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China's Official Development Finance Flows in Zambia under the Beijing Consensus

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Abstract

Chinese development finance flows provided to African recipients have gained a lot of attention for their volume and nature, representing an alternative approach to development. It is the aim of this article to examine the observance of principles of China's development model, the Beijing Consensus, through China's Official Development Finance delivered to Zambia between 2000 and 2014. Due to a lack of information published on development finance flows by the Chinese government, the author uses AidData's dataset, media, and government reports to verify the nature and amount of finance flows provided and their allocation in the country. The analysis demonstrates that apart from the "non-interference principle", all the principles are observed when their adherence is limited to the purpose of the delivered projects. However, their observance is at the same time undercut by characteristics of the process of projects' implementation and their allocation. There are also other Chinese activities further undermining the adherence. Although these activities are not directly associated with China's ODF-like finance delivery to Zambia, they influence the successful observance of the examined principles in a negative way.

Keywords: China, Africa, development, Beijing Consensus, Zambia.

China¹ has witnessed unprecedented economic growth since the adoption of the economic reforms, 40 years ago. For many contemporary developing countries, its example is perceived as an alternative development approach that is worth attention not only for its success, but also due to the disappointment arising from the acceptance and implementation of Western-centered models of development experimented under the Washington Consensus, which led to the deterioration of economic, social, and political conditions in many developing countries. China's specific development

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¹ Whenever the article refers to "China", the "People's Republic of China (PRC)" is meant.

experience triggered a controversial debate concerning the applicability or repeatability of its developmental path. This debate was triggered in 2004 when Joshua Cooper Ramo published the essay *The Beijing Consensus*² focused on the development policies and reforms China adopted, as well as on its underlying values. Symbolically, just by using the term, Ramo called attention to the difference between this model and the model of the Western/Washington Consensus, formulated by John Williamson in 1989 and subsequently applied to developing countries and countries undergoing economic crises.

The Beijing Consensus therefore represents an alternative model that is appealing for developing countries due to China's economic success, a country that has managed to get hundreds of millions of its inhabitants out of poverty. As the African continent consists mainly of developing countries, this approach was rapidly perceived as a potential replacement of the Western model of development that gained a negative connotation among numerous African societies and political leaders, considering its impact on the micro-economic level as well as the core values and policies imposed by the donor-countries. Since 2000, when the Forum on China-Africa Cooperation (FOCAC) was established,³ it has also been possible to observe a significant growth of Chinese involvement in Africa. With this increased interest, the financial flows - which can be characterized as *Official Development Finance Flows* - have been growing as well. As a result, between 2000 and 2014, with almost 30% share of China's total development financing, Africa became the second largest recipient of these flows, surpassed only by Asia.⁴

One of the African countries in which the Chinese presence and interests are the most evident is Zambia, a country where the development finance flows have reached a total amount of 5.4 billion USD, ranking the country among the top recipients on the continent. Because of these substantial investments, Zambia is an interesting case to examine as it has been receiving Chinese development finance flows quite regularly since the 1960s. This makes it a rather rare case in the African context - in most of the African countries, the cooperation eventually suffered from political and ideological turmoil resulting in a Chinese discontinuous influx of financial flows. Moreover, given this long-lasting cooperation and support, the outstanding Zambia-China ties are at times

² Joshua Cooper Ramo, *The Beijing Consensus*, Foreign Policy Centre, London, 2004.

³ The emergence of the Forum on China-Africa Cooperation (FOCAC), founded in 2000, represents also the beginning of the timescale in the research, as it can be considered a milestone in the relations between China and the African countries. It is this institutionalization of cooperation that has led to a significant increase and regularity in various Chinese financial flows to the region. The end of the time period is 2014 which is given by restrictions on the availability of coherent data on China's development finance.

⁴ The figure was calculated by the author based on the dataset provided by AidData available at: <http://aiddata.org/data/chinese-global-official-finance-dataset> (accessed: 9 October 2017).

referred to as “all-weather friends” relationship. In this respect, it is highly interesting to analyse the development finance flows in the Zambian case with the intent to better understand how these relations have changed after 2000. It is hence the objective of this article to evaluate the compliance with China's model of development – the so-called Beijing Consensus (as defined by Ramo) – and the evolution of the financial flows provided by the Chinese Official Development Finance to Zambia between 2000 and 2014. The research question is: *Are the suggested principles of the Beijing Consensus observed in the case of Zambia during the provision of the Chinese ODF flows and projects?*

There have been numerous publications dealing with the issue of Chinese development finance flows in Africa. Among the most significant studies, Bräutigam's articles and books stand out⁵. Her research can be considered, so far, to be the most extensive on the issue of China's development aid, in particular in relation to her intention to cover the information gap and to challenge some myths concerning China's involvement in Africa as well as China's specific understanding of what a development aid should include. Among other important studies focused on Chinese development finance flows, it is possible to mention a collection of articles edited by Dent⁶, the volume co-signed by Davies⁷ and the research done by Ngaire Woods⁸. One of the most recent studies questioning some myths about Chinese development finance flows to Africa is a quantitative research conducted by Axel Dreher et al.⁹. The literature addressing the Beijing Consensus or China's development model questions the very existence of the model and its features, if compared to its countermodel, the Washington Consensus. Most of these studies multiplied in response to the financial crises hitting the world markets in 2008, during which the Chinese economy proved to be resilient to these financial fluctuations, making the debate and research on China's development model even more

⁵ Deborah Bräutigam, “China's Foreign Aid in Africa: What Do We Know?,” Robert I. Rodberg (ed.), *China into Africa. Trade, Aid, and Influence*, The Brookings Institution Press, Washington, D.C., 2008, pp. 197-216; Deborah Bräutigam, *The dragon's gift: the real story of China in Africa*, Oxford University Press, New York, 2010; Deborah Bräutigam, “Aid ‘With Chinese Characteristics’: Chinese Foreign Aid and Development Finance Meet the OECD-DAC Aid Regime”, *Journal of International Development* 23: 5, 2011, pp. 752-754.

⁶ Christopher M. Dent (ed.), *China and Africa Development Relations*, Routledge, London, 2010.

⁷ Martyn Davies et al., *How China delivers development assistance to Africa*, Centre for Chinese Studies, Stellenbosch, 2008.

⁸ Ngaire Woods, “Whose aid? Whose influence? China, emerging donors and the silent revolution in development assistance”, *International Affairs* 84: 6, 2008, pp. 1205-1221.

⁹ Axel Dreher et al., “Apples and Dragon Fruits: The Determinants of Aid and Other Forms of State Financing from China to Africa”, *Discussion Paper Series*, no. 620, 2016, http://archiv.ub.uniheidelberg.de/volltextserver/22003/1/dreher_fuchs_Parks_Strange_Tierney_2016_dp620.pdf (accessed 28 September 2017).

relevant. In relation to this discussion, one can come across a number of authors dealing with the Beijing Consensus and China's peculiar economic growth, most of which present the Chinese model as a potential threat to the dominance of the United States and its liberal-democratic model¹⁰. Other scholars described the model as an opportunity and a better alternative for developing regions¹¹. In this article, different critical analyses are discussed in order to illustrate the possible weaknesses and strengths of Ramo's ideas¹². The critical debate that emerged as a reaction to Ramo's concept points out to some troublesome aspects of his thoughts concerning the very existence of the model and the applicability of its principles or even the originality of China's development path suggested by Ramo when the concept is compared to the Washington Consensus.

The main contribution of this article to the debate lies in its endeavor to go beyond the prevailing theoretical discussion and examine its applicability empirically within a specific case study, Zambia. Note should be taken that some of the models' features have been addressed within some of the aforementioned studies on China's engagement in Africa (e.g., the non-

¹⁰ Naazneen Barma and Ely Ratner, "China's illiberal challenge", *Democracy: A Journal of Ideas* 2: Fall, 2006, pp. 56-68; Ian Bremmer, "State Capitalism Comes of Age", *Foreign Affairs* 88: 3, 2009, pp. 40-56; Stefan A. Halper, *The Beijing Consensus, How China's Authoritarian Model Will Dominate the Twenty-First Century*, Basic Books, New York, 2010; Clyde Prestowitz, *The Betrayal of American Prosperity: Free Market Delusions, America's Decline, and How We Must Compete in the Post-Dollar Era*, Free Press, New York, 2010; Ziya ÖNIŞ, "The Age of Anxiety: The Crisis of Liberal Democracy in a Post-Hegemonic Global Order", *The International Spectator* 52: 3, 2017, pp. 18-35.

¹¹ Joshua Cooper Ramo, *The Beijing Consensus... cit.*; Chris Colley, "China's reforms at 30 and the 'Beijing Consensus'", *Pambazuka News, China-Africa Watch section*, issue 417, 31 January 31, <https://www.pambazuka.org/global-south/china%E2%80%99s-reforms-30-and-%E2%80%9Cbeijing-consensus%E2%80%9D> (accessed 1 February 2018); Martin Jacques, *When China Rules the World: The Rise of the Middle Kingdom and the End of the Western World*, Penguin: Harmondsworth, 2009; Xin LI, Kjeld Erik Brødsgaard, and Michael Jacobsen, "Redefining Beijing Consensus: ten economic principles", *China Economic Journal* 2: 3, 2010, pp. 297-311.

¹² Arif Dirlik, "Beijing Consensus: Beijing 'Gongshi.' Who Recognizes Whom and to What End?", *Position Paper, Globalization and Autonomy Online Compendium*, https://www.ids-uva.nl/wordpress/wp-content/uploads/2011/07/9_Dirlik1.pdf (accessed 13 March 2018); Max Rebol, "Why the Beijing Consensus is a Non-Consensus: Implications for Contemporary China-Africa Relations", *Culture Mandala: Bulletin of the Centre for East-West Cultural & Economic Studies* 9: 1, 2010, pp. 7-20; Scott Kennedy, "The Myth of the Beijing Consensus", *Journal of Contemporary China* 19: 65, 2010, pp. 461-47; Barry Naughton, "China's distinctive system: can it be a model for others?", *Journal of Contemporary China*, 19: 65, 2010, pp. 437-460; Shaun Breslin, "The 'China Model' And the Global Crisis: From Friedrich List to a Chinese mode of governance?", *International Affairs* 87: 6, 2011, pp. 1323-1343; Matt Ferchen, "Whose China Model is it anyway? The contentious search for consensus", *Review of International Political Economy* 20: 2, 2013, pp. 390-420.

interference principle or the impact of China's engagement on the environment). However, most of these studies only rarely focused on the specific debate on China's model of development¹³ and the research on its applicability on the Zambian case is absent. To cover this gap, an instrumental case study is used to analyse the Chinese development finance flows through the observance of its core-principles: the innovation-led development, social development, sustainable development, non-interference in the internal affairs of another state, and the principle of stability. For each of these principles, the study examines the delivery of specific projects supporting its compliance. Other activities and engagement of China in Zambia are also analysed in the cases where they are considered to have a potential influence on the compliance with its core-principles. The conclusions drawn are then evaluated in order to understand the extent to which the Beijing Consensus applies in Zambia. This method allows us to thoroughly analyse detailed data and information on the project level in order to understand the nature of the delivered projects and the characteristics of China's engagement in Zambia.

