CHINA’S AID AND POVERTY REDUCTION IN AFRICA

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INTRODUCTION

In recent years, China has become much more assertive in international development, trade, environment and foreign aid policies. Riding on an impressive record of rapid economic growth and its sheer size, it is influencing social and economic policies around the world. China is interacting in numerous ways with poorer countries, including through so-called ‘South-South’ dialogues. These give access to natural resources, new and growing markets, and also reduce the dependence of African countries on traditional forms of aid from the Global North. Thus, China is also increasingly been perceived around the world as a counterweight to the development aid models and policies that have for long been promoted by countries of the Global North – whether directly or indirectly (e.g. through multilateral institutions). At the same time, poverty still persists in China, a middle-income country of the Emerging South, despite its rapid economic growth, and foreign aid is a sensitive topic within China and for Chinese foreign policy in general.

While the topic ‘China in Africa’ has attracted considerable academic interest in recent years, a large number of scholarly contributions thus far have primarily dealt with overarching issues and trends and concerns, often addressing concerns in the Global North about China’s growing economic prowess and the potentially damaging consequences the resulting influence could have on attempts to promote and strengthen democracy and respect for human rights in Africa. The Chinese perspective has, however, not always been properly understood or nuanced. There are many reasons for this, including the fact that information on Chinese strategies and statistics is not readily available. And much of China’s officially supported finance does not meet the OECD criteria of official development assistance. In addition, very few studies have been empirically-oriented and fieldwork-based in local African settings. And even those that have relied on fieldwork at local levels in a handful of African countries, scholars have had limited information from, or contact with, Chinese workers (including migrants), managers and the local (and more established) local Chinese community. Moreover, there also appears to be little contact between foreign scholars on the one hand and local Chinese embassy personnel in African countries and officials working in the aid architecture in Beijing on the other. But most importantly, there does not appear to be a great amount of research explicitly focused on the impact of Chinese aid on the reduction of poverty in Africa.

In this chapter, I will discuss China’s engagement in Africa with reference to a country that, at the outset, does not appear to have much to offer China in terms of material benefits. In particular, I wish to focus on the potential impact of China’s
involvement in Africa on poverty reduction. Some preliminary evidence is presented from a study of Malawi, one of the poorest countries in Sub-Saharan Africa. The purpose is to critically analyse and highlight the impact of ideas, values and tangible benefits resulting from China’s engagement in Malawi.

With a population of 15 million, and a headcount poverty of 40 per cent, Malawi faces numerous social, economic and political challenges. And despite solid economic growth since 2005, recent evidence shows that growth is slowing and inflation increasing. Since 2010, the country has, moreover, faced a shortage of foreign exchange and fuel supplies which in turn have undermined political stability and the process of democratisation. Malawi is also particularly interesting as it established formal diplomatic relations with China as recently as December 2007.

I have, over several years, conducted research on poverty and aid-related issues in Malawi. The initial focus of my research was on the role of Western donors and their emphasis on human rights-based development. In subsequent years, and starting early 2008 when the Chinese began assisting Malawi, I have regularly kept myself abreast with news reports on the evolving China-Malawi relationship. This study is hence based on material from a wide range of sources: interviews with government officials; members of Parliament; judges; opposition political leaders; representatives of NGOs, UN and World Bank; and, scholars and aid officials representing mainly Western countries. I have also had numerous discussions with journalists, academicians, policymakers and businessmen in Beijing and China’s Zhejiang province. Due to the sensitive nature of the topic, I have chosen to refer to the interviews anonymously. I have also made use of newspaper reports appearing in Malawian and Chinese (mainly English language) dailies and information available on the websites of various organisations, including the Chinese embassy in Malawi, UN organisations and the Malawian government’s official reports and statistics. I begin with a description of events leading up to China’s entry into Malawi in December 2007 and then discuss the specific characteristics and modalities of subsequent Chinese interventions. Thereafter I discuss the extent to which the Chinese aid model has the potential to reduce poverty in Malawi.

CHINA IN MALAWI

Malawi is one of the most aid-dependent countries in the world, with external donors funding over 40 per cent of the nation’s budget. Upon achieving independence in 1964, Dr. Hastings Banda – Malawi’s President from 1961 to 1994 – was adamant about not aligning his country with the Communist Bloc of countries, and hence while China was slowly cultivating relations with several African countries, Malawi did not figure on this list.

During this period of dictatorship, Malawi did not even have a written foreign policy, and the personal preferences and decrees of President Banda guided all
important policy decisions. And one of the most crucial policy decisions made by President Banda, given his anti-Communist sympathies, was Malawi’s recognition of the Republic of China (hereafter Taiwan) in 1966, which meant that Taiwan became one of Malawi’s most important donors – a relationship that lasted for more than four decades. Taiwan not only funded infrastructure development, but also supported projects related to health, education, science and technology and agriculture. It also sent numerous delegations of experts within agriculture and health to Malawi and further provided numerous scholarships and training opportunities to students, academics, policymakers and journalists.

Malawi’s special relationship with Taiwan continued even after the successful transition to democracy in 1994. In a recent study, Everlisto Msompha claims that the longevity of this relationship can be partly explained by the fact that Malawi’s Ministry of Finance did not maintain an accurate record of all aid transfers. The Taiwanese government allegedly made numerous personal donations to individual members of Parliament and politicians belonging to the ruling United Democratic Fund (UDF) party (including Cabinet ministers) and it was not until 2005, when the Department of Aid and Debt was set up, that formalised records of donor transfers began to be maintained.

With the change in leadership following the election of Bingu Mutharika to power in 2004, there was a gradual realisation – particularly following an Africa-Taiwan summit held in 2004 – that Malawi was not gaining from Taiwan as much as other African countries were gaining from their relationship with China. However, President Mutharika, who had been elected on a UDF party ticket and had been endorsed by the leader of UDF and his mentor (former President Muluzi), soon entered into a strained relationship with his own party and his backers. Within a year after assuming power, Mutharika left the UDF and formed his own party – the Democratic People’s Party (DPP) – taking numerous legislators elected on a UDF ticket with him. This started a prolonged period of political conflict between the President and his detractors, who accused him of subverting the Constitution. And since the Taiwanese had a long standing relationship with the UDF, many individuals in Malawi believe that the President’s decision to dump Taiwan in favour of China was taken mainly to consolidate his power and that of his new formed party, while his former party, the UDF, assumed the role of the opposition in parliament.

However, such a decision to switch donors was not taken in a hurry. According to individuals who were close to the President and interviewed in Msompha’s study, the Taiwanese continued their policy of cultivating personal contact with influential DPP politicians, including Cabinet ministers, who would provide advance warning to the Taiwanese embassy in Lilongwe whenever deliberations within the Cabinet indicated frustration over Taiwanese aid and an interest to switch ties to China. On such occasions, the Taiwanese would allegedly initiate a flurry of high-level political activity and issue renewed promises that would
temporarily put a lid on public expressions of dissatisfaction with Taiwan’s aid among ruling political elites in Malawi.  

**Exit Taiwan, enter China**

On 28 December 2007, Malawi decided to establish diplomatic ties with the People’s Republic of China (hereafter simply China). This represented a radical departure for the country’s foreign policy, and caught the Taiwanese totally unawares. Foreign Minister Joyce Banda (currently the country’s President) announced quite sensationally the switch from Taiwan to China at a press conference on 14 January 2008, stating that this would give Malawi new and improved opportunities for development. The decision, she argued, would not only result in sizeable Chinese investments in Malawi, but would also open up the gigantic Chinese market to Malawian goods. Malawi thus became the third country within a span of 18 months to switch from Taiwan to China following Chad (August 2006) and Costa Rica (June 2007). However, the Malawian Foreign Minister somewhat naively gave the impression that the formalisation of ties with mainland China would not jeopardise current development projects already underway with Taiwanese support. The minister claimed:

> When we had an opportunity to sit down and discuss all the details of this relationship, every angle and aspect of Malawi’s relations with Taiwan was taken care of and high on the agenda were projects carried out by Taiwan … Whatever projects are going on, they will be completed according to schedule”.

The very same day as this press conference was held, Taiwan terminated diplomatic relations with Malawi and suspended ‘all aid projects … with immediate effect’. In an official press release, the Taiwanese Ministry of Foreign Affairs accused China of ‘coercive tactics and monetary incentives’. It also noted that the ‘government of Malawi have forsaken their national dignity, turned their back on commitments made to Taiwan and sold their soul to China’.

