OWN WAYS OF DOING: NATIONAL PRIDE, POWER AND CHINA’S POLITICAL CALCULUS IN ETHIOPIA

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ABSTRACT

Contrary to the predominant perception of all of China’s key partners in Africa being either resource rich or economic powerhouses, Ethiopia is neither. Its strategic position within the Horn of Africa and its stable and efficient – although coercive – government, coupled with the concentration of regional institutions in Addis Ababa, have gradually turned Ethiopia into one of the main entry points into Africa. While pursuing its own development path, the Ethiopian government has also been drawing inspiration from success stories in East Asia, not least China. In terms of engaging with foreign partners, Ethiopia is increasingly skilled in linking its national development priorities to its foreign policy strategies. As a result, the ruling party’s firm grip on the economy and on political power is having a direct impact on its engagement with foreign actors. By focusing on the themes of peace and security, human security and governance capacity building, this paper not only explores the nature of political cultures and concepts of power in Ethiopia but also looks at the ways in which China navigates this complex political landscape (both domestically and regionally) while seeking to expand its foothold and bargaining power on the ground.

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ABBREVIATIONS AND ACRONYMS

CPC Communist Party of China
EPRDF Ethiopian People’s Revolutionary Democratic Front
FDI foreign direct investment
FOCAC Forum on China–Africa Cooperation
GDP gross domestic product
GNI gross national income
GTP Growth and Transformation Plan
MIDROC Mohammed International Development Research and Organisation
Companies
MoU Memorandum of Understanding
MW megawatt
ONLF Ogaden National Liberation Front
SEZ special economic zone
TPLF Tigray People’s Liberation Front
ZTE Zhongxing Telecommunication Equipment
INTRODUCTION

China’s evolving position as a key economic actor in Africa, a diplomatic heavyweight in local conflict resolution and a new entrant into peacekeeping, security co-operation and capacity building, illustrates significant policy changes with potentially profound implications for the continent.\(^1\) Mostly unencumbered by Western normative agendas and a concomitant need to reconcile these with its commercial interests, the Chinese government (along with Chinese enterprises) had pursued a mercantilist agenda that seemingly only required local elite compliance to succeed. However, as a result of China’s failure to sufficiently grapple with the intricacies of various political contexts, the early blush of success in places such as Sudan quickly devolved into situations of great complexity, potentially threatening the commercial viability of investments, the lives of Chinese citizens and the country’s international reputation.

Against this increasingly volatile backdrop, the pressure on China to devise an approach that mitigates these challenges without unnecessarily exposing the country to greater risks in the process, has become a formidable policy imperative. By embracing multilateralism while cautiously expanding its co-operation with and capacity building of African regional initiatives, Beijing hopes to have devised a winning strategy for securing future engagements across the continent and elsewhere. Yet the African terrain remains complex and unfamiliar, forcing China to pragmatically engage with specific contexts and learn by doing.\(^2\) This opens up a space for a broader conversation with other external partners of the continent (at both a national and a multilateral level) to explore avenues of engagement.

In this broader scheme of shifting dynamics, China’s quickly expanding links with Ethiopia offer a contextualised portrait of activities that extend beyond purely economic interests and outcomes. While neither resource rich nor an economic powerhouse at the scale of Nigeria or South Africa, Ethiopia is among the top Chinese foreign direct investment (FDI) and loan recipients in Africa.\(^3\) Given its strategic position within a vast

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geographical zone of conflicts and its increasingly active role in regional peacekeeping missions, Ethiopia plays an important part in the foreign policies of the EU, the US and, more recently, China. At the domestic level, Ethiopia’s state-led approach to development, its growing authoritarianism and its heavy clampdowns on dissent also draw some parallels with the latter. It is regularly at odds with international financial institutions (including the International Monetary Fund and the World Bank) due to divergent views on state ideology and market liberalisation, and has been gripped by internal turmoil for much of 2016. Yet Ethiopia’s political importance and ‘poster-child’ depiction in terms of economic progress and pro-poor development activities have served to shield the country’s leadership from outside criticism. Drawing on these strengths, the Ethiopian government has managed to not only link its own development priorities with its foreign policy strategies but also set the agenda with all its foreign partners, including China.