When dealing with the topic of China's development finance flows, one can come across several obstacles that need to be faced. The major one is the lack of officially provided transparent data on the project level, data that would give the researcher the much needed specific information on the nature and the development potential of the financial flows, and, above all, that would also confirm the very existence of the projects and their allocation. Therefore, in order to deal with the research question, the information is drawn primarily from newspaper articles dealing with the topic of development finance flows provided by China. These articles were published mainly in Zambia or in China. However, Chinese media are rarely referred to as they are considered less reliable and are used just to confirm the very existence of a specific project. Other complementary sources have been included: government and NGOs reports and statements as well as research articles published on China's engagement in Zambia. Although in recent years, some efforts have been made to deal with this data gap (*White Papers* on development aid were published in 2011¹⁴ and 2014¹⁵), the available information remains too vague and only very limited research has relied on it. To note also the Beijing's rejection of the international regime for the provision of development finance flows, as defined by the Development Assistance Committee of the Organization for Economic

¹³ Iva Sojková, "The Beijing Consensus: Characteristics of China's Official Development Finance in Ghana, 2000–2013" *Central European Journal of International and Security Studies* 11: 3, 2017, pp. 107-140.

¹⁴ The State Council of the PRC, "China's Foreign Aid", 2011, http://english.gov.cn/archive/white_paper/2014/09/09/content_281474986284620.htm (accessed 9 October 2017).

¹⁵ *Ibidem*.

Cooperation and Development (OECD-DAC). This represents an additional obstacle for the classification of the Chinese financial flows. China argues that South-South cooperation is qualitatively different and should therefore not be determined by traditional principles of finance provision and, consequently, considers that the principle of transparency should apply only to North-South cooperation.¹⁶ However, some efforts have been made to address this data gap. So far, the most ambitious project was launched in 2013 by the AidData organization. AidData responds to the demand for more accurate data on the project level and openly addresses the issue of data complexity and the possibility to classify Chinese development finance flows as defined by the OECD. With respect to the OECD's classification of ODF¹⁷, it recognizes several classes China's ODF flows are split into: "ODA-like", "OOF-like", and a class labelled "Vague Official Finances", a category that includes finance impossible to identify in a precise manner due to the lack of information about its development potential.¹⁸ In this article, the classification and calculations related to the projects are based on the data collected and published under the AidData initiative. The financial flows are labelled in accordance to the AidData classification.¹⁹

The article concludes that, putting aside the *non-interference in the internal affairs of another state* principle, a principle that was clearly breached

¹⁶ Mark Tran, "Transparency Could Be the Sticking Point for China at Busan", *The Guardian*, November 14, 2011, <http://www.theguardian.com/global-development/povertymatters/2011/nov/14/busan-aid-china-rejects-transparency> (accessed 19 October 2017).

¹⁷ Official Development Finance is used for measuring the inflow of resources to recipient countries and includes: (a) bilateral Official Development Assistance (ODA), (b) grants and concessional and non-concessional development lent by multilateral financial institutions, and (c) Other Official Flows (OOF) for development purposes (including refinancing loans) which have too low a grant element to qualify as ODA. Specifically, ODA is defined according to the OECD as "grants or loans to countries and territories on the DAC List of ODA Recipients (developing countries) and to multilateral agencies which are: (a) undertaken by the official sector; (b) with promotion of economic development and welfare as the main objective; (c) at concessional financial terms (if a loan, having a grant element of at least 25 per cent). In addition to financial flows, technical co-operation is included in aid. Grants, loans and credits for military purposes are excluded. Transfer payments to private individuals (e.g., pensions, reparations or insurance pay-outs) are in general not counted." (OECD- DAC, "Glossary of Key Terms and Concepts", <http://www.oecd.org/dac/dac-glossary.htm> (accessed 19 October 2017)). Development finances classified as OOF are defined as "transactions by the official sector with countries on the DAC List of ODA Recipients which do not meet the conditions for eligibility as Official Development Assistance, either because they are not primarily aimed at development, or because they have a grant element of less than 25 per cent". *Ibidem*.

¹⁸ Austin Strange et al., "China's development finance to Africa: A media-based approach to data collection", Center for Global Development Working Paper No. 323, 2013, pp. 15.

¹⁹ All amounts concerning the development financing that were calculated by the author are provided in the US dollars with inflation rate of 2014.

during the 2006 election, all principles were met when the observance was limited to financial and project delivery phases. However, their compliance depends on the characteristics of the process of projects' implementation and allocation. Some of the projects and finance flows have been criticized for their quality and sustainability. The analysis provided takes into account the broad criticisms characterizing China's engagement in Zambia after the 2000s. However, there have been some cases in which the legitimacy and unbiasedness of the accusations against China could be at least contested. This poses a question on the extent of China's real negative influence, an element that has been quite frequently presented in Zambia and abroad by the media and different politicians.

The Beijing Consensus Short Discussion and Operationalization of the Concept

The controversial debate about the Chinese model of development began as a response to the publication of Ramo's analysis in 2004. The scholar used the term "Beijing Consensus" to describe the uniqueness of the Chinese development approach, a model that differs from the Western one – the "Washington Consensus" – presented by John Williamson in 1989. Williamson created a list of rules of neoliberal policy for economic reform in Latin America, which, as he expected, Washington-based institutions and policy makers would agree on. Individual policies emphasized the role of the market and the limited role of the state. This model was later presented as universally applicable for developing countries facing an economic crisis. In the case of the African states, loans were provided by the International Monetary Fund (IMF) and the World Bank when a given country acceded to the Structural Adjustment Programs (SAPs). The impact of SAPs imposition on African countries was vast and ubiquitous as by 1993, virtually all sub-Saharan Africa states had been obliged to implement adjustment programmes. On the population level, such poverty expansion was indicated by inaccessible basic public services that became, due to budget cuts, privatization, lower incomes, and higher taxes, largely unaffordable. The situation resulted in a spread of illiteracy and worsening quality of lives.²⁰ In this regard, Zambia was not an exception.²¹

²⁰ Ross P. Buckley, "The Rich Borrow and the Poor Repay: The Fatal Flaw in International Finance", *World Policy Journal* 19: 4, 2002, p. 62.

²¹ Neo Simutanyi, "The politics of structural adjustment in Zambia", *Third World Quarterly* 17: 4, 1996, pp. 825-839; William Easterly, "IMF and World Bank structural adjustment programs and poverty", in Michael P. Dooley, Jeffrey A. Frankel (eds.), *Managing currency crises in emerging markets*. University of Chicago Press, 2003, pp. 361-392; William Easterly, "What did structural adjustment adjust?: The association of policies and growth with repeated IMF and World Bank adjustment loans", *Journal of development*

Such a negative experience of many developing countries contributed to the popularity of China's development approach, which was seen as free from imposed neoliberal development policies and free from the history of adoption of such policies in China.²²

Ramo assumes that the increasing importance of China has not only changed the international order but also created a new model upon which other states can build their own development. It assumes that the model of the Chinese transformation is attractive to those states that are trying to figure out the way to develop themselves, their place in the international system in the attempt to remain independent and to maintain their own way of life, as well as the ability to make their own political decisions. In this regard, Ramo believes that the Beijing Consensus replaces the Washington Consensus as an already discredited "Washington-knows-best approach to telling other nations how to run themselves". Symbolically, Ramo labels it as "a hallmark of end-of-history arrogance."²³ According to Ramo, China's model of development is flexible enough that it can hardly be classified as a doctrine: "it does not believe in uniform solutions for every situation."²⁴ It can be defined as an effort to innovate and experiment, to maintain national borders and interests. It is a model that arose after the reign of Deng Xiaoping and follows the pragmatic ideas of that time in which the best path for modernization could be described as one of "groping for stones to cross the river" instead of trying to cross the river in one great leap of shock therapy.²⁵ Ramo himself points out that China's development path as well as its path to power cannot be repeated by another nation. However, some elements of China's rise relate to the developing world and therefore the Beijing Consensus already represents and gives rise to new ideas that are very different from those of the West. The Beijing Consensus, just like the Washington Consensus before it, includes notions that concern not only the economic dimension, but also the political one, as well as the ones related to quality of life and the global balance of power.²⁶ Ramo explains the Beijing Consensus as the result of three core-theorems about how to organise the place of a developing country in the world. More precisely, he refers to:

1. *Innovation-led development*

The first theorem argues that the Chinese path of development stems from innovations and technological leaps. It is the innovation-led growth that was able to keep the Chinese economy growing and helped it to offset the

economics 76: 1, 2005, pp. 1-22; James Ferguson, *Global shadows: Africa in the neoliberal world order*, Duke University Press, Durham and London, 2006.

²² Chris Alden, "China in Africa. Partner, Competitor, or Hegemon?", Zed Books, London and New York, 2007, p. 20.

²³ Joshua Cooper Ramo, *The Beijing Consensus...cit.*, p. 4.

²⁴ *Ibid.*

²⁵ *Ibid.*

²⁶ *Ibidem*, p. 5.

disastrous internal imbalances. The innovation and acquisition of new technologies led to rapid change in some sectors which then solved the problems arising from the reforms, and contributed to the creation of stable environment. This change is based on knowledge. It is therefore necessary for the state to invest in education both through the construction of educational and research centres, and by attracting experts from abroad. Innovative society creates an environment within which experimentation and failures are acceptable, leading to productive economic dynamics and allowing substantial economic sectors to be gradually transformed according to the needs and to be able to survive the development shocks.²⁷

2. Sustainable and equitable development environment

The second theorem argues that China does not focus only on economic growth, but also on a fair distribution of wealth where the benefits are widely shared in society. Ramo points out that for Chinese leaders and local officials, sustainable and balanced growth became of major concern. It is believed that an egalitarian environment and emphasis on redistribution of resources in society and improvement of the quality of life of citizens can prevent the society from experiencing the chaos that may occur as a result of development changes. Likewise, Ramo highlights at this point the efforts to reduce the negative impacts on the environment resulting from economic growth and the importance of creating a stable environment, which is a prerequisite for development.²⁸

3. The right to self-determination of China and other countries in relation to the United States

This element of the Beijing Consensus refers to the ability to maintain control over own development policies and development paths, as well as to the success of the Chinese development, which has become a challenge for the United States both because of the growing power of China and because the model has become attractive to other developing countries. Ramo argues that Beijing did not follow the strict policies of the Washington Consensus, but rather implemented reforms that better match local conditions and circumstances. The developing world sees China as an economic partner and political ally representing an alternative development model that further contributes to the erosion of the US global dominance.²⁹

²⁷ *Ibidem*, pp. 15-20.

²⁸ *Ibidem*, pp. 21-24.

²⁹ *Ibidem*, pp. 37-42.

