

**China's Geo-Economic Relation with Ethiopia in the 21st
Century: A Constructivist Theoretical Analysis**



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Introduction

Sino-Ethiopian bilateral relations can be traced back to 1970s when the Ethiopian leader at that time, Emperor Haile Selassie, inaugurated its establishment. Since then, Sino-Ethiopian relation has gone through thick and thin, inter alia, its decline after the 1974 revolution and the re-strengthening of the ties in the year 2005. After its consolidation in the year 2005, the tie has become even stronger than before – be it in the field of politics, diplomacy, and economy. Ethiopia, in regard to its decision to enter into a stronger tie with China, has been motivated by the feeling of despair and its strong will to alleviate the widespread poverty in the country (Cabestan, 2012).

Speaking into more details, something which drives Ethiopia to maintain close ties with China is because “the latter’s active engagement in economic development: PM Zenawi encouraged closer ties with China with a view to tapping its financial resources and balancing close ties with Western countries, particularly the United States” (Cabestan, 2012, as cited in Nicholas, 2017, p. 9).

This paper seeks to analyse China’s economic presence in Africa in the 21st century, particularly in its relation with Ethiopia, with the help of the theory of constructivism. Katzenstein’s theory of state-centric constructivism, as explained by John Hobson in his book titled *The State and International Relations* (2003), will be used as a tool to understanding the topic. In its entirety, this paper is going to stick to the commonly accepted notion of constructivism that the behaviour of a particular state is influenced by its interest. Whereas, its interest is shaped by identity – which is shaped by social norms.

Questions to be answered by applying the constructivist theory of international relations are: what are the motives of China’s economic presence in Ethiopia? what is the Chinese national identity – which shaped its behaviour, particularly in Africa? what is the social norm shaping Chinese national identity?

This paper assumes that China’s geo-economic relation with Ethiopia is mainly motivated by the strategic location of Ethiopia and mainly for China’s own economic benefit so that it can spread its influence all over the world, including Ethiopia, which is the ultimate dream of China. The dream was constructed by the norm established by the Communist Party of China, the reigning party since the establishment of the People’s Republic of China.

In answering the questions, the current behaviour of China in Ethiopia is put at the first point to give a context to the whole discussion of the answers of the aforementioned research questions. Other than that, the answers to the questions shall be presented under the result section in sequence.

Research Methodology

When it comes to methodology, it is noteworthy that there are three important aspects to be explained, i.e., the ontology of the research, the method of the research, and the data sources which are going to be used. This research departs from the notion of constructivism which perceives international relations as a social construct determined by social norm which shapes national identity. In term of research method, this study is a qualitative study where the data come from various sources related to the issue.

Theory-confirming case study as explained by Arend Lijphart in his article titled **Comparative Politics and the Comparative Method (1971)** is the employed method for this study. This study also employs deductive reasoning. It will scrutinize on how the constructivist view of international relations can be used to explain a very specific case study of China's geo-economic relation with Ethiopia in the 21st century.

In order to get the necessary data, content analysis is employed. The sources of data used in this study are journal articles, news, and reports from which the answer to the research questions can be got.

Results

China's Foreign Policy Behaviour in Ethiopia

President Xi Jinping, in the end of 2013, announced a novel ambitious policy, namely the One Belt One Road (OBOR), or more commonly known as the Belt and Road Initiative (BRI). It is said to be the biggest development project at the modern era which consists of the Silk Road Economic Belt, connecting the underdeveloped areas of China with neighbouring countries while linking the hinterland to Europe, and the 21st century Maritime Silk Road which spans all the way from Southeast Asia to Europe and Africa. The project should involve countries across Asia, Europe, and East Africa **(Cai, 2017)**.

The United Nations Conference on Trade and Development (UNCTAD) Report 2020 wrote that Chinese investors account for approximately 60 percent of all foreign projects

approved by the government of Ethiopia in 2019. The report also described Ethiopia as the biggest FDI recipient in East Africa, which amounted to 2.5 billion U.S. dollars, while being the fourth in the continent (Xinhua, 2020).

In its relation with Ethiopia, China has been doing several projects for the betterment of Ethiopia, inter alia, in the field of human resource development and capacity building. The realisation of the project includes giving scholarships to the students to pursue degree programmes in China. The project also has provided Ethiopian officials with the chance to enroll in either short courses or training programmes. It is in accordance with what the Chinese ambassador to Ethiopia suggested – that education is one of the essential pillars of the Belt and Road Initiative (BRI) and Sino-African relation (Maini & Lingala, 2019).

