United Arab Emirates (UAE), Oman, Botswana and Bahrain (Naudé, 2013; Robinson, 2013).

African countries can also augment the diversification of their economies by strategically limiting their supply of unprocessed natural resources to China. For instance, value could be added to resources by exporting refined instead of crude oil. While this would render the continent less reliant on the state of the Chinese economy and movements of global commodity prices, it could also start preparing resource-rich countries for periods of diminishing natural resources. The United Arab Emirates provides a good example of how to respond to this future uncertainty. Accordingly, it has transformed its cities into luxurious touristic and attractive financial centers.

Second, China-African relations could also be beneficial to resource-poor countries like Mauritius if proper policies are put in place. This is based on underlying narratives that resource-rich countries are most likely to benefit from Sino-African relations, compared to their poor counterparts in these endowments. For instance Ancharaz (2009, p. 622) has demonstrated that Mauritius is a good candidate for China's onslaught because it has no materially exploitable natural endowments. Hence, it is facing substantial competition from China in its traditional markets. According to the author, Sino-Mauritian relations can benefit Mauritius because when the nexus is analyzed via aid, investment and trade, 'preference erosion' and not the emergence of China is to blame for the substantial job losses in the clothing industry. Accordingly, this industry has been resilient since exports are beginning to rise again. The author concludes by stating that Chinese investments could benefit 'non-resource rich' countries if they are strategically used to penetrate other African markets. In wood products, Kaplinsky and Morris (2006) find that SSA's furniture manufacturers are moving backwards into their resources sectors, exporting raw logs, chips for paper industry, and sawn timber. Most timber from SSA is used by Asian manufacturers to produce furniture which displaces SSA from global furniture markets. Hence, adding value through partial or complete transformation of wood before exportation is imperative to increase domestic income from the wood industry.

Third, the grabbing of land by China could substantially benefit the local population if their views are taken into account in the underlying/negotiated contracts. This is the case of Senegal according to Buckley (2013, p. 429). Moreover, the author argues that land grabbing should not be seen as a linear and straightforward process between Chinese corporations and African governments, but as a holistic and dynamic approach of negotiation among various corporate players, state actors and citizens. An interesting literature has been provided by Osabuohien (2014) on how local institutions can be involved in foreign land acquisition processes, which include amongst others: education, collaboration with local communities and training of non-State workers. Wouterse et al. (2011) recommend that in the respect for customary and land rights, those expropriated should be compensated and rehabilitated to an equivalent livelihood. The United Nations (2010) has also presented stakeholder tools. They include, among others: contract models in the investment areas, financing guides and options and, orientations towards best practices in water efficiency and land management. These tools should help investors, States and local communities in critically managing investment contracts.

Geda and Meskel (2008) employ the gravity model with a panel of 13 African exporters of clothing and accessories for the period 1995-2005 to find out whether China and India are displacing the African manufacturing export from the third market. They find strong evidence that China has been displacing African manufacturers from third market while India has been complementing them in the early years of the study. Moreover, they have established that in later years, the overall third market impact of China and India has been that of complementarity. They have also found evidence of shifting comparative advantage from China and India to Africa using the flying-geese theory, with South Africa as the leading goose followed by Kenya.

3.2 China targets countries with bad governance

Before discussing possible solutions and strategies to this issue, it is first of all important to completely debunk this myth by stating that China is not the only country that engages with governments of questionable standards. Accordingly, foreign policy by some Western countries is not without hypocrisy. For example, the policies of France in Africa are not governed by her cherished values of ‘equality, liberty and fraternity’ (Charbonneau, 2008). Moreover, the USA’s projects with Saudi Arabia and Equatorial Guinea are motivated by oil and not tailored along democratic and human rights values (Fitzgerald, 2013).

Governance, democracy, and human rights issues that accompany China’s policy of non-interference are quite alarming. Whereas institutional concerns like the absence of political rights may be consistent with the Beijing model in low income African countries (Asongu et al., 2014), as income-levels rise and a burgeoning middle class becomes substantially apparent, China's foreign policy must adjust to more credible political concerns (Moyo, 2013). This is because in the era of globalization, higher income countries are more concerned with political than economic rights (Lalountas et al., 2011; Asongu, 2014a). Hence, it is important for China to adjust its foreign policy to the shifting need and circumstances of African nations over time, especially on core demands that are directly and specifically related to Chinese operations.