The introduction of Ramo's Beijing Consensus led to broad critiques from a number of scholars. Some authors³⁰, for instance, question the very term of the "Beijing Consensus", as no one agrees on anything in Beijing thus the term "consensus" inaccurately describes the way policies that led to the Chinese development arose. Rebol³¹ then argues that the Beijing Consensus does not aim to be imposed as a development model, which is why it should be seen a passive development model that can inspire policies of other states voluntarily. This aspect brings the model in opposition to the Western active model that imposes its sets of rules upon developing countries in order to be implemented. Given the Beijing Consensus's passivity, however, it is difficult to implement the model in a different environment. Moreover, when the two development models are compared point by point, there is little difference between the Chinese development experience and the Washington Consensus principles. China, for instance, maintained relative fiscal discipline throughout tax base expansion, and public expenditures have been reoriented toward public good. Other similarity is evident in the deregulation of prices and privatisation of its state-owned companies. Property rights were also enhanced, and market entry and exit barriers were eased. China also embraced international trade and FDI, while maintaining a competitive exchange rate.³²

Some scholars then also question the very principles of the development model as stated by Ramo. Kennedy at this point underlines the troublesome theorem on the role of innovation in development, as China did not develop primarily through innovation and thus managed to skip several generations of technology and cannot be perceived as a leader in this field, although innovation played a role in its development. With an open-door policy, China was able to attract a number of investors from abroad who brought along with their businesses also new technology into China. In this regard, China did not become an innovator, but rather took advantage of these foreign imported technologies that also brought valuable knowledge and experience. Even today, although China exports the latest technology, it is not manufactured and invented solely by Chinese companies, but rather by companies that are either jointly owned by Chinese and foreign co-owners, or that are foreign altogether, only using beneficial Chinese conditions for manufacturing their products.³³ Similarly, Dirlik³⁴ underlines that Ramo does not discuss the role of cheap labour that attracts foreign investors that are consequently bringing the newest

³⁰ Scott Kennedy, "The Myth of the Beijing Consensus...cit", p. 462; Barry Naughton, "China's distinctive system...cit", pp. 437-438.

³¹ Max Rebol, "Why the Beijing Consensus is a Non-Consensus...cit", p. 18.

³² Matt Ferchen, "Whose China Model is it anyway?...cit", p. 394.

³³ Scott Kennedy, "The Myth of the Beijing Consensus...cit", p. 462.

³⁴ Arif Dirlik, "Beijing Consensus: Beijing 'Gongshi.' ...cit", p. 3.

technologies. However, as Ortmann³⁵ points out, China is increasingly trying to focus on the area of innovation as the next stage of growth and although some entrepreneurs have achieved a great deal of improvement in this field, it is still a very difficult step in the development of the country, as it takes place in a very closed system.

Similarly, Kennedy also questions Ramo's theorem about the suggested sustainability of China's development and therefore the respect for the environment. China made efforts to minimize the impact of the rapid development on the environment. However, proposals on this issue were never successfully implemented, since China has always been giving priority to development over environmental considerations. Kennedy also perceives Ramo's point concerning the equity of growth as a weakness, implying that development brings benefits to the entire population. Even though China did manage to get hundreds of million people out of poverty, at the same time, the rapid development has led to increasing inequality – personal, sectorial, and regional – one cannot therefore think of the reform as being without losers. However, Kennedy admits in this regard that social justice is one of the future goals of development policies in China.³⁶ Similarly, Dirlik questions the theorem claiming that not all Chinese shared the equality during the development and Ramo fails to address such a marginalization by development policies.³⁷ Indeed, as Breslin³⁸ puts it, when Ramo writes about the characteristics of the Beijing Consensus, such as innovation and commitment to equitable growth, they should be seen as something that the government wants its development strategy to achieve in the future, rather than a summary of what has already taken place. Thus, the Beijing Consensus remains in many respects an aspiration rather than today's reality.

Despite such critiques, the Beijing Consensus concept as presented by Ramo has fueled a mix of excitement and worries inspired by China's booming economy and its rapidly expanding global economic and political influence. Regardless of the way in which China has managed to develop from an underdeveloped country in a very short period of time, for other developing countries, this short path to success remains a very attractive example. It should be added that the presentation of the Beijing Consensus as an alternative development model witnessed a large increase in attention in recent years mainly due to the economic crisis, which highlighted the weaknesses of market fundamentalism and conversely stressed the importance of government regulation and a strong state. In this context, it is important to note that Beijing itself is aware of this fact. Although there is a debate about whether China has

³⁵ Stephan Ortmann, "The 'Beijing Consensus' and the 'Singapore model': Unmasking the Myth of an Alternative Authoritarian State-capitalist Model", *Journal of Chinese Economic and Business Studies* 10: 4, 2012, p. 340.

³⁶ Scott Kennedy, "The Myth of the Beijing Consensus...cit", p. 470.

³⁷ Arif Dirlik, "Beijing Consensus: Beijing 'Gongshi'...cit.", p. 4.

³⁸ Shaun Breslin, "The 'China Model' And the ...", p. 1331.

ever perceived and labelled its development experience as a model that could be replicated and given the fact that the idea of the Beijing Consensus as a development model did not originate in China, some of its steps suggest such awareness. As pointed out by Halper³⁹, in response to the global economic crisis, a new ambitious project arose and served to draw attention to the existence and importance of China's alternative model of development and economic success. It is an attempt to create a network of Beijing's foreign offices or branches, which will present the modern face of China in every country in the world. The emergence of this project was a response to the global economic crisis and was used as a platform for criticism of capitalism and the presentation of the "Chinese model" as a counterpart of the Western model that led to the crises. Through the media, the Chinese government has pointed to the failure of free-market fundamentalism, which only emphasized the superiority of the Chinese way of development during the presidency of Hu Jintao, bearing the name of *scientific development theory*. This is the official name for the policy advocated by the ruling party that stressed the promotion of the welfare of the population, which is strictly controlled by the government from the centre, in other words, it represents a policy promoting the idea of state capitalism.

Based on Ramo's theorems of the Beijing Consensus, the following principles for the case study observance are introduced:

(1) The principle of *innovation-led development* emphasizes the importance of acquisition of technology and transfer of knowledge in development through financial, material, and staff support, in educational and research projects in the country. It is examined if the principle is observed through the projects supporting the principle whether directly by their very purpose or indirectly as a by-product.

(2) The principle of *social development*. Within this principle, it is analysed if the Chinese development finance flows address and support development of social infrastructure in the recipient's country through providing finances for projects within the sector. It is also the concern to find out whether this principle is observed during the projects' implementation process, thus potentially improving the quality of life of recipients' inhabitants and if the projects implemented are not concentrated in one area in the country, and are allocated equally reaching the poorest regions.

(3) The principle of *sustainable development*. Under this principle, the attention is paid to the projects that are related to improving the recipient's environment with their very purpose. Thus, projects directly aimed at protecting the environment, renewable sources, and carbon emission reduction are grouped within this category. It is also of interest to examine if the implementation does not degrade the recipient's environment through potentially harmful and locally inappropriate technology used, whether intentionally or unintentionally.

³⁹ Stefan A. Halper, *The Beijing Consensus...cit.*, pp. 10-11.

(4) The principle of *non-interference in the internal affairs of another state*. The non-interference principle is a traditional element of Chinese foreign policy and the principle generally means that a country shall not interfere or intervene in other countries' internal affairs, which come under domestic jurisdiction.⁴⁰ In this regard, it is monitored whether China forces the recipient to adopt political and economic reforms in exchange for its development finance provision that would consequently lead to violation of recipient's sovereignty. It is monitored whether there are projects whose implementation and existence are conditioned by acceptance of Chinese interests that force the recipient to implement political and economic reforms and thus create favourable environment for their delivery.⁴¹

(5) The principle of *stability*. This principle works on the assumption of stability as a prerequisite for any development to take place. It is assumed that China aims to support stable environment in the concerned countries, enhancing the state capacity to control the development and, at the same time, to mitigate the negative impact development can bring to a developing country. The observance of the principle is explored through monitoring possible protests concerning the Chinese projects implementation and the recipient's capacity to manage its fiscal obligations to the international creditors with further debt burden to China. Under this principle, purposes of projects aiming at enhancing stability and peace in the country are examined. This concerns the cases where China supports the implementation of projects that are aimed at strengthening the security and capacity of the state institutions in the country.

The Case Study of Zambia

The Chinese-Zambian bilateral relations have been established since the independence of Zambia in 1964. These ties survived ideological as well as political changes in Zambia and China, and have remained friendly until the new millennium. Such extraordinary stable relations were strongly influenced by a specific situation in Zambia. In the 1960s and the 1970s, Zambian government had to deal with an unstable geopolitical area considering that a white minority hostile to independence movements ruled neighboring countries - Mozambique, Angola and Zimbabwe. In this geopolitical context, Zambia's main trade routes were blocked and, starting with the 1960s, Zambia requested international assistance for the construction of an alternative road to Dar es Salaam, through the neighboring Tanzania. However, these requests were

⁴⁰ Zheng Chen, "China Debates the Non-Interference Principle", *The Chinese Journal of International Politics* 9: 3, 2016, p. 351.

⁴¹ In this context, only one official condition still remains: the delivery of development finance from China concerns only the states that do not maintain diplomatic ties with Taiwan.

denied with the argument that the project was not economically feasible. In the end, it was Beijing who agreed to build a two thousand-kilometer-long railway - the Tanzania-Zambia Railway (TAZARA). Since 1967, the year when TAZARA construction started, further development finance flows from the PRC followed, including loans and grants mainly for the development of Zambia's infrastructure, as well as staffing in healthcare or scholarships to Zambian students. Unlike other cases of African states, this development financing has not been interfered by internal political changes and became relatively constant.⁴² In this respect, from 1967 to 1996, up to 35 development projects implemented by China can be counted in Zambia. The total amount of this aid exceeded 370 million USD, but more specific information from this period is missing and the accurate volume of finance delivered can only be estimated.⁴³ In return for Beijing's support, Zambia provided political support to the PRC in international institutions as the legitimate representative of China.⁴⁴

Since the beginning of the new millennium, as elsewhere on the continent, Chinese financial flows have been rapidly growing, reaching 5.4 billion USD in 2014 (see figure 1). However, with the growing Chinese engagement in the country, the long-lasting all-weather friendship between the two countries has started to deteriorate.

Chinese ODF-like Flows to Zambia, 2000 - 2014
(Billion USD, 2014)

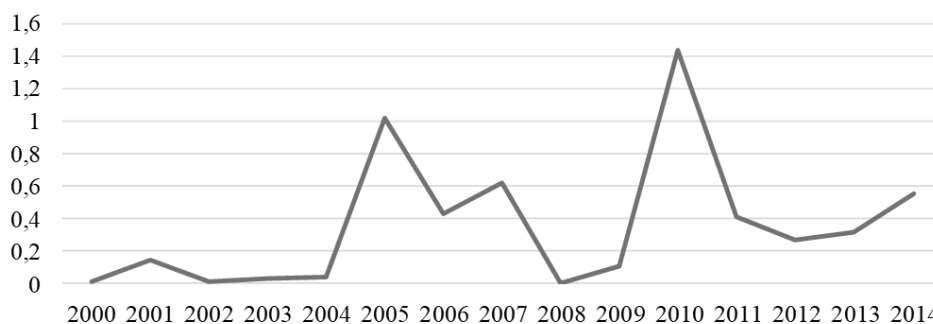


Figure 1: Chinese ODF-like flows to Zambia, 2000 – 2014⁴⁵

⁴² Frederick Mutesa, "China and Zambia: between development and politics", in Fantu Cheru and Cyril Obi (eds.), *The rise of China and India in Africa Challenges, Opportunities and Critical Interventions*, Zed Books, London, 2010, p. 169.