The Taiwanese government had, in late 2007, begun to suspect that Malawi was in talks with China. Therefore two senior Taiwanese officials were sent to Malawi in December 2007 in order to persuade the Malawian government to stick with Taiwan. It, however, soon became clear to the Taiwanese in early January 2008 (and almost a week before the official announcement from Malawi) that Malawi was leaning towards China, and on 8 January 2008 a spokesperson for the Taiwanese foreign ministry claimed that China had enticed Malawi by offering an aid package worth USD 6 billion. He noted: ‘We’ll do our best to increase development aid … But we cannot compete with China like that’. Following the official announcement of Malawi’s diplomatic relations with China a week later, Taiwan warned Malawians that such a decision would have an adverse impact on Malawi’s natural resources and that ‘This move is to destroy Taiwan's relations’.
Consolidating the new China-Malawi relationship

Three months after switching allegiance, President Mutharika became the first Malawian head of state to visit China and, upon his return to Malawi on 2 April 2008, announced that this was his most successful state visit ever. Providing details of his interactions with Chinese leaders, he observed that China had a lot to offer Malawi – not just finance, but also its rich experience in turning a poor country into a rich one. He went on to observe that the greatest ‘lesson’ he learnt from this visit was that ‘No one will develop this country for us apart from ourselves’ and ‘Our development partners can only assist us’. In addition to monetary assistance, the then President announced agreements on trade, agriculture, infrastructure, economic cooperation and cultural and educational exchange.

A flurry of news reports, many fuelled by unofficial remarks from politicians and civil servants, reported China’s entry as a major step towards developing Malawi and a potential source of unlimited and unconditional aid. Initial reports, largely based on Taiwan’s claims and similar rumours, began circulating the idea that the total amount of assistance promised by China over five years would be almost USD 6 billion. In reality, however, the amount was USD 287 million over five years – including USD 80 million as grant for priority projects and USD 175 million as concessional loans. While these sums did not match the initial expectations generated by the news reports, they nonetheless signalled an unusually large amount of aid provided to any single African country by China. Such a large sum was apparently made possible as China had, for a considerable amount of time, anticipated establishing diplomatic relations with Malawi, and was hence able to set aside a substantial amount of funds.

In mid-May 2008, a ‘high powered’ delegation consisting of 23 representatives of Chinese companies and headed by China’s Deputy Minister of Commerce visited Malawi to explore trade and investment opportunities. The main outcome was the signing of a Memorandum of Understanding between the two countries, aimed at promoting and advancing bilateral trade in mainly agricultural products – tobacco, tea, cotton and sugar – the main exports of Malawi that typically generate almost 70 per cent of the country’s foreign exchange earnings. China expressed interest in, and signed several agreements with local entrepreneurs on, investments in the tourism, banking, mining and insurance sectors. According to the Government of Malawi’s investment promotion agency (MIPA), while the Chinese expressed interest in helping Malawi develop cement, leather and fertiliser production, the main focus was to develop the productive capacity of the cotton and tobacco industries. The Chinese further promised Malawi that the former would help develop human resources and capacity building, and the two countries agreed that around 40 Malawians would be trained in China on economic management in the immediate future.
Following this visit and the resulting MOU, China announced a Special Tariff Treatment for 430 Malawian products exported to China. By September 2008, nine months after China entry into Malawi, trade between the two countries accounted for US 59 million, which was a 120% increase compared to the previous year. According to the Chinese embassy in Lilongwe, Malawi’s exports to China, although small, nonetheless witnessed a 656% increase in 2008 as compared to 2007. Further, in September 2009, China announced that in order to facilitate access to the enormous market in China and also to attract foreign investors to Malawi, the Special Preferential Tariff Treatment had now been extended to cover even more Malawian products – from 430 in 2008 to 466 in 2009. According to Chinese sources, this is a ‘unilateral preferential arrangement for Malawi, not a free trade agreement’ which enables Malawian products to enjoy duty free entry into China.

In the period following President Mutharika’s first official visit to China in April 2008, there have been regular high level exchanges and visits between the two countries. For example, by January 2010, almost three dozen high ranking officials from Malawi had visited China including cabinet ministers, deputy ministers, the Chief Justice of the Supreme Court, senior judges and civil servants from a wide range of ministries. High level visits also took place from the Chinese side, with Yang Jiechi, the Minister of Foreign Affairs visiting Malawi in January 2009. Other prominent visitors included the Assistant Foreign Minister, the Deputy Minister of Commerce, the Deputy Minister of the International Department of the Communist Party of China and the Head of the Foreign Affairs Office of the Ministry of National Defence.

In spite of major political disagreements within Malawi on issues of governance and development – particularly constant challenges to the ruling party’s legitimacy in Parliament – the decision to move from Taiwan to China was largely welcomed by most political leaders, academics and some civil society organisations. Indeed, news reports in local dailies appeared to suggest that this was one of the few, if not the only, issue on which there was some form of national consensus. Nonetheless, some civil society organisations and opposition party members in Parliament made public their concerns over the secret and dubious manner in which the deal with China was made. They expressed surprise that the decision to dump Taiwan was arrived at only a year after Malawi vocally supported the inclusion of Taiwan in the United Nations system. Others pointed to reports appearing in the local Malawian media which claimed that anti-Chinese sentiment was on the rise in neighbouring Zambia due to the exploitative practices of Chinese traders.

OVERARCHING FEATURES OF CHINESE AID TO MALAWI

Not unlike its relations with most other countries in Africa, China has repeatedly used the phrases ‘win-win’, ‘mutual respect’, ‘friendship’ and ‘non-interference’
China has frequently tried to dispel the view that its aim is to exploit the natural resources of Malawi. It has argued that although it has been in the country for a short time, Malawi has nonetheless benefited enormously already. Chinese officials have, moreover, consistently pointed out that never before has China made such a large commitment to one country in such a short period of time. The officials also highlight the Malawian case as one that quite persuasively disproves the myth that China was trying to colonise the African continent. Thus, on numerous occasions, the Chinese ambassador has argued that Malawi neither has oil nor an abundance of minerals, and hence Chinese assistance is not based on ulterior motives but rather on a genuine friendship and mutual respect: ‘We cannot and will never expect the water of Lake Malawi to become oil in the future ... In our view, the assistance from China to Malawi is just the help between two poor brothers and sisters’.27

China has further projected the idea that state-to-state relations ought to be beneficial for both countries and peoples and conducive to each other’s national development. Hence, in addition to ‘win-win’, ‘mutual respect’ and ‘friendship’, the terms that began to be introduced in the Malawian public discourse included ‘complementarity’ and ‘potential’. And such a beneficial relationship, China believes, can only come about if Malawi is able to attract investors: ‘There is a saying in China that before attracting the flying birds to settle down, you have to build the nests for them’.28 Accordingly such enabling environments for trade and investments can be created by providing incentives for profit, which in turn requires sound national laws and regulations that protect the legal interests and profits of Chinese investors.

Another common critique of China in Western media and policy circles has been its refusal to attach conditions to its assistance, especially in the area of governance. For example, some argue that such conditions have included support from Africa that was crucial for China’s successful bid to host the 2008 Olympic Games, and the success it has enjoyed in keeping Taiwan out of UN bodies. However, China views itself as a ‘development partner’ – the ‘only purpose of China’s presence in Malawi is to help Malawi achieve national development’ – and as a result of this mentality of partnership ‘never attaches any political strings to its assistance’.29 Similar statements are made on virtually every occasion the ambassador or other Chinese officials are invited to address a Malawian audience.
From the limited information that is available from the Chinese side, it appears that China has stuck closely to the clearly defined set of activities categorised under the four pillars mentioned above. The main message has been that ‘business is business’ and that social and political stability is the key for healthy economic development. European powers are, for example, criticised for not being consistent in condemning human rights abuses in the African continent (e.g. Ethiopia and Eritrea). However, it is also quite clear that adherence to the One China principle is absolutely central to the China-Malawi relationship. There are occasional references in the Chinese ambassador’s speeches or on the Forum on China-Africa Cooperation (FOCAC) website (usually a report on visiting dignitaries from Malawi to China or vice-versa or speeches delivered at the launch ceremonies of specific projects) on how appreciative China is of Malawi’s diplomatic support and firm commitments to the One China Policy and the cause of Chinese national reunification. On such occasions, it is quite common for China to add that it ‘respects Malawi’s sovereignty and territorial integrity and its choice of national development path’.  

An analysis of various documents (speeches, media reports, policy documents) and in-depth interviews on the topic reveals six broad sets of features of China’s relationship with Malawi. Some of these are quite similar to China’s general policy on Africa, while others appear to be more Malawi-specific.