By focusing on peace and security, human security and governance capacity building, this paper explores the nature of political culture and concepts of power in Ethiopia, while examining the ways in which China, as a foreign partner, navigates this complex political landscape (both domestically and regionally) as it seeks to expand both its foothold and bargaining power. The first part unpacks the complexity of domestic politics in Ethiopia, as this provides the basis for the country’s unfolding relationship with China and Chinese actors. The second part outlines the key areas of Chinese economic involvement while critically engaging with the idea of ‘infrastructure for diplomatic support’. The last part looks at China’s political influence, both at a domestic level through regular exchanges with the ruling party and, increasingly, at a regional level via engagements with the AU and other regional institutions.

POLITICAL CULTURES AND ECONOMIC TRENDS IN ETHIOPIA

Of late, Ethiopia has increasingly been portrayed as one of the continent’s success stories in terms of development and its strong resonance with the current (if fading) narrative of ‘Africa rising’. This applies to both the economic and political/diplomatic spheres. Despite its lack of natural resources, the country’s annual economic growth rates have been close to 10% for more than 10 years (compared to 3% at the beginning of the 1990s) and the overall gross domestic product (GDP) amounted to $54.8 billion in 2014 (compared to roughly $30 billion in 2010). Nonetheless, with the second-largest population on the continent, adding up to almost 100 million people, annual per capita GNI (gross national income) is still very low at $590 in 2015, even in comparison with the $1,637 average


in sub-Saharan Africa. Despite the very low starting point of the economy, several interviewees (both Ethiopian and foreign) stressed that it made more sense to consider the progress and achievements of the last two decades than solely focusing on the current level.

The development narrative, at times simplistic and exaggerated (serving to glorify the ruling party), has nonetheless translated into tangible results. While several parts of Addis Ababa reveal a city under heavy construction and rapid transformation, the most significant improvements in the last 10–15 years have mainly occurred in rural areas. With close to 80% of the overall population living in these rural areas, the government has focused on improving agricultural inputs, building roads and investing in education and health, thereby contributing to a significant decrease in the number of people living below national poverty lines (from 45.5% in 1995 to 29.6% in 2010). With an annual progression of 3%, Ethiopia’s Human Development Index has improved by 45% over the past 15 years. During the same period life expectancy at birth increased by 15.8 years, mean years of schooling by 0.7 years and expected years of schooling by 6.3, while GNI per capita rose by 102%.

**Development priorities and long-term planning**

Skills provision remains a crucial task as Ethiopia continues to face numerous development challenges. In spite of a steady decline in GDP share over the past decade, agricultural activities continue to form the backbone of the economy, acting as one of the essential pillars for sustained growth and pro-poor development in Ethiopia. In as early as 1993 the then Ministry of Planning and Economic Development instituted a policy of agricultural development-led industrialisation in which agricultural outputs were meant to stimulate growth in the industrial sector. However, due to disappointing

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7 Interviews conducted with several Ethiopian researchers from various institutions, high-ranking officials at several European embassies and one independent consultant in Addis Ababa, October 2015.
9 This term has been used since 2010 by the Human Development Report Office of the UN Development Programme (UNDP) as one of two education indicators in the calculation of the Human Development Index.
results and insufficient modernisation in the agricultural sector, the central government has recently been promoting industrial activities, hydroelectric power generation and export-led agriculture (relying on cash crops and FDI). At the same time, the services sector has also made a significant leap (11.9%) over the past decade, led by the rapid expansion in the number of hotels, increased financial intermediation, wholesale and retail trade, and improved transport and communication.