⁴³ Chilufya Chileshe, "Chinese Debt, Aid and Trade: Opportunity or Threat for Zambia?", *Occasional Paper*, no. 72. SAIIA, 2010, p. 7, https://www.google.cz/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0CCUQFjAAahUKEwjSs5Gu2o3GAhXBvBQKHlWACw&url=http%3A%2F%2Fwww.saiia.org.za%2Fdoc_download%2F73-chinese-debt-aid-and-trade (accessed 20 October 2017).

⁴⁴ Frederick Mutesa, "China and Zambia: between development....cit.", pp. 167–168.

⁴⁵ The graph includes only the examples of Chinese financing that have not been labelled as "cancelled". Thus, the author includes project statuses on the level of pledge, commitment,

Innovation-led Development

The observance of the first principle is supported by projects that can be mainly classified under the social infrastructure sector. Thus, in the period under review, the PRC provided scholarships to Zambian students, as for instance in 2007, to enhance their knowledge in the fields of medicine, IT, international business, or agriculture at universities in China.⁴⁶ However, the main progress in this regard was made several years later. In 2013, different initiatives in the sector of education could be observed. In 2013, an agreement was signed on provision of scholarships for up to 60 Zambian students every year.⁴⁷ The same year Chinese embassy co-financed a project of reconstruction of one of the campuses of University of Zambia.⁴⁸ In 2014, the construction of the Confucius Institute branch co-funded by China was also completed at this university.⁴⁹ During this time period, the number of constructed facilities remained rather small. As in 2007, only a single project - building two rural schools - can be noticed.⁵⁰ In the case of Zambia, it became evident that China is more keen on paying attention to scholarship provisions as a way to support knowledge transfer in the educational sector.

In the health sector, there were several projects delivered that can be considered as supporting the principle's observance. The cost of the implemented projects within this sector exceeded the amount of 230 million USD.⁵¹ Among the initiatives supporting this principle, several types need to be mentioned: a regular provision of medical teams from China to health facilities in Zambia,⁵² as well as several technology transfers⁵³ including supporting the

suspension, implementation and completion. Figures are calculated based on the dataset provided by AidData available at: <http://aiddata.org/data/chinese-global-official-finance-dataset> (accessed 20 October 2017).

⁴⁶ Gov.cn., "Central People's Government of the People's Republic of China. 25 Zambian students win Chinese gov't-provided scholarships", 22 August 2007, http://www.gov.cn/english/2007-08/22/content_724153.htm (accessed 20 October 2017).

⁴⁷ Office of the President of the Republic of Zambia, "China Investment Coming", 2013, <http://www.statehouse.gov.zm/en/china-investment-coming/> (accessed 20 October 2017).

⁴⁸ Shamaoma Musonda, "Zambia: UNZA Fundraises for Library Project", *AllAfrica*, 22 November 2013, <http://allafrica.com/stories/201311230161.html> (accessed 20 October 2017).

⁴⁹ Confucius Institute at University of Zambia, "Chinese Vice President Attended Groundbreaking Ceremony for Confucius Institute Building at UNZA, Students' Singing Chinese Songs Won Applause", 2014, <http://ci-unza.zm.chinesecio.com/en/node/212> (accessed 20 October 2017).

⁵⁰ Martyn Davies et al., *How China delivers development ...cit.*, p. 50.

⁵¹ The amount calculated by the author based on data provided by AidData available at: <http://aiddata.org/data/chinese-global-official-finance-dataset> (accessed 20 October 2017).

⁵² Chomba Musika, "28 Chinese Doctors Jet", *The Lusaka Times*, 28 November 2011, <http://www.lusakatimes.com/2011/11/28/28-chinese-doctors-jet/> (accessed 20 October 2017).

establishment of mobile hospital facilities to get health care to remote areas⁵⁴ and an equipment provision to antimalarial centre in Lusaka.⁵⁵ More recently, it is possible to mention an expansion of one of Lusaka's hospitals including provision of high-tech equipment.⁵⁶

Likewise, projects focused on the transfer of knowledge were also implemented in the sector of agriculture. The Agricultural Technology Demonstration Center was constructed to increase agricultural production in Zambia - trainings, research cooperation and technology transfers were provided between University of Zambia and Chinese Jilin Agricultural University.⁵⁷ Similarly, in the communication sector, some projects supported from China contributed to the principle of compliance. The PRC has delivered equipment to these sectors on several occasions and the overall volume of finance exceeded 85 million USD⁵⁸ between 2000 and 2014. In particular, initiatives aimed at upgrading facilities utilized in media are worth mentioning.⁵⁹

Beijing also pays attention to projects that have been implemented decades ago but are still a visible manifest of its engagement. One of the best-known projects of this kind is clearly TAZARA. During the given time period, China delivered 140 million USD⁶⁰ in support of the project, including the

2017) and "Chinese medical team conducts 1,500 surgeries", in *Zambia Daily Mail Limited*, April 29, 2017, <https://www.daily-mail.co.zm/chinese-medical-team-conducts-1500-surgeries/> (accessed: 20 October 2017).

⁵³ To wit "Chinese Government to Donate Medical Equipment to Kitwe Hospital", in *AllAfrica*, 20 May 2005, <http://allafrica.com/stories/200505230923.html> (accessed 20 October 2017) and Davies M. M. Chanda, "China to Restock Levy Mwanawasa Hospital", *AllAfrica*, 23 January 2011, <http://allafrica.com/stories/201112300603.html> (accessed 20 October 2017).

⁵⁴ "Zambia Mobile Hospitals Service Chongwe Week Pictures", *ukzambians*, 4 April 2011, <http://ukzambians.co.uk/home/2011/04/03/zambia-mobile-hospitals-service-chongwe-week-pictures/> (accessed 25 October 2017).

⁵⁵ "Zambia, China Sign Three Economic Agreements", in *The Lusaka Times*, 29 December 2011, www.lusakatimes.com/2011/12/29/zambiachina-sign-economic-agreements/ (accessed 25 October 2017).

⁵⁶ "China commits \$90 million to Levy Mwanawasa Hospital Expansion", *The Lusaka Times*, 31 March 2015, www.lusakatimes.com/2015/03/31/china-commits-90-million-to-levy-mwanawasa-hospital-expansion/ (accessed 25 October 2017).

⁵⁷ Embassy of the People's Republic of China in Zambia, "The China-Aided Agricultural Technology Demonstration Centre in Zambia Commissioned", 2011, <http://zm2.mofcom.gov.cn/article/chinanews/201106/20110607608477.shtml> (accessed 25 October 2017).

⁵⁸ Figures are calculated based on the dataset provided by AidData available at: <http://aiddata.org/data/chinese-global-official-finance-dataset> (accessed 25 October 2017).

⁵⁹ Ruth Banda, "China Gives Country FM Transmitters", in *AllAfrica*, 7 June 2001, <http://allafrica.com/stories/200106070433.html> (accessed 25 October 2017).

⁶⁰ The overall figures of the projects related to TAZARA concern not only Zambia but also financial support to Tanzania due to geographical characteristics of the facility. Amount

maintenance of TAZARA and transfer of equipment.⁶¹ Significant financial support of the railway seems to continue also after 2014.⁶²

The aforementioned projects can be seen as supporting the principle of the innovation-led development. However, in other sectors, its compliance is very limited or even absent. Rarely is it possible to come across a transfer of knowledge element during the project construction, as it happened for instance in 2011 when the PRC provided a team of experts that would train local personnel on maintaining the newly constructed stadium in Ndola.⁶³ The principle adherence also came into question due to the debatable quality of the Chinese expertise. Complaints of this kind concerned the construction of a road between Lusaka and Chirundu, which was damaged during the rainy season and demanded further repairs. Moreover, the damage followed previous repairs delivered by the Chinese company Heinan.⁶⁴ The damaged road also became presented as a part of a narrative about harmful Chinese activities in Africa. As reported by *The Economist* in 2011, “the Chinese-built road from Lusaka, Zambia’s capital, to Chirundu in the south-east, was quickly swept away by rains.”⁶⁵ However, the reality significantly differed from the exaggerated report. As noted in short article written by Bräutigam (2011)⁶⁶ and especially in Bracht’s study (2012)⁶⁷, the extent of the road damage was overstated by the media, as it was not a 130-km part that was swept away, but just a small 100-metre section of the road. Bracht offered the views of local experts who

calculated by the author based on the data provided by AidData, available at: <http://aiddata.org/data/chinese-global-official-finance-dataset> (accessed: 25 October 2017).

⁶¹ Oseph Mwamunyangwe. “Tazara Gets \$5 Million Worth of Equipment”, in *Highbeam Business*, 2006, <https://business.highbeam.com/3548/article-1G1-153541776/tazara-gets-5-million-worth-equipment> (accessed 25 October 2017) and Ren Zhongxi, “Chinese Vice President hands over new equipment to Tanzania-Zambia Railway Authority”, in *Cntv.cn*, 26 June 2014, <http://english.cntv.cn/2014/06/26/ARTI1403741289184836.shtml> (accessed 25 October 2017).

⁶² “China to inject \$ 376 million in Tazara”, in *The Lusaka Times*, 20 May 2016, www.lusakatimes.com/2016/05/20/china-inject-376-million-tazara/ (accessed 25 October 2017).

⁶³ “China to Train Locals in Stadium Maintenance”, in *AllAfrica*, 20 August 2011, <http://allafrica.com/stories/201108220941.html> (accessed 25 October 2017).

⁶⁴ “Rains Damage Lusaka Chirundu Road”, in *The Lusaka Times*, 20 March 2009, www.lusakatimes.com/2009/03/20/rains-damage-lusaka-chirundu-road/ (accessed 25 October 2017).

⁶⁵ “Trying to pull together”, *The Economist*, 20 April 2011, www.economist.com/node/18586448 (accessed 25 October 2017).

⁶⁶ Deborah Bräutigam, “Lusaka-Chirundu Road and Summer Research”, *China Africa Real Story*, 25 April 2011, www.chinaafricarealstory.com/2011/04/lusaka-chirundu-road-and-summer.html (accessed 25 October 2017).

⁶⁷ Gérard van Bracht, “A survey of Zambian views on Chinese People and their involvement in Zambia. Centre for Chinese Studies”, *African East-Asia Affairs*, no 1, 2012, pp. 54–97.

similarly refused such criticism, pointing out that because of the heavy rains, the damage to the road cannot be considered the fault of the Chinese contractor.