First, aid is predictable and Chinese officials have repeatedly emphasized the fact that despite the global financial crisis – and considerable challenges faced by the Chinese economy – China will always honour its promises and commitments and never postpone its assistance. Here, the phrases used have included China as a ‘sincere friend’, ‘reliable partner’ and ‘a friend in need is a friend indeed’. For example, while addressing an audience on the impact of the global financial crisis on China’s economy, the ambassador asked:

under such current situations of the global financial crisis, who can and will provide such a big amount of concession loan with such a good condition to Malawi to improve your infrastructure for your national development? The answer is only your true friends.

Second, the new relationship between the two countries is packaged in terms of ‘visible and tangible results’, which explains priority given to so-called ‘landmark’ infrastructure projects. ‘Landmark’ is a term that the Chinese appear to use often to signify national pride and progress in addition to being a marked departure from more mundane and invisible types of development assistance that others have provided to Malawi. It is also a term popular with major Chinese construction companies, whose websites prominently display photographs and information of major landmark projects that they have constructed all over Africa.

Third, assistance programmes are viewed to be progressing rapidly and ‘fruitfully’. Here China has taken care to highlight the fact that it has never made ‘such a big
commitment and assistant package to a single friendly country in such a short time’. 32 China’s representatives in Malawi moreover provide regular and relatively frequent updates of progress of specific projects, the costs involved and plans ahead. By doing so, China alludes to notions of transparency and openness, at least in relation to its promised support for major projects and programmes in the country. On several occasions, the Chinese embassy has also invited the local press to visit on-going project sites, which in turn has resulted in such regular updates of progress being published quite regularly in the Malawian press.

Fourth, China makes the point that it is neither a rich country nor has its development path been perfect. A typical phrase is as follows: ‘China is not a developed country and will never be a superpower, but it is a very promising country in the world’ 33 The message conveyed is that despite many economic successes, China continues to face major challenges within its own borders – including trying to improve the wellbeing of 40 million people in the country classified as living below the official poverty line. Indeed, China projects itself in Malawi as ‘the largest developing country’ in the world, which in turn conveys the message that it does not have unlimited resources to spend on foreign aid. Such humility is often more appealing to Malawian leaders and the general public as it implies learning from the experience of a fellow country of the South with past and present development challenges. It further results in recipient expectations being kept in check and within the confines of a narrowly defined portfolio of projects.

Fifth, the Chinese have been effusive in their praise of the ruling party and its leadership, especially former President Mutharika and his vision to develop Malawi through trade, investments and education. While the Malawian leader was particular credited for willing to undertake a transition of the country’s economy ‘from consumption and import to production and export’, the Chinese advised Malawian citizens to reach a ‘national consensus’ on where Malawi is headed and ‘how to get there’. 34 And when Mutharika won a resounding re-election in 2009, China praised not only the economic accomplishments under the President’s first term in office, but also the fact that Malawi was a free, peaceful and ‘harmonious society’ that had successfully conducted free and fair presidential and parliamentary elections. Mutharika’s victory was further interpreted by China as a sign that its aid and investment policies in Malawi were considered by the Malawian public to be a success and must therefore be continued and further strengthened.35

Sixth, China has often tried to portray its interest in Malawi and Africa in general as a part of its international responsibility as a permanent member of the UN Security Council. Such responsibility is exercised in the pursuit of building ‘a world of lasting peace and common prosperity’. The line of argument is that ‘A peaceful and stable Africa is vital to the peace of the world, and without the development of Africa, there will be no common prosperity’. 36
In the following section, I will analyse the impact of some of the main activities within each of the four main pillars of Chinese development assistance to Malawi: infrastructure development, agriculture and food security, health and medical care, and education and human resources. Table 1 provides a brief overview of some of the major projects implemented in Malawi with Chinese assistance since 2008.
Table 1: Major examples of Chinese assistance to Malawi, 2008—2012

<table>
<thead>
<tr>
<th>Project</th>
<th>Location</th>
<th>Cost</th>
<th>Source</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parliament building</td>
<td>Lilongwe</td>
<td>USD 41 million</td>
<td>grant</td>
<td>Completed, May 2010</td>
</tr>
<tr>
<td>Karonga-Chitipa road, 101 km</td>
<td>Karonga-Chitipa</td>
<td>USD 70 million</td>
<td>grant</td>
<td>On-going</td>
</tr>
<tr>
<td>Secondary school</td>
<td>Thyolo</td>
<td>Kwacha 200 million</td>
<td>grant</td>
<td>--</td>
</tr>
<tr>
<td>Furniture to Ministry of Foreign Affairs</td>
<td>Lilongwe</td>
<td>USD 300,000</td>
<td>grant</td>
<td>completed</td>
</tr>
<tr>
<td>Transport, vehicles to MFA</td>
<td>Lilongwe</td>
<td>Unknown</td>
<td>grant</td>
<td>Unknown</td>
</tr>
<tr>
<td>Equipment, Malawian Armed forces</td>
<td>--</td>
<td>USD 3 million</td>
<td>grant</td>
<td>Completed in 2009; promised another 3 million, but status unknown.</td>
</tr>
<tr>
<td>International Conference Centre and luxury hotel</td>
<td>Lilongwe</td>
<td>USD 90 million</td>
<td>Concessional loan</td>
<td>Completed ahead of schedule in April 2012</td>
</tr>
<tr>
<td>National stadium</td>
<td>Lilongwe</td>
<td>USD 65 million</td>
<td>Concessional loan</td>
<td>On-going</td>
</tr>
<tr>
<td>Malawi University of Science and Technology (MUST)</td>
<td>Thyolo</td>
<td>USD 70-80 million</td>
<td>Concessional loan</td>
<td>On-going; expected date of completion: mid-2013</td>
</tr>
<tr>
<td>SOGECOA Golden Peacock Hotel</td>
<td>Lilongwe</td>
<td>USD 15 million,</td>
<td>Investment by Anhui Foreign Economic Construction Company (contractor and investor)</td>
<td>Completed, August 2011</td>
</tr>
<tr>
<td>Balaka Cotton Plantation and Processing Project</td>
<td>Balaka</td>
<td>USD 25-30 million</td>
<td>Investment funded by the China-Africa Development Fund</td>
<td>On-going</td>
</tr>
</tbody>
</table>

Source: Compiled from media reports and speeches of China’s ambassador to Malawi
‘Landmark’ infrastructural projects

It is now a well-known fact that the Chinese have excelled at quick and efficient infrastructure development both within China and abroad. For China, as mentioned earlier, such projects are crucial because the country believes that it is absolutely vital that its policies and efforts can show ‘visible and tangible’ results. Successive Chinese ambassadors to Malawi have, in their speeches, repeatedly highlighted the lack of ‘landmark’ projects in Malawi during its association with Taiwan. And China has backed these up with firm commitments of delivering on its promises. Indeed, a key policy for the Chinese has been to transform Malawi, especially its capital Lilongwe, into a modern city with major and rapidly built infrastructural development. And given its well-documented expertise in – and track record in Africa on large turnkey projects aimed at improving infrastructure development – it was not surprising that the first two projects China announced in Malawi were related to road and building construction with a total cost of USD 111 million. The Malawian Parliament had functioned since 1994 in temporary quarters, and had on occasion held its meetings in the Presidential palace. Thus, a major landmark project initiated by the Taiwanese but completed by the Chinese, was the construction of the Parliament building in Lilongwe. The amount involved was USD 41 million and the building was constructed in record time (10 months) and ‘handed over’ to Malawi in May 2010.

The second major project – completed in August 2011 – and aimed at boosting tourism in Malawi was the four-star Golden Peacock hotel in Lilongwe. There is no information available on the exact nature of China’s involvement in this project, since available records indicate that the Anhui Foreign Economic Construction Company (which was also the contractor in charge of the Parliament building) had chosen to invest USD 15 million in what may be a pure economic enterprise by a private Chinese actor. Nonetheless, the role of the Chinese government in encouraging such investment cannot be underestimated. The hotel, touted as ‘another construction miracle in Malawi after the Parliament building’ by a senior Chinese official, took less than a year to complete. During the opening ceremony, which was attended by Malawi’s President, the Chargé d’affaires of the Chinese embassy characterised the project as ‘ground breaking’ as it involved more than three thousand ‘hardworking’ Malawian workers and thus showed ‘the hardworking spirit of the Malawian people’. Apart from the obvious benefits to tourism, employment generation was highlighted as a major by-product of such activity as the hotel had already hired over a hundred local staff, including ten in middle level management positions. Thus, the official noted that ‘with the expanding of the hotel’s business in the future, more and more Malawian people will find their jobs here’.