The supply of weapons to African governments with undemocratic standards (Jones, 2012) is dangerous both to domestic and Chinese interests. This is essentially because the impacts of severe political repression and resulting political instability would be very costly to all the parties concerned. In this light, it is in the interest of the Chinese model to integrate this reality. Moreover, corruption and instability would not only hamper Sino-African relations but also go a long way to ranking the continent very low in terms global hierarchy/leadership because of dictatorial regimes and human rights issues. On appropriate development strategies, the Indian approach of diversity management based on democratic political systems should be helpful (Singh, 2013).

3.3 Chinese do not hire Africans to work on their projects

We first situate the literature on this policy syndrome before discussing appropriate solutions and/or strategies. While Mohan and Tan-Mullins (2009) established that the migration of Chinese workers was part of the competitive game, Mohan (2013) has extended their perspective and concluded that more empirical studies are needed to prove the myths surrounding Sino-African relations, especially the syndrome that the Chinese are importing their own labour: "*The article does not dispute the existence of Chinese enclaves but argues that we need more empirical evidence on the levels of labour importation in relation to local* *labour market conditions*" (p. 1255). In essence, emphasis needs to be placed on the notion of 'labour market conditions'. Accordingly, whereas Aid from China to finance infrastructure has been tied to the employment of Chinese inputs and labour (Ancharaz, 2009, p. 622), Chinese labour is relatively better skilled in relation to local labour market conditions: "*For some the practices include bidding at very low prices, settling for low profit margins, sourcing cheap inputs from China, and using fairly skilled Chinese workers*" (Kamwanga and Koyi, 2009, p. 3).

Consistent with the above narratives, two main policy requirements emerge: more training to local workers and the imposition of a thresholds of local recruits per project by African governments. In line with Asongu and Aminkeng (2013), domestic governments have the power and leverage to dictate the percentage of project-staff that should be local. These local project-staff policies are already being implemented in Equatorial Guinea, Angola and the Democratic Republic of Congo.

Whether the Chinese hire local workers to work on projects also depends on how costly it is to get local labour and the amount of time the company has been operating on the continent. From a broader perspective however, the effect of investment from China on domestic jobs is contingent on the combination of a number of factors, inter alia, FDI: (i) consolidates domestic market competition, (ii) has some influence on the displacement of local providers (iii) has some domination on the market and (iv) profits are repatriated (Todaro and Smith, 2014). A little over two-thirds of the profits from FDI in developing countries were repatriated back to investor countries. These influences ultimately mitigate competiton (UNCTAD, 2005).

Since the Africa has the fastest growing population in the world and recent evidence suggests the resulting unemployment would only be accomondated by public investment unless more private investment is encouraged (Asongu, 2013a), the evolving relationship will benefit the continent if China is encouraged to invest in more labour intensive sectors. This strategy would be enhanced by moving to business-to-business from goverment-to-government relationships.

Carmody (2009, 2013) contends that as labor costs rise in China, there may be scope to capture new investment in labor-intensive manufacturing. However, China still has a huge buffer of cheap labor such that other developing countries might have to wait for long.

3.4 China outbids other companies by flouting social and environmental standards

This fourth policy syndrome requires labour and environmental laws that: (i) initiate and practically prevent local workers from being exploited and (ii) ensure environmental sustainability. On land acquisitions, Wouterse et al. (2011) have provided an interesting literature on careful examinations and monitoring needed to foster best practices that prevent soil depletion, growing emissions of greenhouse gases, critical loss in biodiversity and substantial diversion of water from human and other environmental uses.

It is also very important for African governments to note that post-contract changes in environmental and labour laws could bring about complaints for breaches of contract and consequently claims for compensation from Chinese investors (UN, 2010). Hence, social and environmental clauses should be factored into the contract before underlying parties engage a project. This is also because contemporary international law is accompanied by substantial unpredictability, with two opposing perspectives when it comes to law. Whereas one view is of the position that a new law that is written for legitimate public needs is similar to expropriation when there is a considerable economic impact on the investment, the other perspective is completely opposite. While domestic governments have been increasingly incorporating the provisions that lay emphasis on new measures of public health, environmental protection and safety, such incorporations are acknowledged under international investment contracts as indirect expropriation. Such changes are not incorporated into Sino-African development projects. Moreover, for the simple fact that it is not fully known whether such issues are being handled by Sino-African investment contracts, African governance need to consider all options very seriously when signing deals (Asongu and Nguena, 2014).