Additionally, further observance of the principle is - in the case of Zambia - undermined by the situation in which the Chinese companies implement the majority of the projects and inclusion of recipient's firms seems to be very limited. This can be applied especially to the most financially demanding construction of economic infrastructure projects. The lack of involvement of the domestic companies can also be demonstrated at one of the most visible initiatives in Zambia – Zambia-China Economic and Trade Cooperation Zone (ZCCZ) constructed in Chambishi in 2007 and in East Lusaka in 2009. The creation of special economic zones (SEZs) was crucial for China's domestic development and its early economic reforms implemented in the late 1970s. The SEZs thus represent a feature of China's development path that is now exported to Africa.⁶⁸ However, considering the criteria of project selection for this article, this initiative cannot be considered a part of the ODF-like flows due to the way of financing SEZs' implementation⁶⁹, so even AidData does not include the construction among the projects implemented under the ODF-like flows. Nevertheless, it is still worth mentioning, as it shows a problem: despite these zones being considered a huge opportunity for the developing Zambian economy, they still lack local participation. This situation has been caused by the attitude of the Zambian government, which only preferred Chinese investments in the zones since the beginning of their construction. Paradoxically, it was then the Chinese government persuaded the Zambian authorities to open the zones to other investors, not only to the Chinese ones.⁷⁰

⁶⁸ By 2015, there were three Chinese SEZs in operation (Zambia, Egypt, Ethiopia) and four more were still under construction. Carol Newman and John M. Page, "Industrial clusters: The case for Special Economic Zones in Africa", no. 2017/15, WIDER Working Paper, 2017, p. 20.

⁶⁹ Brautigam and Xiaoyang explain financing of the zones as involvement of three parties: Chinese developers, African governments and the Chinese government, where the Chinese enterprises are the primary actors in the development stage. African governments sometimes partner the Chinese firms but they do not play a direct role in developing the pilot projects. The Chinese government provides various forms of support (e.g. financial funding through loans and grants, material and networking support) to the Chinese companies initiating these projects and who won the official tenders (Deborah Bräutigam and Tang Xiaoyang, "African Shenzhen: China's special economic zones in Africa", *The Journal of Modern African Studies* 49: 1, 2011, pp. 27-54).

⁷⁰ "Zambia, China to sign a Tax Free Zone Deal", in *The Lusaka Times*, 5 March 2008, www.lusakatimes.com/2008/03/05/zambia-china-to-sign-a-tax-free-zone-deal/ (accessed 25 October 2017).

Similarly, Christina Alves (2011)⁷¹ mentions the obstacles for local participation. What became the most serious issue was the lack of a regulatory framework that would lead to the necessary acquisition of technology and know-how and to the integration of domestic investors. It turned out, for example, to be difficult for the domestic entrepreneurs to meet the requirements, allowing them to provide investments in the zone reaching at least 500,000 USD. Another problem lies in the absence of regulations that would make investors use local resources needed for their activities. Consequently, under such circumstances, the Chinese investors managed to secure cheap material supplies from China.⁷²

Based on the experience with the Zambian government's attitude towards participation of local investors in the SEZs, it can be stated that its support is rather low. And although the SEZs are considered to be a huge opportunity to develop local businesses, this opportunity is undermined by the lack of commitment to create an environment that would support it. The case of the SEZs in Zambia can illustrate a broader problem related to the will and interest of the Zambian government to negotiate such deals of ODF-like projects, ones that would result in a greater participation of local firms that otherwise remain uninvolved in project implementation.

Social Development

The development finance provided by the PRC to Zambia in the period under review includes the entire territory of the state. However, as can be clear from the maps, the projects were primarily concentrated in the areas of mining activities, in the Copperbelt Province (Figure 2) and Lusaka Province which are areas the least affected by poverty (Figure 3). This concentration is further emphasized when the data are reduced to the social infrastructure projects and to population density in Zambia, showing the same trend in allocation into the regions that are the most densely populated (Figure 4).⁷³

⁷¹ Ana Cristina Alves, "The Zambia–China Cooperation Zone at a Crossroads: What Now?", Policy Briefing 41, SAIIA, 2011, www.saiia.org.za/doc_download/191-the-zambia-china-cooperation-zone-at-a-crossroads-what-now (accessed 12 November 2017).

⁷² *Ibidem*, p. 4.

⁷³ The same geographical bias is also discussed in the case of the regional concentration of investments and migration from China (see e.g. Padraig Carmody and Godfrey Hampwaye, "Inclusive or Exclusive Globalization?: Zambia's Economy and Asian Investment", *Africa Today* 56: 3, 2010, pp. 84-102).

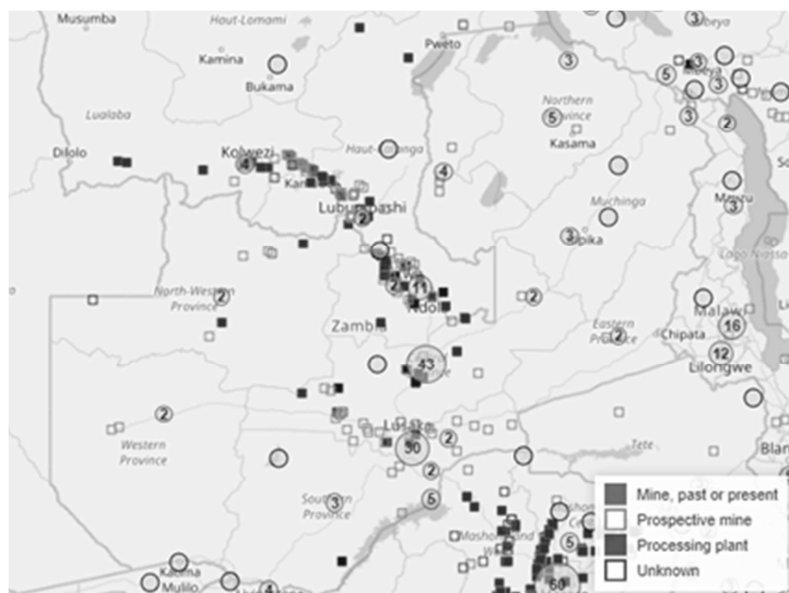


Figure 2: Allocation of the ODF-like projects according to distribution of minerals in Zambia (2000 – 2014)⁷⁴

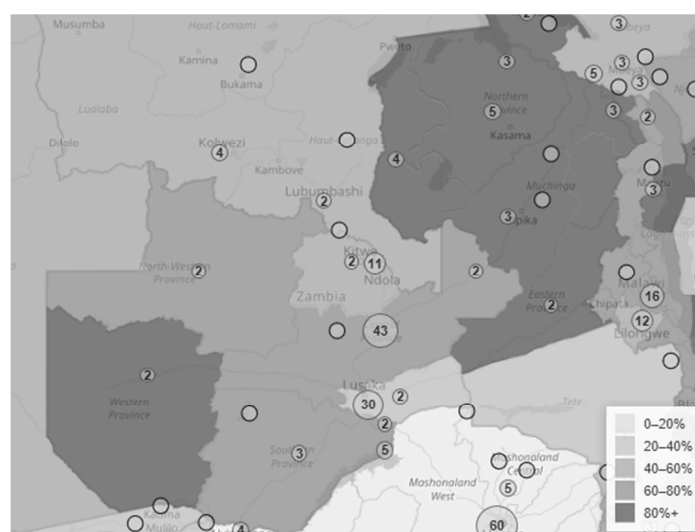


Figure 3: Allocation of the ODF-like projects according to poverty by region in Zambia (2000 – 2014)⁷⁵

⁷⁴ Map created based on the data provided by AidData. The number “43” in the middle of the map indicates projects that cannot be related to a specific location due to a lack of information on their geographical distribution or their nature for which they cannot be related to a specific area (e.g., debt relief). Source: AidData available at: http://china.aiddata.org/geospatial_dashboard.



Figure 4: Allocation of the ODF-like projects in social infrastructure sector with regard to population density in Zambia (2000 – 2014)⁷⁶

Regardless of this regional concentration, there are a number of projects supporting the social development principle. The support includes the frequent expert assistance in the health sector and in the sector of education, providing Zambian students with scholarships, and construction and reconstruction of schools, university buildings and hospitals, that are projects that have been mentioned within the previous principle.⁷⁷ Improvement of the living conditions of the Zambians was also the purpose of a 10 million USD grant aimed at

⁷⁵ *Ibid.*

⁷⁶ The number “9” in the middle of the map indicates projects that cannot be related to a specific location due to a lack of information on their geographical distribution or their nature for which they cannot be related to a specific area (e.g., debt relief). Source: AidData available at: http://china.aiddata.org/geospatial_dashboard.

⁷⁷ Ministry of Foreign Affairs of the PRC, “Chinese Ambassador hands over the Lusaka General Hospital to Zambia”, 2011, www.fmprc.gov.cn/mfa_eng/wjb_663304/zwjg_665342/zwbd_665378/t847390.shtml (accessed 26 November 2017) and “China commits \$90 million to Levy Mwanawasa Hospital Expansion”, in *The Lusaka Times*, 31 March 2015, www.lusakatimes.com/2015/03/31/china-commits-90-million-to-levy-mwanawasa-hospital-expansion/ (accessed 26 November 2017).

enhancing the water supplies in Lusaka and other cities in 2006.⁷⁸ In 2014, China likewise provided support to the Early Childhood Development Center, where educational material and equipment was delivered and the access to clean water was improved in the facility.⁷⁹

A relatively controversial project delivered by China concerns several mobile hospitals. In 2011, Beijing supplied Zambia with nine cars constructed as mobile medical facilities. This was the first project of its kind financed by a Chinese loan, and it was assumed that if it became successful, it would be implemented in other African countries as well. By 2012, these mobile facilities provided healthcare to 175,000 people in the country.⁸⁰ The main purpose of the projects was to provide healthcare even in remote areas in Zambia where the access to medical facilities is otherwise limited. In this regard, the aim of the initiative certainly adheres to the stated principle. However, the project has also led to a wave of criticism, as it cost 53 million USD, and it is estimated that this amount will be repaid by the Zambian government no sooner than in 40 years. Apart from this, the project was also struggling with a lack of qualified staff for the facilities as well as equipment.⁸¹ Moreover, considering the quality of Zambian roads, it is expected that the vehicles will not be able to function for a long time, and therefore it would have been more reasonable to invest in the construction of permanent medical facilities. Some criticism also targeted the absence of consultations between the parliament and president Banda, suggesting that the initiative could have been just a strategy of the president to buy some votes in rural areas before elections.⁸²

In the sector of communication, projects that have a potential to reach remote areas of the country can be also mentioned. The most financially demanding project in this sector was implemented in 2010 and included the delivery of 5,300 km of optical network linking the rural areas of the country and the neighboring states of Namibia and Tanzania. In 2013, the project was

⁷⁸ “China-Zambia ties cemented through assistance, investment”, in *Xinhuanet*, 2 March 2007, http://news.xinhuanet.com/english/2007-02/03/content_5690521.htm (accessed 26 November 2017).