Moreover, China has also initiated various ICT projects in Africa, among others, in Ethiopia which is claimed as “the largest ICT project has been in Ethiopia (US\$1,5 billion), which involved the associated rollout of mobile coverage in rural areas” (Institute of Developing Economics, 2009, p. 58).

When it comes to infrastructure, China has been involved in various Ethiopian national projects. For instances, the building of dams, railways, and roads across Ethiopia. Those projects are helping Ethiopia by means of providing energy, connectivity for 49 cities in Ethiopia, and better access for many more respectively (Cabestan, 2012).

Last but not least, China, represented by the e-commerce giant Alibaba, has also signed a Memorandum of Understanding (MoU) Electronic World Trade Platform (eWTP) with Ethiopia. This made Ethiopia the second country in the continent, after Rwanda, to have the creation of such platform to open up more access for local Small and Medium Enterprises (SMEs) – which will finally benefit Ethiopia as a country (Zeng & Shu, 2018; Maini & Lingala, 2019).

All the aforementioned projects are executed by Chinese loans – which finally made the national debt of Ethiopia sky rocketed (Ferdinand, 2016). Interestingly, despite the fact that many experts have been worrying about Ethiopia experiencing the debt-trap diplomacy, China, in its foreign policy in Ethiopia, does not seem to act in that direction. It tends to act more flexibly when it comes to the realisation of the Belt Road Initiative (BRI) in Ethiopia (Maini & Lingala, 2019).

The Motives of Chinese Economic Presence in Ethiopia

The Belt and Road Initiative (BRI) carries both geopolitical and economic interests for China. Those interests can be simply categorized into the following: searching for profit, upgrading Chinese industry while exporting Chinese standard, dealing with excess capacity, and seeking more profit.

First, it is obvious that China is looking for profit by investing its money abroad in the form of soft-loans. It is natural for China, a country with state-capitalism as its economic ideology despite its communist national ideology, to search for a new territory to expand its capitalist economy outside of its territory. As it became more developed, it has to search for new regions to keep its “business” going and get more profit.

Second, the Belt and Road initiative (BRI) shall upgrade Chinese industry while exporting Chinese standard. It carries the main goal of levelling up the innovation of the country’s manufacturing industry while restructuring the low-cost manufacturing industry and emphasising quality over quantity at the same time. It also brings the goal to ease export Chinese good worldwide, including Ethiopia. Moreover, it also has the mission to introduce the Chinese standard when it comes to the industry by exporting high tech products abroad (Cai, 2019).

Third, it also brings the goal to find a solution to China’s excess capacity. During the 2008 financial crisis, China provided a huge stimulus package, said to be one of the biggest in recent economic history. It was good to keep the industry in pace during the crisis. However, it produced an undesirable effect, i.e., the massive excess production capacity. This, in the long term, will affect China very badly. Hence, finding a solution to the excess capacity is one of the main priorities for national policy.

The One Belt One Road (OBOR) policy is one of the ways pursued by the Chinese government to tackle the overcapacity issue by moving the excess capacity to other countries. In regard to the project, Hu Huaibang, the Chairman of the China Development Bank and the most influential financier of OBOR projects, stated that:

On the one hand, we should gradually migrate our low-end manufacturing to other countries and take pressure off industries that suffer from an excess capacity problem. At the same time, we should support competitive industries such as construction

engineering, high-speed rail, electricity generation, machinery building and telecommunications moving abroad (Cai, 2019, para 56).

It is such a brilliant step to be taken due to its ability to turn national liability to be a great diplomatic asset. Moving the excess capacity from China to abroad means that China is helping other less developed nations to achieve the same level of development due to its excellent quality of production, sophisticated technology and equipment, complemented by more than 30 years of experience in the developmental state model (Cai, 2019). The One Belt One Road (OBOR) projects, or as it is more widely known, the Belt and Road Initiative (BRI), has the intention of creating a positive sum game – where both parties involved experience “wins”. Last but not least, Ethiopia is a very strategic place to for China to invest due to its geographical location.

China's National Identity & the Shaping Social Norms

The widely accepted fundamental notion of constructivism is that the behaviour of a particular state is influenced by its interest. Whereas, interest is shaped by national identity – which is shaped by social norms. In this paragraph, the national identity of China shall be discussed, followed by the social norms which shaped the identity itself.

One of the identities possessed by People's Republic of China is the China dream. It can be defined as the individual and national unity in a prosperous nation. Still, it has to be under the value of Chinese socialism. Hence, it is also referred to as the “Red Dream”.

In regard to the China dream, Ferdinand (2016) explained that:

China wishes to share its development experience and foreign philosophies with all countries, realizing the China dream and recalling the fine civilizations of other countries in the world; helping Japanese civilization, Indian civilization, Islamic civilization, Western civilization, Eastern Orthodox civilization, Latin American civilization, African civilization and all other civilizations to rejuvenate or retain their splendour, while at the same time studying the valuable parts of them (p. 946).