Ethiopia (alongside Rwanda) has become the epitome of the developmental state in Africa. According to Chalmers Johnson’s definition of the ‘capitalist developmental state’, economic development, defined in terms of growth, productivity, and competitiveness, constitutes the foremost and singled-minded priority of state-action in addition to ‘strategic industrial policy [which] forms a central component of the developmental state model’. The interventionist state is thus simultaneously playing the role of the implementing (at least to some extent), co-ordinating and regulating body. In Ethiopia, the ruling party ‘retain[s] control of a large proportion of available sources of rent and economic levers’. The party-state justifies its central role and firm grip on the economy by ‘the wider socio-economic and political objectives of “revolutionary democracy” in shaping and enhancing the outcomes of the “developmental state”’. As a result, in Ethiopia most of the economic sectors are in the hands of either state-owned enterprises, four large regional

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15 From 2013 to 2014 the industrial sector in Ethiopia grew by more than 20%, mostly driven by construction, mining and manufacturing. See Zerihun Wondifraw A, Kibret H & J Wakaiga, op. cit., p. 3.
17 Most of them are concentrated in the capital due to the location of the AU headquarters and Addis Ababa’s housing the third-highest number of diplomatic missions after New York and Geneva.
23 Ibid., p. 36.
endowment-owned companies\textsuperscript{24} or the private Mohammed International Development Research and Organisation Companies (MIDROC) conglomerate.\textsuperscript{25} MIDROC is owned by a Saudi-Ethiopian business tycoon with close connections to the political elite, illustrating ‘that business and politics are still strongly intertwined in Ethiopia’.\textsuperscript{26} As a ‘social transformation state’, the government seeks to carefully manage the eventual transition from pre-capitalism to middle-income status\textsuperscript{27} by imposing the centralised management of a high proportion of the economic rent (also known as ‘developmental patrimonialism’).

In a country with a strong legacy of long-term planning (going back to the late 1950s under Emperor Haile Selassie), the Growth and Transformation Plan (GTP) has become the main framework of the national economy. Launched in 2010, this comprehensive, detailed and highly ambitious five-year plan (outlining very specific targets) builds on previous initiatives of sustainable development and poverty eradication.\textsuperscript{28} The ultimate aim is for Ethiopia to be a middle-income country by 2025, by turning into an industrialised economy with a full supply chain. During the GTP-I period (2010/11–2014/15), ‘special emphasis [was] given to agricultural and rural development, industry, infrastructure, social and human development, good governance and democratisation’ while taking into account two alternative economic growth scenarios.\textsuperscript{29} Yet the GTP-I has primarily been driven by the central state, leaving little room for the natural expansion

\textsuperscript{24} Out of the four, the most commonly known is the Endowment Fund for the Rehabilitation of Tigray (EFFORT), which was established in the mid-1990s with resources accumulated and donated by the Tigray People’s Liberation Front (TPLF) and is closely allied with the ruling party’s perspectives. The other three are the Amhara National Regional Rehabilitation and Development Fund (known as Endeavour, or Tiret), the Tumsa Endowment Foundation for the Development of Oromia, and the Southern Nations Nationalities and Peoples’ Regional State. Additionally, they ‘are by far the largest regional taxpayer to the Government’ and are portrayed as ‘provid[ers of] indirect resources and public goods that feed wider social, political and developmental processes’ (Vaughan S & M Gebremichael, \textit{op. cit.}, pp. 12, 59). Nonetheless, some online comments point towards the ‘economic hegemony of the TPLF’ and the country’s being ‘looted by EFFORT and the TPLF business empire’ through its ‘gross mismanagement of the nation’s resources and the massive systemic corruption’. See \textit{ethiopian times}, ‘Ethiopia is looted by EFFORT and the TPLF business empire’, 30 July 2012, https://ethiopian times.wordpress.com/2012/07/30/ethiopia-is-looted-by-effort-and-the-tplf-business-empire, accessed 24 November 2015.