Another major project recently completed – in record time, and 10 months ahead of schedule – is the international conference centre complex in Lilongwe with an adjoining five star hotel and fourteen so-called ‘presidential villas’, aimed at promoting tourism in the country and helping Malawi host major international
summits such as the June 2012 African Union summit meeting. An estimated 500-900 Malawians were employed in the project, many of whom were trained to become skilled workers. The fact that the Chinese have made attempts to help train skilled labour is an interesting point since they have previously been criticised for not doing so in many other parts of Africa. The project contractor – the Shanghai Construction Group – and local Chinese officials in Malawi have often emphasised the enormous employment potential of such a large ‘landmark project’ in the immediate future.

Other current projects underway include the construction of a national stadium in Lilongwe (previously planned in Blantyre) and the Malawi University of Science and Technology (MUST) in Thyolo in Southern Malawi. Both projects have been controversial: since they involved concessional loans, it was necessary to get parliamentary approval. And although the stadium was initially approved to be built in Lilongwe, President Mutharika had a change of heart, and without consulting parliament decided to relocate the stadium to Blantyre. The reason provided was that there were too many Chinese-funded projects in Malawi’s capital and that there was a need for redistribution of aid projects. Although opposition leaders protested such an arbitrary decision to change the project venue without necessary consultations, the Chinese went along with the President’s wishes. When President Joyce Banda took over power in April 2012 following Mutharika’s sudden death, her government announced that the stadium would be constructed in Lilongwe after all. The MUST project is also controversial since it is being built in Mutharika’s home district of Thyolo. Other smaller projects have included construction of school buildings and agricultural demonstration centres in various parts of the country, although many are concentrated in Thyolo.

The only project that has been delayed – rather uncharacteristically – has been the construction of a 101 km road linking Karonga, a town on Lake Malawi to Chitipa town, further north. The Taiwanese had already promised funding for the project and a private Taiwanese firm had been contracted when Malawi dumped Taiwan in favour of China. Hence it was natural for the Chinese to take over this project and see it to its completion. By September 2009, only 13 km of the road was completed, and the Chinese announced that the remaining 88 km would be completed by June 2011. The total cost of the project of the first phase was estimated to be USD 70 million, the entire amount to be given as a grant: and the China Road and Bridge Corporation was assigned the contract. Local Chinese officials in Malawi have regularly kept the Malawian public and media aware of the progress. However, the scheduled date of completion has been postponed several times and many doubt that the latest deadline (October 2012) will be met. Such delays are usually not associated with Chinese projects, but Malawi has faced fuel shortages since 2010 (particularly acute since 2011) and according to officials of Malawi’s Roads Authority such shortages have made it difficult to operate heavy machinery on a regular basis. Other informants cite repeated incidents of materials and equipment being stolen from the construction site as...
one of the major causes for the general delay in constructing roads in Malawi, or for that matter, in many developing countries.

**Agriculture and food security**

Since agricultural development and strategies to promote food security has traditionally figured high on the Government of Malawi’s agenda – they form an integral part of the official Malawi Growth and Development Strategy (MGDS) – it is no surprise that China decided to prioritise this sector in its development assistance. The Chinese perspective here has been that despite having the world’s largest population, China has ‘successfully solved the food security of 22% population in the world with only 7% arable land on the earth’. Hence, it is willing to share its experience on agricultural production and technology to help Malawi ‘achieve sustainable food security’. Such statements must be viewed in relation to recent projections of China’s growing need to import agricultural products from Africa rather than simply relying on Latin America. And although claims of ‘land grabs’ by the Chinese in Africa have often been exaggerated, there are some who argue that China will align its aid and investment policies to access new opportunities in African agriculture.

As in many other parts of Africa, China has sent teams of agricultural experts and volunteers and frequently emphasised its willingness to lobby Chinese investors to invest in agricultural enterprises in Malawi. Apart from the above, China has committed itself to help Malawi build an agricultural technology demonstration centre (among a dozen or so in Africa) in order to transfer ‘practical technology’ and provide financial assistance for the rehabilitation of a demonstrative farm in Likuni in order to transform it into a modern and integrated agricultural learning centre. However, in comparison to the infrastructural projects, which are largely effective and completed on time, the Chinese interventions in agriculture have been characterised by delays, despite numerous promises over the years. For example, there appears to have been considerable delays in sending teams of agricultural experts and volunteers (it is also unclear the role and impact of such visits in the agricultural field) and despite repeated statements by China’s representatives in 2009-2011, the agriculture technology demonstration centre was still not completed as of December 2011.

In addition to the above, China has shown interest in fertilisers, tobacco and cotton. An early promise, officially announced in late November 2008, was delivered in June 2009, when China donated fertilisers worth USD 1 million in order to support the Malawian government’s effort at promoting food security. However, there is no indication that such support will be institutionalised in the near future. Given the importance of tobacco – which generates almost 60 per cent of Malawi’s foreign exchange earnings and the fact that China has an estimated 350 million smokers – China, in many ways, felt that it had to do something in this field. In 2008 therefore, the State Tobacco Monopoly Administration of China organised a visit to Malawi with representatives from ten major Chinese
cigarette manufacturers. In addition to analysing the tobacco sector, the delegation purchased 2850 metric tonnes of tobacco valued at USD 18.58 million, which exceeded the initial promise of the Chinese to procure 2000 metric tonnes. In April 2009, China once again promised to ‘purchase not less than that amount of tobacco from Malawi,’ and an 18-member delegation visited Malawi in September of the same year and purchased 2985 metric tonnes worth around USD 20 million.

China has also made it quite clear that although the above was a business venture, its role was not only to facilitate the transaction but also to provide financial support and incentives to cigarette manufacturers who purchased tobacco from Malawi. There is, however, no available information to indicate the exact type and nature of this support, and whether this will be a policy pursued every year, apart from information from the Chinese of having purchased a total of 5835 metric tonnes in the period 2008-2009 for a total value of US$ 38.58 million. There is nonetheless a growing belief among Western donor representatives based in Malawi that China’s future ability to purchase larger amounts of tobacco and at higher prices is limited for one main reason – most Chinese prefer flue-cured tobacco while the majority of Malawi’s production consists of the burley type of tobacco.

The main sector for Chinese investments in agriculture in the past few years has been in the field of cotton production. In the very first year of China’s new relationship with Malawi, several individuals from China had surveyed the potential investment climate and one of these made a decision to invest USD 25 million in the cotton plantation and processing industry in Balaka, located in the central region of the country. The Chinese claimed that this was a major development for cotton growers in the country and that this particular investment would create more than 1000 new jobs for people in nearby areas and potentially benefit more than 50,000 farmers, while at the same time ‘help the Malawian government earn millions of foreign currency annually’. They further claimed that ‘This project is the largest one invested in agriculture in African continent by Chinese company so far’.

The Balaka project involves providing local farmers with seeds, pesticides and fertilizer for cotton plantation and subsequently buying back the cotton yield after harvest. In 2008-2009, China frequently referred to this particular investment as a ‘door opener’ for additional Chinese investments. Thus, in April 2009, China announced that the expected annual yield of cotton oil from Balaka would be in excess of 3000 metric tonnes (enough to meet local demand) and that Malawian cotton would be exported to China for the first time later in 2009. And the ambassador claimed that the success of the Balaka model had promoted other Chinese investors to expand their interests to also include a ginner, spinning mill, cooking oil plant and a cotton seed breeding development centre in the area which would further create another one thousand jobs. By September 2009, the expectations were further raised when it was announced that when fully
operational, the annual production value of the project was expected to touch USD 30 million and the number of beneficiaries (1300 regular and casual workers and managers as of November 2009) would be doubled. By the end of the first year of the project’s operation, Chinese investors bought an estimated 14,000 – 17,000 metric tonnes\(^{51}\) of cotton from villages in and around Balaka district and more than 6000 tonnes were processed and packaged for export to China.\(^{52}\)

The success of the ‘Balaka model’ has been widely praised by many actors in Malawian society. The Chinese intervention is particularly viewed as a major success when viewed in relation to the much criticised Cotton Promotion Fund worth USD 9.6 million that the Government of Malawi had allocated for the 2011/12 fiscal year. For example in September 2011, the Farmers Union of Malawi (FUM) complained of the slow process of registering farmers which in turn delayed the process of accessing loans in the form of seeds, pesticides and sprayers from the Agriculture Development and Marketing Corporation (Admarc).\(^{53}\) In such contexts, the cotton farmers of Balaka appear not only to have benefited from the Chinese investment, but also the Government of Malawi appears to have been more efficient in registering farmers there (perhaps as a consequence of the Chinese presence) than in many other parts of the country.