Since the end of Deng Xiaoping's era, China has been witnessing a noticeable shift in its identity as a nation. Previously, China is famous for the teaching of Deng Xiaoping when it comes to foreign policy: 韬光养晦 (*tao guang yang hui*) – which means that it has to hide its capacity, focus on its domestic capacity building, and wait for the time to come, so that it will

not attract attention from the western powers. However, as the time passed by, China became a more assertive nation when it comes to foreign policy – especially now under the leadership of Xi Jinping (IDE-JETRO, 2003; Zhao, 2012). Currently, the identity attached to China is “emerging superpower”, particularly in economy.

The attributed identities to China, inter alia, the notion of being an “emerging superpower” and the existence of the China dream, has led China to behave the way which was explained in the previous subtopic. Currently, it is more focused towards the south-south cooperation in its foreign policy behaviour.

It is very important to note that according to constructivist approach, no country knows its identity. They get to know their identity because of the help of international and domestic norms. The norms, be it from either domestic society or international society of states, can form the identity if and only if the particular country fully accepts that the norm “claims on oneself through appropriating of a corresponding identity” (Wendt, 1999, pp. 272-273, as cited in Alexandrov, 2003, p. 36). Wendt (1999, p. 250) suggested that “a state observes the cultural norms that it perceives as legitimate” (as cited in Alexandrov, 2003, p. 36). It means that China must already internalise such attributed values to itself prior to following the aforementioned norms.

When it comes to norms, there are agents from both inside and outside of China which contributed to the formation. The agent of norm formulation in China’s case is the Chinese Communist Party which has been in control of the People’s Republic of China since its establishment until now. Whereas, the agent of norm formulation from outside of China is the regions surrounding it.

As previously discussed, China has been through an obvious shift in its “identity”. The shift is nothing but because of the communist party itself, represented by the Presidents after the reign of Deng Xiaoping. As a communist country, the Chinese Communist Party acts as an iron fist which lead the country, including the people, towards the direction they perceived to be the best (IDE-JETRO, 2003; Zhao, 2012).

In international stage, China, with Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan, formally established the Shanghai Cooperation Organisation in 2001. China being a leader in the region can be considered as a norm (Yuan, 2010). The norm was established by the countries surrounding the People’s Republic of China.

In regard to the notion of national identity and social norms, Katzenstein (1996: 42, 20) suggested that “generally speaking social norms in the international society of states are less dense and weaker than those in domestic society” as cited in Hobson (2003, p. 165). Therefore, it is safe to say that China’s domestic norms, directed by the iron fist of the Chinese Communist Party, contribute more to the forming of the national identity – be it at the current situation or in the past, rather than the international norms.

Conclusion

This paper has successfully answered the research questions. It has confirmed that a very specific case study, i.e., the geo-economic relation between China and Ethiopia in the 21st century, can be explained using the international relations theory of constructivism. It thus means that the purpose of this study, i.e., theory-confirming, has been reached.

China, through its Belt and Road initiative (BRI), has been involved in numerous projects in Africa, particularly in Ethiopia. Among the projects are in the field of infrastructure – building dams, roads, and railways, in the field of human resource development and capacity building, e-commerce, and telecommunication network. Currently, Ethiopia is the biggest recipient of inflow Foreign Direct Investment from China in East Africa while being the fourth compared to all countries in the continent.

The projects are executed using the loans from China, which actually raised concerns among analysts that Ethiopia is going to drown in China’s debt-trap diplomacy. However, surprisingly, China is really flexible when dealing with Ethiopia.

As for the background of such foreign policy behaviour in Ethiopia, China is driven by its interest. In the case of the aforementioned projects under the Belt and Road Initiative (BRI), there are three interests carried by it, i.e., for China to search for more profit, to upgrade Chinese industry while exporting Chinese standard, to and find a solution to China’s excess capacity. Moreover, Ethiopia is a very strategic place to for China to invest due to its geographical location.

China’s interest is shaped by its national identity. However, there is no country which knows its own identity until unless the social norms, be it domestic or international, help a particular country to understand it. When it comes to national identity, the China dream and the notion of “emerging superpower” are attached to China.

The Chinese national identities are formed by the Chinese Communist Party, an iron fist which directs the country towards the desirable direction perceived as the best one, and the surrounding countries, which view China as the leader of the region. However, in the case of China, the contribution of the Chinese Communist Party is bigger in forming of the national identity compared to the contribution of the international social norms – be it at the current situation or in the past.

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