\textsuperscript{25} Similar to the regional endowment funds, the MIDROC conglomerate consists of a collection of different businesses.

\textsuperscript{26} One interviewed Ethiopian consultant even went as far as referring to ‘a very pronounced indigenisation of the political economy’ (interview, Addis Ababa, October 2015). Also see Altenburg T, ‘Industrial Policy in Ethiopia’, GDI (German Development Institute) Discussion Paper, 2. Bonn: GDI, 2010, p. 2.

\textsuperscript{27} Vaughan S & M Gebremichael, \textit{op. cit.}, p. 60.


\textsuperscript{29} \textit{Ibid.}, p. 1.
of the private sector. Given the importance attributed to centralised rent utilisation as a means to promote structural transformation plans, the government ‘tends to be perceived as critical and suspicious of the political and commercial motivation of private entrepreneurs’, with the latter often being ‘singled out as [personal] “rent seekers” rather than “value creators”’.

If, rhetorically, the private sector is believed to be a key component in the transition towards capitalism, ‘the institutionalisation of trusting co-operation between Ethiopian entrepreneurs and the “developmental state” in pursuit of commonly conceived goals remains very much a work in progress’.

Increasingly aware of the limitations caused by the lack of (available) capital, the party-state has been aiming to boost economic activities while gradually opening certain sectors to foreign investment. In areas such as agriculture, manufacturing and real estate there is growing involvement from Turkish, Indian, Saudi, Chinese and Brazilian players alongside a more historically embedded Italian footprint. The GTP-II timeframe (2015/16–2019/20) places more emphasis on the private sector. Yet with the party-state retaining control of the pace and breadth of the economic opening leeway for foreign operators remains limited. In the 2015 ‘Doing Business’ report, Ethiopia is in 132nd place out of 189 listed countries, mostly due to its ‘unwieldy and overbearing’ red tape and bureaucracy. Nonetheless, as the manufacturing sector – both light and heavy industries – is projected to play a significant role in improving export revenue, there

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30 According to one interviewee, the government tolerates a profit margin of less than 15%. Exceeding this threshold, entrepreneurs are considered to fall into the category of personal ‘rent-seekers’ (interviews, Addis Ababa, October 2015). See also Vaughan S & M Gebremichael, op. cit., pp. 11, 26.


32 Until 2008 FDI influx remained at a very low level, partly due to high levels of perceived risk of doing business in the Horn of Africa and fewer linkages with European countries in the absence of colonial ties (Vaughan S & M Gebremichael, op. cit., p. 22). The Ethiopian banking sector, theoretically protected from foreign involvement and participation, has, more recently, allowed the setting up of foreign banks. The most recent example is South Africa’s Standard Bank, with the official opening of a regional branch in Addis Ababa. See iol business, ‘Standard Bank moves into Ethiopia’, 30 October 2015, http://beta.iol.co.za/business/companies/standard-bank-moves-into-ethiopia-1938215, accessed 5 November 2015.

33 For example, foreign nationals are not allowed to be involved in wholesale and retail activities.


is increasing room for Ethiopian–foreign joint ventures and partnerships. Another area of high potential is real estate, with 700 000 planned condominiums (lower and middle class) provided for in the framework of Ethiopia's second GTP, affording significant market opportunities for property developers (both national and foreign).

State Power and Revolutionary Democracy

Within the Horn of Africa, Ethiopia is by far the most stable and cohesive country. It is surrounded by a ‘failed state’ (Somalia), an isolated problem neighbour (Eritrea), a quasi-state (Somaliland), and a newly independent state that has yet to achieve stability (South Sudan), and the international community thus has a clear interest in maintaining political stability in Ethiopia. The ruling party-state, the Ethiopian People’s Revolutionary Democratic Front (EPRDF), has been in power since 1991 after successfully overthrowing the previous Derg military regime (1974–1991). A coalition of four ethnically affiliated parties, the EPRDF is nonetheless dominated by the Tigray People’s Liberation Front (TPLF), which played a significant part in toppling the Derg regime. Established in Tigray in 1968, the TPLF has, as the most organised party, also played a crucial role in the formation of the remaining three parties within the coalition.