⁷⁹ Embassy of the PRC in the Republic of Zambia, “Remarks at the Handover Ceremony of China’s Assistance to the Ng’ombe ECD Center”, 2014, <http://zm.chineseembassy.org/eng/sgxxx/dsjh/t1213600.htm> (accessed 26 November 2017).

⁸⁰ “Mobile Hospitals Deliver Care to 175 000 Patients with 20 000 Successful Operations across Rural Zambia”, in *The Lusaka Times*, 16 December 2012, www.lusakatimes.com/2012/12/16/mobile-hospitals-deliver-care-175-000-patients-20-000-successfull-operations-rural-zambia/ (accessed 26 November 2017).

⁸¹ “Each Mobile hospital to gobble K450m per trip on allowances”, in *Zambian Watchdog*, 1 May 2011, www.zambianwatchdog.com/mobile-hospitals-to-gobble-k450m-per-trip-on-allowances/ (accessed 26 November 2017).

⁸² Henry KYAMBALESA, “The Saga of Mobile Hospitals”, in *The Lusaka Times*, 29 July 2010, www.lusakatimes.com/2010/07/29/saga-mobile-hospitals/ (accessed 26 November 2017).

further expanded to 6,300 km. Its aim is to improve the efficiency and reliability of the nationwide power network management.⁸³

Among other projects supporting the principle of social development, it is possible to mention the construction of sport facilities. In 2010, the PRC provided a grant of 10 million USD for the Levy Mwanawasa Stadium construction in the Copperbelt Province in Ndola.⁸⁴ Two stadiums (the Heroes National Stadium and the Independence Stadium), both in Lusaka, were also built with China's assistance.⁸⁵ During their construction, however, it was possible to notice some criticism from the Zambian Minister of Labour, as construction deficiencies had been discovered before the stadiums were opened to public. This criticism concerned emerging cracks in walls and poorly accessible emergency exit routes that were marked in the Chinese language.⁸⁶

In addition to the above mentioned projects, it is also possible to come across financial flows that were by their very purpose aimed at poverty alleviation in Zambia. In 2011, the Chinese government provided over 14 million USD that were supposed to be used in the fight against poverty, however, it was not specified what projects or initiatives were included.⁸⁷ Similarly, in 2012, another loan was delivered for poverty reduction in the country.⁸⁸

A lot of initiatives financially supported by Beijing have the potential to back up the adherence of one of the principles indirectly. Between 2000 and 2014, China has provided financial and material support for construction of several power plants in Zambia. The energy sector is the area of cooperation that includes the most financially demanding projects and the overall amount of finance reached almost 3 billion USD. The majority of projects has been delivered to regions south from Lusaka, where a lot of attention has been paid to the Kafue Gorge Hydro Power Plant that was supported by Beijing financially and materially in order to expand the facility to meet the growing demand for

⁸³ "Zesco Launches Fibre Project Phase Two Extension", in *Biztech Africa*, 22 February 2013, www.biztechafrika.com/article/zesco-launches-fibre-project-phase-two-extension/5374/#.VUZMcSHTmko (accessed 26 November 2017).

⁸⁴ "Zambia Gets 1 Billion Loan from China", in *The Lusaka Times*, 3 November 2010, www.lusakatimes.com/2010/03/11/zambian-gets-1-billion-loan-from-china/ (accessed 26 November 2017).

⁸⁵ "New Independence Stadium construction to begin soon", in *The Lusaka Times*, 27 December 2010, www.lusakatimes.com/2010/12/27/independence-stadium-construction/ (accessed 26 November 2017).

⁸⁶ "Heroes Stadium Not Ready Yet", in *Lusaka Voice*, 2 July 2014, <http://lusakavoices.com/2014/02/07/heroes-stadium-not-ready-yet/> (accessed 26 November 2017).

⁸⁷ Ellias Mbao, "China gives \$14.7m to Zambia", in *Africa Review*, 12 December 2011, www.africareview.com/News/China-comes-to-Zambias-aid/-/979180/1288166/-/12t6f8g/-/index.html (accessed 26 November 2017).

⁸⁸ "Former Finance Minister cautions government debt", in *Ukzambians*, 1 January 2013, <http://ukzambians.co.uk/home/2013/01/01/former-finance-minister-cautions-government-debt/> (accessed 26 November 2017).

electricity in Zambia.⁸⁹ Similarly, in 2007, the Chinese company Sino Hydro agreed to provide a loan to expand and upgrade the Kariba North Bank power station.⁹⁰ More recently, in 2014, the Zambian government signed a 41 million USD concessional loan for the construction of a 120 km transmission line between Kariba North Bank and Kafue West to boost the power output. The project was designed to transmit the additional electricity at the Kariba North Bank to the Lusaka power grid and consequently, it was expected that the population in Lusaka and beyond would have to deal with much fewer power cuts.⁹¹ In 2010, the construction of the Lunzua Power Station commenced to deliver power to the surrounding areas and due to its location in the eastern part of country, also to export electricity to the neighboring Tanzania.⁹² Besides the proclaimed endeavors to cover the Zambians' growing demand for electricity, the mining interests of the Chinese investors can also explain this focus on power plants construction in Zambia. As reported in an article published in the Lusaka Times, the main purpose of the power plants projects was to deliver power to the mining companies operating in Zambia that consumed 40% of the total electricity generated per day.⁹³

Besides the geographical bias of projects allocation, the potential adherence to the social development principle of the PRC's projects in Zambia is, as mentioned above, undermined by the fact that the contractors of the official development projects are mainly Chinese enterprises and Zambian companies are involved in the implementation only to a very small extent. At the same time, severe criticism also concerned the conditions prevailing at the working sites of some Chinese companies. However, it must be emphasized that such criticism was related to the Chinese activities that cannot be included among the ODF-like projects. These complaints, both domestic and international, mainly concerned the working conditions in the mining industry. Nevertheless, although categorized out of the ODF-like flows, these negatively

⁸⁹ "Zambia seeks engineering, transaction aid for 750-MW Kafue Gorge Lower hydro development project", in *HydroWorld.com*, 2013, www.hydroworld.com/articles/2013/03/zambia-seeks-engineering--transaction-aid-for-750-mw-kafue-gorge.html (accessed: 28 November 2017).

⁹⁰ "Zambia seeks to upgrade Kariba North Bank power plant", in *The Lusaka Times*, 26 November 2011, www.lusakatimes.com/2011/11/26/zambia-seeks-upgrade-kariba-north-bank-power-plant/ (accessed 28 November 2017).

⁹¹ "Zambia signs a \$41 million dollars loan from china repayable in 20 years", in *The Lusaka Times*, 13 May 2014, www.lusakatimes.com/2014/03/05/zambia-signs-41-million-dollars-loan-china-repayable-20-years/ (accessed 28 November 2017).

⁹² "China to fund Lunzua power", in *Zambia Online*, 9 October 2010, <https://zambia.co.zm/news/zNBC/2010/09/10/china-to-fund-lunzua-power/> (accessed 28 November 2017).

⁹³ "Zambia seeks to upgrade Kariba North Bank power plant", in *The Lusaka Times*, 26 November 2011, www.lusakatimes.com/2011/11/26/zambia-seeks-upgrade-kariba-north-bank-power-plant/ (accessed 28 November 2017).

perceived activities had a significant impact even on China's provision of its official grants and loans to Zambia as discussed further below in the text.

Sustainable development

The observance of this principle through project implementation can be noticed only since 2014. In 2014, Beijing cooperated with the UNDP and the Danish government on implementation of a project with the purpose of increasing access to electricity for rural population through utilizing solar and wind energy. Considering the focus of the project on the use of renewable resources of energy, it indirectly supports other socio-economic and environmental objectives, such as poverty reduction and climate change-related activities and adaptation to it.⁹⁴

The negative impact on the environment was not discussed in any of the ODF-like projects implemented by China. However, China's mining activities led to some debate on the potential of environmentally negative impact of this kind of engagement. The concerns were related to the Chinese investments in mining, hydropower, roads, and smelters. Some local environmental NGOs accused the Chinese mining companies of serious pollution of air, water, and land, or damaging wildlife habitat and displacing local communities without adequate compensation.⁹⁵ The situation has substantially improved in the recent years, which is given by constructive dialogues and steps taken by both the Zambian government and the Chinese investors. The Zambian government has introduced measures to strengthen the country's environmental laws, thus since 2007, it has been possible to observe some enhancement of the monitoring and enforcement capacity of the local environmental agencies through increased funding, revisited environmental regulations, promoted coordination among relevant agencies, and increased fines for polluters. Moreover, in 2011, Zambia Environmental Management Agency (ZEMA), the public body entrusted with the enforcement of local environmental regulations, was created. In 2015, the Mines and Mineral Development Act was introduced, forcing mining companies to become accountable to government and local communities for

⁹⁴ UNDP, "Landmark Project Launched to Promote Renewable Energy Technology Transfer from China to Zambia," 2014, www.zm.undp.org/content/zambia/en/home/presscenter/pressreleases/2014/09/23/landmark-project-launched-to-promote-renewable-energy-technology-transfer-from-china-to-zambia-.html (accessed 8 December 2017).

⁹⁵ Beyongo Mukete Dynamic, "China's Environmental Footprint: The Zambian Example", in *The China Story*, 2017, www.thechinastory.org/yearbooks/yearbook-2016/forum-diasporic-dilemmas/chinas-environmental-footprint-the-zambian-example/ (accessed 8 December 2017).

their actions that affect the environment.⁹⁶ With these regulations in place, the Zambian government has been able to suspend the mining operations of some Chinese companies, and others were forced to improve their environmental standards and offer compensations for their failures to the affected communities.⁹⁷

Non-interference

The principle of non-interference in the internal affairs of the recipient state and its observance cannot be considered adhered to in the case of Zambia. Its breach is linked to the politicization of activities of the Chinese investors, especially of mining enterprises, and the rise of anti-Chinese populism in the country since 2006.⁹⁸ The wave of anti-Chinese populism was fuelled by frequent criticism of working conditions in the mines as well as series of accidents caused by safety failures on the working sites.⁹⁹ ¹⁰⁰ The negative perception of the Chinese engagement increased together with several incidents between the Chinese management and the Zambian workforce that resulted in threats, injuries and even death of several workers and managers in some mining facilities.¹⁰¹

⁹⁶ *Ibid.*

⁹⁷ “ZEMA stops NFCA from mining in Chambishi”, in *The Lusaka Times*, 12 April 2013, www.lusakatimes.com/2013/12/04/zema-stops-nfca-mining-chambishi/ (accessed 8 December 2017) and “NFCA Chambishi mine sets aside 100 million USD for SEOB report”, in *Mining News Zambia*, 27 February 2014, www.miningnewszambia.com/nfca-chambishi-mine-sets-aside-us100-million-for-seob-report/, (accessed 8 December 2017).