**Health and medical care**

One of the most significant contributions by Taiwan was the construction of a hospital in the major northern city of Mzuzu. Over the years, it was also common practice for Taiwan to support the import of medical equipment and fund visiting medical teams to assist with various health-related interventions. Some of these policies were continued by the Chinese, although it appears that there has been limited or no provision of medicines and equipment despite initial promises. A good case in point is the promise of a CT scanner promised in early 2009, which was still not delivered to the earmarked hospital in Blantyre as of May 2011. Moreover, there is no information available on whether any medicines have been sent from China to Malawi. It is also unclear whether China is to be blamed for these delays or whether Malawian laws have strong barriers in place for such imports. Within the health sector therefore, the major Chinese interventions have included visiting medical teams, training sessions and the organisation of a ‘China-Malawi Friendship and Brightness Trip’ programme for cataract surgery.

It was already in June 2008, six months after the start of China’s partnership with Malawi that the first Chinese medical team consisting of seven members arrived at Mzuzu hospital. A second team of 10 members arrived in November/December 2008 and were stationed at in Kamuzu Central Hospital in Lilongwe. In a country with numerous health-related problems and a severe shortage of health personnel, such assistance has been much welcome. Despite linguistic barriers (traditionally a problem in most Malawian hospitals with expatriate doctors),\(^{54}\) the very fact that these medical teams have been on deputation for periods of 1-2 years has, from the Malawian perspective, been particularly appreciated. And on some occasions,
as was reported in March 2011, six Chinese doctors decided to extend their contracts by another two years. As a token of gratitude the Malawian Health minister and his delegation subsequently visited his Chinese counterpart in Beijing in 2011. During this trip they also paid a special visit to Shaanxi Province, the home base of the visiting Chinese medical teams to Malawi. Here is thus an example of creating some form of lasting relations with specific groups in a donor country.

One of the major health events organised by the Chinese government in partnership with a private company was the official launch of the week-long first phase of the China-Malawi Friendship and Brightness Trip in March 2011. The focus was on cataract, which is a major problem in Malawi, and the plan is to organise a series of such trips which will provide free surgeries at some of the main hospitals in Malawi. The ‘Brightness Trip’ programme was first launched by the Chinese government in 2003 and has been in operation in many parts of Africa for many years. The focus is on ophthalmic treatment and the increased awareness on different methods to prevent cataract prevention. The Anhui Foreign Economic Construction Group, which has previously been contracted by the Chinese government to build the Malawian Parliament building, donated USD 1.5 million which allowed for a team of doctors lead by the director of Beijing Tongren Hospital to carry out an estimated 500 cataract surgeries at the in the country.55 The Chinese ambassador credited the Malawian President and his wife for initiating the project during their trip to China in 2011, and noted: ‘The Chinese Government strongly backed this idea as we believe that enjoying brightness is an important part of human rights, and this is a good opportunity to show Chinese people’s friendly sentiment to our Malawian brothers and sisters’.56 He further promised to help arrange future visits by Chinese ophthalmologists and encouraged Malawian doctors to attend training courses in China. The President of Malawi in turn stated that this was yet another case of ‘unsocial assistance’ to Malawi from China. Apart from the obvious benefit to people suffering from cataract and either not being able to afford surgery or there not being enough expertise available in Malawi, the importance of this initiative lies in it being one of the first attempts by a Chinese company to become involved in a relatively large-scale Corporate Social Responsibility (CSR) project in the country.57

**Education, human resources and capacity building**

The Chinese, like most Western donors and multilateral agencies, have earmarked a substantial amount of their assistance for education and capacity building. However, there are three main differences. First, the Chinese have continued the Taiwanese tradition of offering a large number of scholarships without complex visa requirements to travel to China on short and long study trips. Second, the scholarships are open to a wide range of societal actors – not just students, but also journalists, civil servants, judges and politicians. Third, there is a focus on providing scholarship holders with technical skills that can be useful to the country upon their return from China. Indeed, the Chinese do not appear
interested in organising workshops and training sessions in Malawi on topics such as governance, procurement regulation, anti-corruption efforts or human rights-based development. Some training sessions are, however, organised by visiting medical teams and agricultural specialists, but these appear to be rare. Data collected from the website of the Chinese embassy in Lilongwe indicate that within a year of its entry into Malawi, China had provided 30 full scholarships to Malawian students and funded the visits of over 150 officials, experts, professionals and journalists to China in order to attend seminars or training programmes on various topics.

Particularly interesting was the 12-member delegation from the Malawian press that toured Beijing, Anhui, Shanghai and Shenzhen in June 2008 and studied Chinese media traditions and practices. According to a report by the Chinese Ministry of Foreign Affairs, the purpose of the visit was to ‘learn from China’s successful experience in development’ and that the delegation was provided information about domestic Chinese policies, China-Africa relations and more specifically China’s friendship to Malawi. In return, the media representatives ‘pledged to introduce to the Malawian people what they have seen and heard in China after returning home and play a positive role in promoting China-Malawi friendship and cooperation’.

Subsequently, three journalists were sponsored to cover the Olympics in Beijing in August 2008, another media delegation consisting of nine Malawian journalists visited China in April 2009 and ‘one senior press friend’ from the Malawian newspaper The Daily Times was invited to Beijing to cover the 60th anniversary celebrations of the People’s Republic of China in October 2009. As a result of growing media ties between the two countries, China Central Television (CCTV) and Malawi Television (TVM) signed a MOU in September 2009 that covered various types of cooperation and exchange. One tangible result of this is that when TVM completes its broadcast for the day, viewers in Malawi are able to watch CCTV throughout the night in order to better acquaint themselves with Chinese society, culture and foreign policy.

The practice of providing Chinese government scholarships and travel stipends continued in the period 2009-2011, but was further expanded to provide three special scholarships for government officials wishing to pursue a Masters degree at a Chinese educational institution. And in October 2009, the Chinese ambassador announced that his government would ‘continue to provide governmental scholarships to Malawian students to study in China, and invite at least 100 official and professional personnel from various fields per year to China for the capacity building and human resources development’. The criteria for choosing qualified individuals are not clear and there are many in Malawi who believe that the ruling party and prominent political leaders enjoy considerable clout in proposing names of ‘deserving candidates’ – a system that has firmly been in place and widely practised since the time when Taiwan ran a similar programme. In general, it appears that every year China provides between 25 and 30 government scholarships and funds the visits of around 50 officials,
technicians and specialists to attend seminars and training programmes in the fields of agriculture, medical health, education and media. Over the past few years, the range of topics covering such visits has been further expanded to cover exchanges and cooperation in the fields of culture, sport, women, and youth affairs. In addition, there have been numerous smaller, although significant, gestures aimed at promoting ties between the two countries and winning the hearts of local Malawians. For example, the All China Women Federation donated computers and sewing machines in December 2008, Malawi’s Ministry of Youth and Sport received 500 footballs and 100 sets of uniforms from its Chinese counterpart in April 2009, youth delegations from Malawi attended the China-Africa Youth Festivals held in China in 2008 and 2009.

IS THE CHINESE MODEL POVERTY REDUCING?

China as a provider of foreign aid is particularly interesting as it is both a developed and a developing country. Indeed, despite its stupendous economic achievements in the last decade or so, widespread poverty, environmental concerns and increasing levels of inequality within China remain a major concern. These may in turn partly explain the Chinese government’s lack of transparency on its foreign aid policies, as the topic remains a sensitive one at home. The modalities of Chinese aid are neither singular nor static, and aid policies and practices in Africa are constantly changing. For example, China generally claims to achieve ‘development effectiveness’ – whether its assistance can meet the urgent needs of economic growth of, and employment in, recipient countries – rather than ‘aid effectiveness’. And the rhetoric characterising the aid discourse has emphasised ‘zero self-interest’, ‘no privileges’ for Chinese expatriates and business houses; ‘non-interventionism’ or non-attachment of political conditions; and ‘maximum satisfaction of local needs’.