African governments may also take advantage of China's growing sensitivity to how it is perceived by the international community about her respect of social and environmental rights (Asche and Schüller, 2008). This could enable the implementation of more sustainable and equitable projects. Moreover, China is 'on a steep learning curve' when it comes to issues of environmental and corporate responsibility (Asongu and Aminkeng, 2013). Hence, African governments could also tailor projects in a way that it enables them to benefit from China's increasing ability to learn.

Race to the bottom via tax incentives and poor environmental standards: in most cases, African governments have had to offer tax incentives to attract FDI. The question is, given the tax cuts for investors: how will the FDI compensate for the infrastructural costs the government is incurring is yet to be determined?

3.5 Chinese workers and managers live in extremely simple conditions as compared to Western advisors or experts

As highlighted in Table 1 above, this syndrome presented by Mohan and Tan-Mullins (2009) has been confirmed in the evolving stream of literature. There are two issues here that merit emphasis: lack of integration as suggested by the authors and living in simple conditions advanced by the latter studies. First, by leading simple lives, the Chinese are competitive enough to present price discounts of between 25-50 percent in the bidding for projects, compared to their Western counterparts. Therefore this dimension of Sino-African relations should also be seen as an advantage because it is tied to efficiency and living 'within the limits of available means'.

On integration, adequate policies need to be put in place to facilitate the integration of Chinese investors and workers. Given historical differences in culture, languages and ethnicity, integration values may not be common across countries. However, core integration elements that emphasis, inter alia: the sustainability and, mutually beneficial dimensions of the relationship, should be clearly articulated in contracts and projects.

3.6 Low linkage between Chinese and local businesses

In light of evidence that the relationship is harmful to SSA's industrial growth (Power, 2008, p. 7), Chinese investors need to be constrained by investment policies to contribute to increasing linkages with local business, especially in terms of technology transfer. These are also part of the 'performance requirements' under international law. These include, inter alia: the purchase of local inputs, integrating an agreed part of project implementation into local communities or markets and, clauses in contracts that make provision for training of local entrepreneurs and transfer of project technology. As we shall discuss below, while evidence of such transfers already exist, there is need for formal and coordinated approaches to improve linkages between Chinese and local businesses.

Munemo (2013) has presented robust evidence in support of the postulation that there is some technology transfer by means of 'capital goods acquisition' from China. Hence, trade liberalization policies which aim to attract capital from China should be non-preferential. Conditions for these include, amongst others: growth strategies based on enhanced human capital accumulation and greater physical capital, more trade openness, less government expenditure and political stability (p. 106). Ademola et al. (2009) has presented a good menu of policy measures needed to increase access to the Chinese markets (p. 485). Friedman (2009) believes China can bring industrial development to Africa as Japan did to Southeast Asia in the 1960s and 1970s because, China is currently transforming Africa by exporting entrepreneurial talents and economic dynamism (p.1). This is consistent with the position of

Edinger (2008) that the initiated specialized economic zones (SEZs) by the Chinese are growing and enhancing African value chains.

Policies favoring the enhancing of SEZs and industrial parks would substantially improve linkages of Chinese activities with local businesses. While this policy recommendation is not a broad consensus among specialists, there is growing emphasis in the literature that SEZs would improve African industrialization. Moreover, placing greater emphasis on small and medium size enterprises (SMEs), manufactured goods, telecommunications and business services would have similar outcomes (Kapinski and Morris, 2009). African governments can also negotiate better terms by urging China and Chinese investors to enhance access for African commodities overseas. In countries like Mauritius and Zambia where SEZ are exclusively for Chinese firms, policy needs to be adjusted to involve domestic firms in an effort to accommodate technology transfer.