⁹⁸ Hess and Aidoo point out that Michael Sata and the Patriotic Front party were using the issue of foreign country and its manifestations in Zambia as a unifying target serving to get supporters for Sata as a presidential candidate in the regions that were otherwise divided ethnically and along the urban/rural lines, and dominated by supporters of the ruling party Movement for Multiparty Democracy and president Banda. The Chinese engagement in Zambia thus became a central point of Sata’s program (Steve Hess and Richard Aidoo, “Charting the roots of anti-Chinese populism in Africa: A comparison of Zambia and Ghana”, *Journal of Asian and African Studies*, 49: 2, 2014, pp. 129-147).

⁹⁹ “China’s Footprint Grows in Zambia”, in *Lusaka Voice*, 11 April 2013, <http://lusakavoices.com/2013/11/04/chinas-footprint-grows-zambia/> (accessed 8 December 2017).

¹⁰⁰ In 2005, nearly 50 Zambian workers died in a factory owned by the Chinese China Nonferrous Metal Mining Corporation producing explosives for mining in the Chambishi mine in Coppoerbelt. The cause of this explosion was basically non-existent safety standards at the workplace (Human Rights Watch, “*You’ll Be Fired if You Refuse*” *Labor Abuses in Zambia’s Chinese State-owned Copper Mines*, 2011, www.hrw.org/sites/default/files/reports/zambia111ForWebUpload.pdf (accessed 8 December 2017)).

¹⁰¹ Robyn Dixon, “Africans Lash Out at Chinese Employers”, in *Los Angeles Times*, 6 October 2006, <http://articles.latimes.com/2006/oct/06/world/fg-chizambia6> (accessed 8 December 2017). See also These violent tragic incidents concerned for instance China Nonferrous Metal Mining Corporation (CNMC), where six workers were killed in 2006

Michael Sata and the Patriotic Front (PF) based their campaigns on anti-Chinese rhetoric fueled by growing negative sentiment towards the Chinese and their investments in the country. China was presented by Sata as exploitive power, bringing nothing good to Zambia. In 2007, Sata even claimed that the former colonial rule was better than the Chinese presence, as the British at least brought education and civilisation to the country.¹⁰² This very campaign and Sata's xenophobic rhetoric threatening to expel the Chinese, Lebanese and Indian traders, and to establish diplomatic ties with Taiwan, resulted in a warning from Beijing to cut diplomatic relations if Sata was elected as a president in the upcoming election.¹⁰³ The provision of official development financing by Beijing was therefore conditioned by who the winner of the 2006 election would be. Since Michael Sata did not win in 2006, and Levy Mwanawasa defended the presidential post, the diplomatic relations were not interrupted. After the 2006 election, Beijing forced the Chinese enterprises to ameliorate the working conditions and to start working on improving the overall perception of the Chinese in Zambia.

Another possible breach of a principle was also discussed during the election in 2011. In that year, China was suspected of financially supporting the incumbent presidential candidate Rupiah Banda and his party the Movement for Multiparty Democracy (MMD), whose opponent was again Sata. The suspicion was about the scale of the MMD campaign, subsequently raising questions about the funding sources, as the party's financing was too opaque. All the allegations were played down by MMD's representatives, so the principle's violation in this instance cannot be confirmed.¹⁰⁴

(Human Rights Watch, "You'll Be Fired if...cit", p. 22). In this regard, the Collum Coal Mine (CCM) located in Sinazongwe, south of Lusaka, became especially troublesome. In October 2010, workers were protesting to get better wages and the Chinese management of CCM resolved the situation by shooting into the crowd and killing 11 Zambians. Moreover, after the shooting, there was no one convicted, which led to violent protests in the country (*Ibidem*, p. 23). In the same year in CCM, a Chinese supervisor was murdered by a Zambian worker later sentenced to death ("Miner gets death sentence for murdering Chinese boss", in *The Lusaka Times*, 31 December 2010, www.lusakatimes.com/2010/12/31/miner-death-sentence-murdering-chinese-boss/ (accessed 8 December 2017)). In 2012, a Chinese senior worker was murdered for wage disputes by a Zambian ("Zambian miners kill Chinese supervisor over pay", in *Zambia Watchdog*, 5 August 2012, www.zambiawatchdog.com/zambian-miners-kill-chinese-supervisor-over-pay/ (accessed 8 December 2017)).

¹⁰² "Not Bad as They Say" *The Economist*, October 1, 2011, <http://www.economist.com/node/21531021> (accessed: 8 December 2017).

¹⁰³ "Taiwan Quick Take: China warns Zambia", *Taipei Times*, June 9, 2006, <http://www.taipeitimes.com/News/taiwan/archives/2006/09/06/2003326389> (accessed: 8 December 2017).

¹⁰⁴ Louise Redvers, "China's stake in Zambia's election", in *BBC*, 19 September 2011, www.bbc.com/news/world-africa-14952240 (accessed: 10 December 2017).

Based on the above mentioned information, it can be said that the principle of non-interference was not adhered to in case of Zambia. It was clearly violated by the rhetoric on conditioning the Chinese finance with the results of the presidential election in 2006. Despite the debate that emerged on China's interference also in the 2011 election, the 2006 instance remains the only clear case when such a violation was confirmed. Although such possible breach has also been discussed on other occasions in other countries in Africa,¹⁰⁵ the Zambian case still remains the only officially acknowledged instance of such interference on the continent.

Stability

During the period under review, Beijing has provided 44 million USD to support the Zambian government and civil society sector through ODF-like financed projects.¹⁰⁶ Among projects that supported this principle by their very purpose, it is possible to mention the construction of the Lusaka government complex in 2002, and then its expansion in 2009.¹⁰⁷ The support of the sector focused especially on equipment delivery. Thus, in 2003, it was possible to trace transfer of materials and equipment to the police¹⁰⁸ and the government.¹⁰⁹ In 2011, nine government cars were delivered for Banda's administration. However, this project was perceived as a rather controversial one, since it was found that this material assistance for president's cabinet was used by businessmen affiliated with the family members of Banda and their acquaintances.¹¹⁰ In relation to the controversies, Banda was later arrested and investigated for this misconduct in the office.¹¹¹ Similarly, in 2012, China

¹⁰⁵ See e.g. Iva Sojková, "The Beijing Consensus: Characteristics of China's...cit.", pp. 126-127.

¹⁰⁶ The amount was counted based on data provided by AidData available at: <http://aiddata.org/data/chinese-global-official-finance-dataset> (accessed: 9 October 2017).

¹⁰⁷ "China Zambia k24 bn Concessional Loan", in *The Lusaka Times*, 26 July 2010, www.lusakatimes.com/2010/07/26/china-zambia-k24-bn-concessional-loan (accessed 10 December 2017).

¹⁰⁸ "China Donates Raincoats and Computers to Zambia Police", in *en.people.cn*, 13 September 2003, http://en.people.cn/200309/13/eng20030913_124233.shtml (accessed 10 December 2017).

¹⁰⁹ "China Donates Computers to Zambia", in *en.people.cn*, 30 August 2003, http://en.people.cn/200308/30/eng20030830_123416.shtml (accessed 10 December 2017).

¹¹⁰ "Reality Replaces Sata's Rhetoric", in *Africa Confidential*, 2 May 2013, www.africaconfidential.com/articlepreview/id/10906/Reality_replaces_Sata%E2%80%99s_rhetoric (accessed 10 December 2017).

¹¹¹ "Sogecoa Confirms Donating 9 Vehicles to State House under Rupiah. Zambian News network", in *Zambia News Network*, 17 April 2013, <http://zambianewsnetwork.com/sogecoa-confirms-donating-9-vehicles-to-state-house-under-rupiah-2/> (accessed 10 December 2017).

donated 65 motor vehicles to the Zambian government.¹¹² A year later, China provided the Zambian police with 25 new cars to improve its operations.¹¹³ In 2006, Beijing donated a “batch of goods” to the Zambian government that was worth about 1.2 million USD to be used in the election later that year.¹¹⁴ However, more specific information regarding this delivery is missing and considering the perception of China's possible interests in the results of the election, its potential to support stability in Zambia can be questioned.

Despite the presence of projects delivered within China's ODF-like flows, China's presence in Zambia can also be characterized with a number of destabilizing elements, as already discussed above. One of these stability undermining features became the growth of Zambia's debt. From 2000 to 2014, Beijing provided more than 5.4 billion USD and from this amount, 400 million were in the form of debt relief. The largest amount was written off the country's debt in 2006, immediately after Rupiah Banda, the incumbent pro-China candidate, won the presidential election.¹¹⁵ However, despite the substantial debt cancellation initiatives, it must be mentioned that out of all the ODF-like financial flows delivered by China, projects that have been provided in the form of a grant and thus without increasing Zambia's debt burden only exceeded 300 million USD. In other words, these grants together with debt relief actions accounted only for around 14% of the ODF-like finance, the majority of ODF-like flows - the remaining 4.7 billion USD - is thus expected to be repaid by Zambia.¹¹⁶ The rapidly growing debt burden of the country has already come to the attention of the International Monetary Fund, which has been refusing to provide the Zambian government with further loans, worrying about its debt management and stable economic development.¹¹⁷

Apart from the disturbingly growing debt, there were other features and activities potentially undercutting the adherence to the principle. The

¹¹² “China Donates 65 Vehicles”, in *Times of Zambia*, 13 April 2012, <http://allafrica.com/stories/201204130419.html> (accessed 10 December 2017).

¹¹³ “China donates cars and buses to Zambia”, in *Ukzambians*, 23 June 2013, <http://ukzambians.co.uk/home/2013/06/23/china-donates-cars-and-buses-to-zambia/> (accessed 10 December 2017).

¹¹⁴ “China Donates US\$1 Mln to Drought-hit Zambia”, in *China.org.cn*, 10 February 2006, www1.china.org.cn/english/international/157556.htm (accessed 18 December 2017).

¹¹⁵ Madison Condon, “China in Africa: What the Policy of Nonintervention Adds to the Western Development Dilemma”, *The Fletcher Journal of Human Security* 27, 2012, p. 10, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2693220 (accessed 13 March 2018).

¹¹⁶ Amounts counted based on data provided by AidData available at: <http://aiddata.org/data/chinese-global-official-finance-dataset> (accessed: 9 October 2017).

¹¹⁷ Onur Ant and Matthew Hill, “Debt Management Should Be Priority for Zambia, Kalyalya Says”, in *Bloomberg*, 10 December 2017, www.bloomberg.com/news/articles/2017-10-12/debt-management-should-be-priority-for-zambia-kalyalya-says (accessed 18 December 2017).

persistently bad working conditions and violent resolving of these problems led to protests in the Chinese enterprises and to subsequent politicization of China's engagement in the country since 2006. In this context, however, it has been questioned whether the Chinese presence in Zambia is really seen as negatively among the Zambians as it has been presented in the media, the speeches of politicians or in the reports of international organizations. Some experts dealing with the Chinese presence in Zambia disagree with such demonizing conclusions and draw attention to the shortcomings and biases in the data collection of these interpretations of China's presence in Zambia and therefore also question its destabilizing influence.