The lack of transparency of China’s aid policies and programmes has, however, resulted in numerous misunderstandings in the Global North. For example, a large majority of the country’s officially supported finance (e.g. export credits, non-concessional state loans or aid used to foster Chinese investments) does not fall into the OECD-DAC definition of official development assistance (ODA). Indeed, a relatively small amount of finance provided by China meets ODA criteria. The boundaries between official and private entities in China remain blurred and some scholars have suggested that we should pay greater attention to identifying the patterns of relationships between various actors involved in foreign aid within China.

Some scholars have also highlighted the growing tension between the state-centric principles that have been the foundation of Chinese foreign policy since the 1950s and the so-called ‘new types of strategic partnership’ that China wishes to promote with Africa. They note
the increasing dissonance between the principles of non-interference and non-conditionality and a relationship with Africa that is characterized by a growing complexity, driven by the tendency to deal with ruling elites and the unintended consequences that arise from the presence of an expanding number of Chinese actors.\textsuperscript{66}

And although many other actors (e.g. India, Brazil and the Global North) face similar challenges, China is very keen to highlight that its partnership with aid recipient governments and the projects it implements in Africa are not only different, but considerably better than those of the Global North. Despite this somewhat isolationist approach, there is some indication at least from the Malawian case that China is perhaps more interested today than a few years ago in joining forces at some level with the international development regimes such as the OECD-DAC. However, the real impetus for such involvement will probably only come about if African states that receive begin expressing widespread dissatisfaction with the Chinese model of trade, investments and aid.

In a world still struggling to cope with the effects of the recent finance and food crises, there has been considerable speculation in the media and in international policy circles regarding a perceived ‘threat to aid’. Some argue that the current system – dominated by numerous governmental and non-governmental agencies supported by Western donors – appears dysfunctional, fragmented and duplicative.\textsuperscript{67} Climate change, competition for resources, and the growing influence of ‘new donors’ (especially China) in the post-Millennium Development Goal (MDG) phase – together with decreasing levels of aid from the Global North – will, according to this line of argument, pose numerous challenges for the so-called ‘harmonisation’ and coordination of aid, but also the manner in which aid is targeted at improving the lives of people living in poverty around the world. Some of these issues were discussed in the recently adopted Busan Partnership for Effective Development Co-operation, which emphasises ownership of development priorities by developing countries, a focus on results, inclusive development partnerships, and transparency and accountability to each other.\textsuperscript{68} However, the extent to which such principles are adopted in practice will be interesting to observe in the immediate future.

It appears, however, beyond doubt that the principles on which Chinese development assistance to Africa is based, vary considerably from OECD countries, even though it is programmed in similar ways – for example though project support, technical assistance, food aid, debt relief, humanitarian assistance, etc.\textsuperscript{69} The Chinese model relies on a combination of economic cooperation, trade and investments together with an emphasis on non-interference and mutual benefit.\textsuperscript{70} And the Malawian case illustrates this rather well. The major differences, however, relate to country assistance strategies, basket financing of sectors, budget support and political conditionality (crucial for OECD, but largely absent in Chinese assistance other than expectation of support to the One-China policy) and the Chinese emphasis on ‘prestige’ and turnkey infrastructure projects
(e.g. government buildings, stadiums) that do not overstretch the weak capacity of African bureaucracies such as the one in Malawi. Similarly, while the OECD countries focus on social sectors, emphasise the role of primary education and consider development aid to be crucial for economic development, the Chinese rely on infrastructure and productive activities, give several thousand University scholarships to African students every year and consider investments and infrastructure to be the main ingredients and drivers of development within a country.

Some Western aid agencies, journalists and civil society organisations in Malawi argue that the Chinese are not focused on poverty, but rather on economic development that is broad-based and the result of commercial activity. The official statements from the Chinese do not seem to entirely substantiate this line of argument. For example, in the period September-December 2009, officials of the Chinese embassy explicitly mentioned ‘poverty reduction’ and China’s support in Malawi’s ‘fight against poverty for prosperity for the Malawian people’ in many of their interactions with Malawian officials, civil society organisations and the media. However, the goal of poverty reduction was rather unsurprisingly always spoken together with a focus on trade and commerce for development. For example, within the field of agriculture the aim is not to fund subsidies but to develop commercial farms and large-scale plantation of cotton, sugarcane, coffee and other cash crops. Nonetheless, this does not stop other aid officials with long track records in Malawi from questioning the usefulness of hotels and conference centres that the Chinese have prioritised. A frequently heard observation from Western diplomats and UN organisations is, ‘China is doing what we used to do in the 1970s and 1980s’. The criticism here is that the potential for tourism is limited and there is generally a problem of over-capacity in terms of hotel accommodation in the country’s capital. Moreover, some representatives of civil society organisations wonder how the Malawian government will be able to maintain these enormously expensive buildings in the near future.

According to the China Department of Aid to Foreign Countries, China funds a whole range of activities in Africa. As in Malawi, Chinese assistance to other countries include turn-key projects (construction of bridges, stadiums, government-run factories), technical cooperation projects (teams from China provide advice, on-site training and ‘learning by doing’), material goods (usually as a grant), general humanitarian aid or disaster relief, training programmes (formal courses, short and medium term, including seminars on development management and auditing, usually held in China), concessional loan projects (higher technology exports or construction projects developed by Chinese companies and financed through China Eximbank with low, fixed-rate loans). According to several informants in China, the underlying Chinese strategy on poverty reduction in all of the above is focused on local employment generation and improvement of livelihoods. In addition to the large infrastructure projects currently being constructed in the country, a major focus of China’s long term strategy in Malawian has been the establishment of economic and technical zones
and industrial parks that will help strengthen local industry, increase the added value of products, and stimulate exports – that in turn will create more jobs.

A more indirect focus on poverty reduction is borne out of China’s belief that with the import of cheap but reliable consumer products to Malawi from China, ordinary citizens will have access to goods that otherwise would not be affordable. This would in turn help improve the livelihoods of the poor. The counterargument to this is, of course, the gradual increase in hostility shown to Chinese traders doing business in rural parts of Malawi selling cheaper products made in China. These traders are often accused of ruining the prospects of local businesses (e.g. restaurants, retail and textile shops, hardware stores) and there are a growing number of news reports where local Malawians have requested the government to ask Chinese traders to move out of rural Malawi.  

Nevertheless, the Chinese perspective is that by encouraging and supporting large Chinese enterprises to invest in Malawi – particularly in the areas of agriculture, food processing and manufacturing – the aim is to generate new forms of employment in rural and urban areas. In the past few years, there has been some evidence of such a strategy making a difference, especially in the fields of cotton plantation and processing. China also wishes to encourage Malawian businesses to explore business opportunities in China, although most local businessmen prefer to import Chinese products for the Malawian market rather than try their hands at exporting local goods to an unknown Chinese market. In many African countries – with a strong Chinese presence – African traders now routinely travel to Guangzhou and other manufacturing centres in China in order to make bulk orders of goods that they can introduce to their local markets. This also appears to be the case in Malawi where the owners of small local businesses often travel to China. However, it is unclear the type of assistance and facilities such local Malawian businesses potentially receive from Chinese authorities if they show interest in exporting their products on their own to China, i.e. without involving a Chinese intermediary or a partner. And despite several visits to China by business delegations, I am not aware of any major collaboration that has been initiated by Malawian companies in China.

China has frequently emphasized its model of development is built on hard work, modesty and self-development, facilitated by social and political stability and without too much external assistance or interference. The message imparted has often been that it is not the country that is poor, but the people and the ‘remaining poor is not in the best interest of the nation and people of Malawi’. Hence, a key underlying principle of Chinese assistance is also the fact that ‘business is business’ and that there are no free rides. The oft quoted phrase is ‘The Chinese government always believes in the vision that it is better to teach a man how to fish rather than to give him fish in providing aid and carrying out cooperation’. The impression created is that as a result of its rapid economic development, China has been able to develop practical and affordable technological solutions that it is willing to share with its development partners (e.g. infrastructure
development and food security). It is also willing to provide access to its immensely huge market of 1.3 billion people through its zero-tariff treatment to over 460 products from Malawi.

As mentioned earlier, there is no evidence available to indicate that Malawian firms have made any headway in China. What is available though – albeit from Chinese sources – are figures on the rapid increase in overall trade between the two countries in recent years. These do not, however, specify Malawian exports to China. Critics of China in Malawi point to the fact that such trade is usually ‘one-way traffic’ and that Malawian goods and firms stand little chance of making use of China’s enormous market.