According to Wan (2011) China is in the process of establishing six special economic zones (SEZs) in Africa. Where? The main role of the Jinfei zone in Mauritius, estimated at $1 billion, will be to provide offices, hotels, apartments, recreational services, schools and medical facilities. Furthermore the Jinfei projects will a hub for light engineering, precision works, ICT, hi-tech industries and pharmaceuticals. Mauritius thus appears to gain efficiency, productivity and competitiveness via technology and structural transformation from sugar crops, financial services and textiles and tourism to more niche and specialized industries (diversification of the economy). However the benefits for Mauritius will depend on the extent to which the SEZ is not closed off to Mauritian businesses and workers.

3.7 Compared to the West, the Chinese exports only low quality products to Africa

The Ndjio (2009, p. 606) position on cheap Chinese goods has been substantially documented in the literature. While cheap Chinese good are generally of low quality, some have argued that it is less negative when compared to second-hand commodities like clothing from Western countries, which have been viewed as an abuse to African dignity. By having cheaper alternatives to basic needs, the purchasing power of Africans is increased, which could also be considered as an improvement in living standards (Muneku and Koyi, 2008; Kamwanga and Koyi, 2009).

3.8 Overall Sino-African relations decrease African living standards and development

Whereas the burgeoning economy of China and the country's demand for African oil resources has considerably stimulated economic prosperity in oil-wealthy African nations, the issue of income distribution represents an important concern for sustainable and equitable development (Goldstein et al., 2006). Accordingly, though there has been some progress relative to other developing countries (Fosu, 2014), issues of income distribution in oil-rich nations abound (Asongu, 2013bc), essentially because recent evidence suggest capital flight is most acute in oil rich African countries (Boyce and Ndikumana, 2008, 2011, 2012ab; Asongu, 2014b). Hence, whereas low-cost development solutions from China are welcomed, it may not be sustainable if, inter alia: accruing income is unevenly distributed, technology is not transferred, the Dutch disease sets-in, and the elite enrich themselves exclusively.

Given growing Western suspicion (Huliaras and Magliveras, 2008, p. 399), we recommend that the Dependence theory surrounding the Sino-African nexus should first of all be abandoned for a critical understanding of how the relationship is benefiting Africa (Ajakaiye and Kaplinsky, 2009, p. 479). More emphasis should be placed on learning how China is transforming African by exporting entrepreneurial talents and economic dynamism (Friedman, 2009) in order to understand why it is a mutually beneficial historic relationship that is sustainable in the future (Power and Mohan, 2010, p. 462).

The role of critical African agencies should also be factored-into the analysis of the relationship. Agencies within and beyond State are constituted of African actors that are playing a crucial role in the direction of the relationship (Mohan and Lampert, 2010, p. 92).

Along these intermediary lines, policy should move beyond inter-elite bargaining and enclaved investments in order to appreciate the role of independent Chinese corporations in Africa's political and social development (Mohan, 2013, p. 1255). As emphasized by McCormick (2008), China's aid is positively affecting African development. However structural and institutional characteristics which affect the magnitude of the nexus need to be further investigated. Moreover, how trade with China diversifies economies in the continent and hence, mitigates the unappealing effect of natural resource dependence on economic growth as documented by Diaw and Lassoua (2013, p. 189) for the CEMAC[3] sub-region, merit further investigation in other regions and countries.

Sino-African relations offer the possibility of a development regime that reduces poverty (Carmody, 2009, p. 1197) which we shall discuss to elaborate detail below in a paragraph focused on reconciling the Beijing Consensus and Washington Model. A broad stream of the literature is consistent with this narrative: China's substantial rate of poverty mitigation holds very special lessons for Africa (Wu and Cheng, 2010, p. 629).

Since more South-South cooperation (Carmody, 2009) and complementarities with traditional partners (Schiere, 2010, p. 615; Wissenbach, 2009) are needed for poverty reduction, enhanced development effectiveness and win-win situations, we propose a reconciliation of the Beijing model and Washington consensus for African development. This synthesis throws more light into concerns surrounding the former as a development model for Africa, inter alia: China representing both a new model of development and new-imperialism (Ovadia, 2013, p. 233) and Sino-African relations offering new avenues for African development despite some ambivalence on the part of the Chinese (Mohan and Power, 2008).