What is worth mentioning in this regard is the work of Gérard van Bracht (2012)¹¹⁸ and the series of articles written by Sautman and Hairong.¹¹⁹ All the studies strongly criticized the Human Rights Watch report published in 2011, which investigated bad working conditions in China's enterprise China Nonferrous Metal Mining group (CNMC). Bracht presented a field research on the perception of China and the Chinese among the Zambians and came to the conclusion that it is incorrect to assume that, in general, the Zambians do not like China. In Zambia, the contribution of the Chinese and their companies was also appreciated and perceived positively by local societies, the view of the Chinese presented in media can be thus misleading.¹²⁰ Bracht also concludes that the Zambians made the most positive associations with development finance China has delivered, especially its support of healthcare. Overall, Chinese projects were perceived as being particularly beneficial for creating new jobs. On the contrary, the most negative associations with the Chinese presence was related to the working conditions. In this regard, it referred to low wages and to physical abuse of workers and tragic incidents that occurred at the workplace.¹²¹ Additionally, there appeared to be a substantial difference among the respondents, as the negative criticism came mainly from low-skilled and low-paid labour expressing lack of respect from the Chinese and reporting higher levels of threat coming from the Chinese presence. In contrast to this perception, better qualified and educated employees saw the situation

¹¹⁸ Gérard van Bracht, "A survey of Zambian views on Chinese People and their involvement in Zambia. Centre for Chinese Studies", *African East-Asia Affairs*, 1, 2012, pp. 54–97.

¹¹⁹ Barry Sautman and Yan Hairong, "Barking Up The Wrong Tree. Human Rights Watch and Chinese Copper Mining in Zambia", *Pambazuka News*, 14 December 2011, www.pambazuka.net/en/category.php/features/78660 (accessed 18 December 2017); Barry Sautman and Yan Hairong, "The beginning of a world empire? Contesting the discourse of Chinese copper mining in Zambia", *Modern China* 39: 2, 2013, pp. 131-164; Barry Sautman and Yan Hairong, "Bashing 'the Chinese': contextualizing Zambia's Collum Coal Mine shooting", *Journal of Contemporary China* 23: 90, 2014, pp. 1073-1092.

¹²⁰ Gérard van Bracht, "A survey of Zambian...cit", pp. 72–87.

¹²¹ *Ibidem*, pp. 67.

differently, rather beneficially, and even shared their employers' views about paying lower wages to unqualified workers, which were in their opinion appropriate for their work and qualification.¹²²

The negative perception of China's engagement contributed to instability in Zambia, as it led to the outbreak of post-election violence against the Chinese entrepreneurs in 2006¹²³ and in 2007 to the cancellation of a planned visit of Chambishi by the Chinese president because of security risks.¹²⁴ However, it became debatable what actually contributed to such an instability, if it was the real negative influence and impact of the Chinese engagement, or the way it was presented and exaggerated in the media and in Sata's campaign. Sautman and Hairong pointed out that working conditions in the Chinese working sites were not significantly worse compared to other foreign investors underlining substantial weaknesses of the above-mentioned Human Rights Watch report published on working conditions in China's run CNMC referring to it as the "the biggest violator of workers' rights among Zambian copper industry employers."¹²⁵ According to these researchers, the report is biased and with methodological deficiencies and consequently it says more about the Human Rights Watch policy agenda than about the Chinese activities in Africa. By comparing China and other investors in the mining sector in Zambia, they questioned the claims of this report and concluded that the security situation at the Chinese investors' workplaces was not worse than elsewhere. Salary conditions have not only improved considerably in the CNMC run enterprises, but the differences in salaries of laborers were basically non-existent.¹²⁶

¹²² *Ibidem*, pp. 79.

¹²³ David Blair, "Rioters Attack Chinese after Zambian Poll", in *The Telegraph*, 3 October 2006, www.telegraph.co.uk/news/worldnews/1530464/Rioters-attack-Chinese-after-Zambian-poll.html (accessed 18 December 2017).

¹²⁴ "China Launches Mining Program in Zambia", in *The Lusaka Times*, 2 May 2007, www.lusakatimes.com/2007/02/05/china-launches-mining-program-in-zambia/ (accessed 18 December 2017).

¹²⁵ Human Rights Watch, "You'll Be Fired if You Refuse" *Labor Abuses in Zambia's Chinese State-owned Copper Mines*, 2011, pp. 22, www.hrw.org/sites/default/files/reports/zambia1111ForWebUpload.pdf (accessed 8 December 2017).

¹²⁶ Barry Sautman and Yan Hairong, "The beginning of a world empire?...cit.", pp. 137-149. Regarding the wage gap differences between CNMC and other foreign mining firms in Zambia, Sautman and Hairong offer other important and Zambia-specific explanation for such a situation. For example, when purchased, the CNMC mine in Chambishi had to undergo a costly rehabilitation because it had not been in operation for 13 years and was flooded. There are also differences in mining modalities among investors in Zambia. In this regard, Chinese CNMC operates in deep underground mines, with lower copper content and at the same time the mine is labour-intensive, consequently leading to lower earnings. Another issue is the fact that unlike other investors, the Chinese ones kept investing in Zambia during the financial crisis and China's CNMC also committed itself to the so-called "three nots": not to reduce investment, not to cut down on production and not to lay off workers. Moreover, in addition to the HRW's reference to China as a "bad

Additionally, such conclusions and criticism towards the Human Rights Watch bias were also shared in the statements of the Mineworkers Union of Zambia (MUZ), similarly rejecting to single out the Chinese run enterprises as the worst employers in Zambia.¹²⁷

Conclusions

The aim of the article was to examine the observance of the Beijing Consensus principles in the case of Zambia in the time period of 2000 – 2014. It can be concluded that when limited to the purpose of delivered finance and projects, all the principles were adhered to except for the *non-interference* principle. This principle was clearly breached at least once during the 2006 election by conditioning China's future engagement in the country, and thus also its development finance delivery, with the winner of the election. Moreover, adherence to other principles was at the same time undermined by the process of their implementation and allocation. At certain times, their quality and price were also questioned, and similarly, some by-product activities and interests in the country not directly related to China's ODF-like flows also substantially contributed to these undercutting features.

In the case of the *innovation-led development* principle, its adherence was undermined by a lack of knowledge transfer element in the Chinese development initiatives unless these initiatives were focused on the support of this area directly. It was also further undercut by the absence of local enterprises participating in the implementation of Beijing's funded development projects. Similarly, the *social development* principle was undercut by a strong geographical bias in the projects' allocation throughout the country, thus, the majority of initiatives financed by Beijing was supporting Chinese investments and not reaching the poorest areas in Zambia. Moreover, this bias is also evident when the overall ODF-like flows are reduced to the projects implemented in the social infrastructure sector. This principle was also challenged by some by-product activities and their negative impact on living conditions in Zambia,

employer", when the Swiss company closed its Luanshya mine at the time of the crisis, it was the Chinese CNMC that bought it and re-hired its employees and employed hundreds more. Similarly, when the nickel mining firm Albidon Ltd., with the Chinese enterprise owning 51% of its shares, indefinitely suspended operations due to a decline in nickel prices and technical problems, it continued to pay full salaries to its 2,000 employees despite the difficulties it was facing (Barry SAUTMAN, Yan HAIRONG, "Barking Up the Wrong...").

¹²⁷ "Mineworkers Union of Zambia refuse to entirely blame the Chinese-owned mining firms over the 'flouting' of labour laws", in *The Lusaka Times*, 11 May 2011, www.lusakatimes.com/2011/11/05/mineworkers-union-zambia-refuse-blame-chineseowned-mining-firms-flouting-labour-laws/ (accessed 8 December 2017).

such as - for instance - the broadly criticised working conditions and violent incidents in Chinese mining facilities.

The principle of *sustainable development* and its adherence was supported only by one project co-implemented by China in 2014. Again, more attention regarding this principle was paid to the Chinese mining activities and their harmful impact on the environment. The extent to which China supports the principle adherence through its ODF-like projects also demonstrates that the support of the principles differs substantially.

The principle of *stability* can also be considered adhered to when limited to the purpose of the projects provided into areas directly supporting steady environment. In this case, however, there were also some projects and initiatives which could be considered to be weakening the principle's adherence. Some projects delivered by Beijing were perceived as supporting the government during elections and consequently led to criticism of China's influence on Zambian politics in order to pursue its own interests rather than sustaining stability in the country. Likewise, due to increasing financial flows provided by China, the Zambian debt has increased substantially since 2000, as only a small part of the finance has been delivered as a grant. The debt burden has already led to the worries of the international financial institutions about its possible impact on Zambia's economy. Additionally, even in this case, there were some not ODF-like flows related elements of China's engagement that have contributed to serious weakening of the security situation in Zambia through the increase of protests and violent attacks on Chinese citizens. However, it can be discussed to what extent the protests and anti-Chinese sentiment among the Zambians were caused by characteristics of China's engagement or by the way they were presented in the media and in the campaign of Michael Sata.

What does the Zambian case examined in this paper tell us about the Beijing Consensus?

Although the principles based on Ramos's concept are applicable and their adherence is traceable in Zambia, the case also shows us the limits of development potential of China's development financing and its own development experience. Indeed, as some critiques of the concept put it, some of the principles of the model should be perceived as something that Beijing wants its development strategy to achieve in the future. In this respect, also the Zambian case shows us that the Beijing Consensus remains in many regards an aspiration rather than today's reality. This is mainly evident from the differences of the attention paid to particular principles through ODF-like projects delivery, as for instance within the principle of *sustainable development*, only one project has been delivered in 15 years. Likewise, the equality of the development can be at least questioned due to a strong geographical bias of the projects' allocation favouring two regions over the rest of the country. Moreover, the case underlines that together with some

development supporting characteristics stemming from China's model of development, other specifics of the development experience also emerge, ones that might be undermining unless they are addressed and regulated by the recipient. The principles of *innovation-led development* and *social development* emphasized the limited interest in securing more benefits from the financing delivered through adopting regulations and negotiating agreements that would have allowed for a greater inclusion and participation of the local businesses and their subsequent development. This disinterest seems to come from both sides. At the same time, however, it can be stated that the negative impact of China's presence, whether real or invented by the media and politicians, can force the recipient to adopt some important regulations in certain areas (e.g. mining sector, protection of environment) that otherwise would not be adopted, or, at least, not that quickly and to such an extent. In this regard, it is important to underline that the Beijing Consensus, unlike the Washington Consensus, is a passive model and thus it does not force the recipient to adopt some policies to reach the loans and grants, although in Zambia, this approach was once breached. As an implication of this opportunity, there is more space to maneuver for the recipient and consequently also more responsibility to take when negotiating agreements, so they would benefit recipient's own citizens and development agenda. Therefore, it is more than ever up to recipients' governments to make use of these ties to meet their own development goals. However, to fully understand the true alternativeness the model is bringing to the African continent, more cases and comparisons to traditional donor's financial flows are needed in the future research.