I have previously argued that the discourse on development and poverty reduction today has become increasingly buzzword-driven.\textsuperscript{74} And the general impression created by many Western agencies involved in development aid is that the usage and application of such buzzwords on the ground, particularly in relation to social sectors, is crucial in the fight against poverty. But the increased frequency and ease with which these buzzwords are used by Western agencies and their staff stand in stark contrast to the complex challenges on the ground. As a result, many of these ideas – formed by the ideology of respective donors – often lose their analytical and political edge. Bøås and McNeill\textsuperscript{75} argue that this is due largely to the effect of the ‘economic-technocratic nexus’ and the combination of a bureaucratic and an economic approach to policy formulation and implementation. Thus, many Western donors in Malawi, as elsewhere in Africa, have struggled to operationalize such ideas when they have tried to move from theory to practice. For example, for all the claims of pursuing a human rights-based approach to development and poverty reduction, most UN agencies and bilateral donors struggle to identify barriers that prevent or hamper the poor from claiming their rights and to better understand the impact (and costs) of these barriers in the development process.\textsuperscript{76} The Chinese are, at least officially, wary of such development jargon. They argue that Western countries should tone down the rhetoric of political rights and modes of governance that African countries should adopt. Many Chinese actors characterise a large number of Western interventions as charitable hand-outs, and argue that the need of the hour is more direct action aimed at encouraging self-sufficiency and confidence, and greater support to initiatives by the poor themselves to climb out of poverty.

However, in Malawi at least, the Chinese are not averse to using many of the same development buzzwords and rhetoric that largely characterises the Western aid discourse. Indeed, an analysis of the speeches of two successive ambassadors posted to Malawi since 2008 reveals use of the following terms: ‘empowerment’, ‘capacity building’, ‘human rights’, ‘gender equality’, ‘accountability’, ‘democracy’ and ‘rights’. Some of these terms are further elaborated than others (e.g. accountability and capacity building more than human rights and democracy), and on many occasions these terms are used during events organised by civil society organisations and pressure groups (e.g. Malawi’s Human Rights
Consultative Committee or media houses) or when new social initiatives are launched. Poverty, thus articulated by the Chinese, appears to be linked with human rights in that employment generation through infrastructure projects promotes the basic right to work; building schools promotes and fulfils the right to education, and public health facilities (including treatment of specific diseases) guarantee the human rights of life and health. And yet a senior Western donor representative argued that the Chinese, by not providing budget support and their extremely limited funding social sector projects, cannot claim to make significant contributions to national poverty reduction strategies; their efforts can at best be very indirect: ‘The Chinese cannot help Malawi in a finance crisis’.

Another set of criticisms of the impact of Chinese aid on poverty reduction is the absence of a Chinese ‘development constituency’, i.e. development line ministries, large and influential NGOs and pressure groups that constantly highlight the poverty reduction component in ODA. Thus, the amount of space available for independent pressure groups to be used as a resource for Chinese policymakers both in China and in aid recipient countries appears limited or non-existent. And while there are a handful of semi-independent groups in China working on development, their ability to balance powerful commercial interests in limited and their views usually fall in line with the Chinese political leadership. The Chinese embassy in Malawi has, however, been quite active in courting the support of major civil society organisations (including human rights groups) and the media. For example, the ambassador has given keynote speeches on various occasions and many civil society organisations and media representatives have visited China and attended seminars and conferences.

**Reaction of Malawian and others to China’s strategy**

China’s policies have consistently enjoyed broad support in Malawian political circles. Such support was aptly expressed by John Tembo, the long-time leader of the opposition, when he observed in 2008 that China and India were fast becoming ‘diplomatic superpowers’ and it was a correct decision for Malawi to seek closer ties with China in order to maximise the benefits of economic development. Similar views are routinely expressed by most leading Malawian economists and political commentators who cite the examples of China’s cooperation with South Africa and Botswana which has allowed these countries to radically improve their infrastructure and increase bilateral trade with China. The critics initially warned the government of local society’s potentially negative reaction to the influx of Chinese migrant workers and traders. They cited the cases of backlashes again the local Chinese population in Zambia, Namibia, Zimbabwe and Tanzania for having flooded the market with cheap and low quality products and forcing local traders out of business. In reaction to such comments, Foreign Minister Banda argued in January 2008 that China’s recent entry should actually be viewed as an advantage for Malawi: ‘What matters is the entry point. What you put on the table. We are at an advantage because we can scrutinise all those issues that have negatively affected our neighbours’. 
The largely negative coverage of China’s role in Africa that tends to dominate the Western media does not necessarily reflect the variegated and complex views of African citizens and their leaders. For example, a recent survey has concluded that despite a somewhat negative perception of Chinese policies in the continent, a majority of Zambians believed that China and Africa share important common interests. They are also enthusiastic about China’s growing stature as a global player and are particularly supportive of China’s ‘non-interference’ policy. Similarly, in Malawi, the concerted effort by the Chinese government in the past decade to increase its presence in Africa is often viewed favourably by the political elite. China is thus praised for its rapid completion of infrastructure projects (unhindered by major labour disputes, accidents or visible environmental concerns) and as a source of new capital without what a senior government official described as ‘the moral preaching that comes with the money’. China’s success in reducing poverty within its own territory, despite the enormous challenges it faces, is indeed inspirational for many Malawians, and the South-South learning process finds a more receptive audience than a North-South dialogue. Also much appreciated by many is the scholarship programme that China runs for students and practitioners. Some further point to the difficulties that Africans face in acquiring a visa to Western countries (despite invitation letters and proof of funding) and the comparative ease with which China’s programme facilitates exchange visits. There are also some voices in Malawi arguing that if the West does not do something similar and quite quickly, many actors in Malawi – especially journalists – will be ‘brainwashed’ with a one-sided view of the world, as increasingly many are being trained by their counterparts in China.

There is no doubt that the hostile attitude of low-income Africans in many countries towards Chinese migrants (who are employed in the small scale and informal service sectors and perceived to be taking away jobs from locals) is on the rise. Such sentiments may often outweigh, in their view, the benefits Africa receives in terms of low-cost products and services provided by the very same migrants. Malawi is no exception. While the majority of the political elite is largely positive to the entrance of a new and powerful actor in Malawi’s foreign-aid dependent economy, there have been occasional outbursts from individual political leaders and Members of Parliament on the lasting legacy of China’s interventions. Indeed, such feelings began to be voiced in public and largely gained momentum with the deteriorating political situation in the country in 2010-2011 when opposition parties and civil society organisations began organising large scale demonstrations against the Mutharika regime. The long-lasting fuel and foreign exchange shortages of the time were largely viewed as being the result of the government’s strained relationship with Western donors (the British ambassador was thrown out of the country following a leaked memo in which he criticised the increasingly authoritarian style of Mutharika’s government). During this period, the President often emphasised the win-win relationship with China and believed that the withdrawal of Western aid (especially by the British, who
together with other Western countries and agencies was told to ‘go to hell’). It would be more than offset by an increase in assistance from China. For example, in January 2012, the President observed that the Chinese ‘assisted us in these projects without preconditions — simply from one friend to another. They did not destroy our national integrity and culture, they understand our national sovereignty’. However, according to a Western diplomat, it was precisely such statements of support for the Chinese that resulted in a backlash and destruction of property owned by Chinese immigrants during the political demonstrations and ensuing riots in July 2011. The diplomat argued that the President had ‘exaggerated China’s role, and perhaps underestimated his own people … and the looting of Chinese shops that took place perhaps was an expression or an act by the Malawian people against those who supported the President’.

Starting 2010, there was a steadily growing feeling among a section of politicians regarding the lasting effects of China’s policies. When I interviewed a leading politician and Member of Parliament from the opposition UDF party in April 2012, he expressed profound scepticism about China’s long-term impact on Malawi’s economy. He argued that ‘investments from China are aimed at promoting Chinese companies and products’ and that the much-publicised infrastructure projects were ‘just show, when you go inside you will see that the buildings are sub-standard’. He was also highly critical of the working conditions of Malawian workers, although he noted that the problem was really due to the fact that Malawi’s Employment Act was weak. He further claimed that there had hardly been a discussion on China’s role as an aid provider in the Malawian Parliament: ‘On Thursdays we have MP’s private day when they can raise any motions. However, ministerial statements keep us busy and we have never had a proper discussion on China in Malawi’.

A senior government official in the Ministry of Justice expressed similar sentiments when he claimed that the Chinese are not really investors who create jobs, but small traders who aim to render local Malawian traders jobless. He went on to observe, ‘They must leave something in this country’.