As shown by Asongu et al. (2014), despite some criticisms, relative to the Washington Consensus (WC), the Beijing Model (BM) has been seen as more convenient to 21st

[3] Economic and Monetary Community of Central African States.

development (Huang, 2010). This is essentially because the former has been more oriented towards preaching 'marketisation, liberalization and privitization' because of hypothetical government failures (Fofack, 2014, p. 6). Whereas Moyo (2013) has defined the WC as '*liberal democracy, private capitalism and priority in political rights*', she has also defined the BM as '*deemphasized democracy, state capitalism and priority in economic rights*'. The synthesis suggests that prioritizing economic (political) rights in the short (long)-run should be optimal. Hence, the WC and BM are optimal in the long-term and short-run respectively. The intuition behind the synthesis is based on the rationale that a sustainable middle class is needed to demand political rights in a genuine manner. Therefore, only when basic economic rights have been satisfied in the short-term by the BM would political rights be sustainably demanded in the long-run. The Moyo synthesis has been partially confirmed by Lalountas et al. (2011) and Asongu (2014b) in developing and African countries respectively. This Moyo conjecture is also an extension of reforms in China (Santos-Paulino, 2013; Yao, 2013) and Ghana (Fosu, 2013b) based on the 'Washington-Consensus' and the dynamic orthodox-heterodox strategies in Vietnam (Thoburn, 2013) and Malaysia (Jomo and Wee, 2013) and other East Asian countries (Khan, 2013).

In order to establish whether the recent pro-poor growth in Africa relative to other developing countries documented by Fosu (2014) is due to China's engagement with the continent, some issues hampering the comprehensive assessment merit emphasis. Accordingly, consistent with the underlying literature (Asche and Schüller, 2008), two dimensions are needed: on the one hand, relative and absolute pro-poor definitions that are not clear enough and; on the other hand, a strategically economic policy definition of pro-poor by African nations is also less clear.

While China has an Africa policy, but for a few countries south of the Sahara like South Africa and Botswana, African countries do not have a China policy. Hence, it is important for African countries to formulate a common China policy framework based on rational economic arguments in order to balance existing and/or potential elements of an asymmetric relationship.

China's involvement in Botswana's economy is mainly in the construction and trade sectors. While Botswana's economy is dominated by resource production, with diamond production providing 40 percent of GDP, services 48.8 percent of GDP, construction 7 percent, manufacturing 3.4 percent and agriculture 1.8 percent, Botswana has not courted China into the resource extraction like many African economies have (Angola, Sudan, Zambia). China's total imports from Botswana increased from $2.17 million in 2003 to $118.07 million in 2012 while China's exports to Botswana increased from $22.8million in 2003 to $181.5 million in 2012. According to Chen (2009, p.5) "*although many Chinese companies have showed strong interest, to date, there is no Chinese investment in the mining sector in Botswana. Moreover, the government of Botswana does not encourage Chinese investment in retail and whole sale sectors, fearing that it may cause damage to the local manufacturing industry*". Chen (2009) also identifies the competitive advantage of Chinese infrastructure investment in Botswana in terms of: model of entry, strong Chinese government support, low-cost structure and low-profit strategy, hands-on management and experience and expertise in building infrastructure in developing countries.

4. Conclusion

We have surveyed about 110 recently published studies on Sino-African relations; put some structure on the documented issues before suggesting some solutions and strategies to the identified policy syndromes. The documented issues that have been classified into eight main strands include, China: targeting nations with abundant natural resources; focusing on countries with bad governance; not hiring local workers; outbidding other countries by flouting environmental and social standards; importing workers that do not integrate into the domestic society and living in extremely simple conditions; exhibiting low linkages between their operations and local businesses; exporting low quality products to Africa and; not engaging with the continent for Africa's emergence.

The positioning of this line of inquiry is not motivated by a blanket perspective of policy syndromes in the underlying relationship. We do not wish to overlook evidence that China's trade relations are having significant positive effects in many African sectors (He, 2013). While some narratives may sustain that Africans' view of China is not substantially different from the perspective they have of Western countries (Hanusch's, 2012), economic policies have been mutli-polar and represent different policy syndromes for African nations. We have provided a general narrative; future research positioned on narrowing-down the perspective to country/sector specific studies would advance knowledge in this area for more targeted policy implications.

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