Since 2009, there has also been a rise in critical reports in the Malawian media on China’s interest in Malawi and the behaviour of Chinese immigrants. The themes covered have varied, but include the following: the rapid and illegal influx of unqualified Chinese nationals into Malawi; low salaries paid by Chinese companies to local Malawian workers; lack of uniforms and other benefits for local workers engaged in construction projects; Taiwanese projects were better for Malawi as they had a higher grant component; allegations from an MP that China was importing prisoners as workers to Malawi; reprint of favourable reports on the Dalai Lama’s activities around the world and negative reports on China appearing in the Western media; and the staff of Chinese firms in Malawi offering bribes when caught smuggling goods or taking foreign exchange out of the country. The Chinese embassy has tried to refute many of these claims (e.g. claiming factual inaccuracies, Western bias in media coverage, hardworking
Chinese workers who also work at the weekends and deserve higher salaries than locals) while also accepting that Chinese migrants need to be educated on local culture and practices. But embassy officials have also publicly expressed ‘confusion’ and ‘discouragement’ upon reading the spate of negative reports in the media, and alluded to the fact that despite all their good intentions and results, the media was obsessed with criticising everything Chinese.

CONCLUSION

China’s aid and investment policies in Africa have attracted widespread attention from scholars, policymakers and development practitioners. However, the considerable body of existing literature on the topic has largely avoided examining to what extent China’s policies specifically help reduce poverty in countries that are the recipients of China’s assistance. Malawi is a particularly interesting case in this context with its heavy dependence on aid from foreign donors, its high levels of absolute poverty and China’s recent entry into the country.

China has tried to paint a somewhat realistic picture of the scale of its aid interventions in Malawi. It has argued that its major contribution to poverty reduction has been through local employment generation. Indeed, an analysis of the different projects show that although the Chinese have allowed the Malawian political leadership to determine the location of infrastructure projects (e.g. not objecting to sudden and arbitrary changes in construction sites), the resulting efforts have generated a considerable number of jobs for (and in some cases skilled training of) the local work force. Like many other developing countries, Malawi’s regulations governing employment conditions remain weak and in some cases the Chinese have been accused of violating worker’s rights, particularly in terms of working hours and provisions of uniforms and other benefits. Nonetheless, the projects have been run efficiently and completed often well ahead of schedule and then ‘handed over’ to the Malawian authorities. China does not give the impression of wanting to be involved in future decisions related to employment of local workers and the maintenance of the projects it has helped build (e.g. hotels, conference centres, roads). Thus the Chinese, more than many other donors operating in Malawi, highlight in concrete terms their adherence to the principles of ‘recipient responsibility’ and ‘local ownership’. Another very successful area has been the provision of scholarships for education and training of Malawians in China, although there is no evidence available to claim that the poor have been particularly targeted.

Despite initial promise, China’s direct involvement in Malawi’s agricultural sector has been largely disappointing. Malawi faces chronic food insecurity and the persistent threat of famine, and China’s efforts in these areas appear to be ad-hoc donations of fertilisers and visits by agricultural experts. The cotton and tobacco sectors show promise but China must do more to reduce the threat of uncertainty and risks faced by farmers who fear that China will pull out at short notice and
stop procuring their produce. Similarly, interventions in the health sector, although valuable, have been ad-hoc and with limited impact. Nonetheless, this is an area that shows promise, particularly if the Chinese government is able to involve multinational firms based in China. Indeed, there is a potentially great possibility of tapping into the CSR agenda of these firms and inviting them to be more actively involved in Africa.

Comparisons between the activities of donors from the Global North and China are difficult. For example, unlike their Western counterparts, Chinese activity typically involves a combination of grants, loans, direct involvement of state-owned enterprises and Chinese nationals. It also appears unclear whether the Global North really feels pressurised by the Chinese expansion in Africa. The Malawian case certainly does not justify such concerns. Most Western agencies in Malawi keep track of China’s activities, although they do not necessarily perceive such interventions to be competing with their own projects. The word frequently heard in such circles is one of ‘complementing’ each other’s work. The Chinese response typically has been that their activities in Africa is a win-win situation for all parties and that China’s policy builds on mutual respect and friendship between countries, without elements of a covert agenda. This appeals to many groups of Africans, particularly political and administrative elites and private sector actors, although the first signs of discontent on the lasting legacy of Chinese assistance programmes and investments in Malawi are beginning to surface.

What does the new global aid architecture mean for African states on the receiving end of China’s development assistance? ‘China’ and ‘Africa’ are not undifferentiated and unitary entities. Indeed, multiple actors are involved, each with differing levels of complexity and relationships to state power and institutions. The African state is crucial for future negotiations with not just China, but also other donors. Stronger demands for changes in China’s practices must hence come from people in Africa and their representatives. Poverty is an inherently political problem and its persistence over time reflects institutionalization within social and political norms and systems, and legitimisation within political systems and among political elites. In this context, understanding the capacity of the African state and the ability of its leaders to get things done is crucial for all efforts aimed at reducing poverty.

African governments are often portrayed in the Western media as helpless in the face of an aggressive development aid-based push by the Chinese. Such generalisations do not, however, capture ground realities and this is precisely why it is important to understand the range of options available to African politicians and decision makers in terms of choosing a particular strategy and a specific donor. Political leaders in Malawi employ a complex range of strategies to constantly ‘triangulate’ and juggle between donors. They also stand to benefit when inter-donor rivalry or disagreements becomes pronounced, providing new opportunities to the country to extract as much as possible from each rival group.
Western donors and China also appear to have found a way of peaceful co-existence, each prioritising their respective ‘pet’ projects and sectors. While the Chinese presence has given Malawi an additional option of donor support, the extent of direct control China exercises in its disbursements also appears to have ensured that its aid, although not by any means as substantial as that of the West, is used largely for its intended purposes.
NOTES

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3 A brief survey of news reports on Malawi in mainstream Chinese (Mandarin) dailies did not reveal much information.

4 In the past decade or so, the major Western donors have been the UK, USA, Norway and other European countries.


6 E. Msompha, Continuity and Change in Malawi’s Foreign Relations: A Critical Analysis of Malawi’s Diplomatic Shift from Taiwan to Mainland China, Masters Thesis in political science, Chancellor College: University of Malawi, 2010.

7 Ibid., p. 36.

8 Ibid. p. 38.

9 Ibid., p. 48-49.

10 Ibid., p. 48-49.

11 President Mutharika died in office on 5 April 2012 and was succeeded by Vice President Banda.


13 Ibid.

14 Ibid.


17 Masina, supra note 10.


19 There are some discrepancies in this figure. Some reports put this at USD 286 million. Local reports also put the figure in local currency to be 40 billion Malawian Kwacha. In addition, USD 4 million was earmarked for defense cooperation and USD 1.7 million for rural school construction.


25 According to records maintained by the Chinese embassy in Lilongwe, a total of 435 government officials and professionals had either been on official visits to China or attended various types of training programmes as of January 2010.


28 China’s ambassador to Malawi (1), supra note 21.


31 China’s ambassador to Malawi (2), supra note 22.

32 Ibid.

33 China’s ambassador to Malawi (1), supra note 21.

34 Ibid.

35 China’s Ambassador to Malawi (5), Reception celebrating the 60th anniversary of the founding of the People’s Republic of China, 30 September 2009.


38 Ibid.


42 China’s Ambassador to Malawi (3), supra note 25.


44 Information based on speech of China’s Ambassador to Malawi (3), supra note 25.

45 China’s ambassador to Malawi (7), Reception Of the 59th Anniversary of the Founding of the People’s Republic of China, 29 September 2008, Capital hotel, Lilongwe.

46 China’s ambassador to Malawi (8), Ground-Breaking Ceremony of the International Conference Centre and Five-Star Hotel Project, Lilongwe, 12 December 2009.


A chartered plane from Hainan Airlines brought the medical team from China to Malawi. It is unclear, however, whether the airline company was in any way involved in co-sponsoring this event. FOCAC, ‘China-Malawi Visual Recovery Project Launched at Malawian Capital’, 30 November 2010. Available at: <http://www.focac.org/eng/zfgx/t773180.htm> (accessed 1 April 2012).

China’s Ambassador to Malawi (12), Launch Ceremony of the China-Malawi Friendship and Brightness Trip, 23 March 2011.


Ibid.

There is no formal law in China on foreign aid and statistics on aid flows to China to specific countries and sectors is not easily accessible.


Bräutigam, supra note 63.


72 China’s Ambassador to Malawi (1), *supra* note 21.

73 China’s Ambassador to Malawi (10), *supra* note 48.


78 Alden and Hughes, *supra* note 64.