Initially rooted in Marxism-Leninism, the EPRDF’s accession to power coincided with major ideological shifts on the global stage. Partly due to a reshuffling of international alliances, ‘revolutionary democracy’ became the ruling party’s new official school of thought. Vague in its definition, ‘revolutionary democracy’ is regarded as an alternative to the ‘liberal democracy’ practised by Western industrialised states and draws heavily on Mao Zedong’s ‘New Democracy’ doctrine. In this setting, authority is centralised in order to represent and safeguard the interests of all levels of society (not only of the...
majority). Economically, it involves the nationalisation of banks and industry as well as the redistribution of land from wealthy landowners to poor peasants.44 In the early 1990s the EPRDF politburo, particularly then party chairperson Sebhat Nega, believed that the party should be presided over by a young leader, Meles Zenawi (chairperson of the TPLF from 1989 and head of the ruling party since its formation in 1991). As Ethiopia’s president in the transitional government period from 1991–1995 (with his assuming power at the age of 36) and serving as prime minister from 1995 until his death in 2012, Zenawi became the main architect of the developmental (democratic) state ideology.

One of the main motivations for the rebellion against the highly repressive and Stalinist Derg regime was the fight for group rights and liberty. According to the official party rhetoric, achieving democracy remains a goal, since development without democracy is not sustainable over time. However, due to fears of national disintegration caused by the ethnic, linguistic and religious diversity in Ethiopia, the central government remains solely in charge of defining the political trajectory. If, at the beginning, Zenawi, while pragmatic, aimed to combine performance and popular legitimacy, the 2005 elections marked a turning point.45 Severely beaten by the ultra-nationalist opposition groups46 (mainly in urban and semi-urban areas), the government, initially stunned, reacted quickly and attempted to manipulate the outcome with a violent crackdown on protests during which 193 people died.47 Since then there have been no more democratic reforms, resulting in ‘a substantial narrowing of spaces for the opposition, civil society and the media’.48

Zenawi tightened the party’s grip on power by increasing expenditure on the army and intelligence service. From the government’s standpoint, the post-electoral violence arose from ‘having tried to liberalise too much and too soon’, prompting the political leaders to opt for ‘a model that would allow the state to reap the rewards of the global market while remaining firmly in the hands of a strong and authoritarian ruling party’.49 For Zenawi, the 2005 election defeat in many parts of the country was a protest vote aimed at the EPRDF rather than support for the opposition parties.

45 Vaughan S, *op. cit.*
46 During that time, Eritrea’s secession was seen as the Ethiopian government’s giving in too easily. Zenawi in particular, who was of Eritrean descent, was considered to have been too lenient in ordering an end to the war. The opposition, led by the Coalition for Unity and Democracy, promised to retrieve Eritrea (and even claimed Djibouti), and thus gained public support.
47 Fourie E, *op. cit.*, p. 298.
49 Fourie E, *op. cit.*, p. 299.
Following the 2005 elections, the EPRDF started to abuse the electoral process by compartmentalising every household into groups of five individuals (over 18 years old), also known as the ‘1 to 5’ system, with the direct link to each and every household established via the head of the family. In addition to citizens’ being organised into different development activities (mostly in the rural areas), each head of a household is required to participate in regular party discussions held at different levels of political authority. Along with the clampdown on the media, civil society and the opposition, the close monitoring of citizens through the ‘1 to 5’ system and the filtering down of government decisions from the national to a very localised level – kebele – have clearly shaped the outcomes of the last two elections. In 2010 the EPRDF secured 545 out of 547 available seats in Parliament, and in May 2015 all of the parliamentary seats went to the ruling party. In this system of political inertia, Ethiopia’s progress is closely tied to the future of the party-state.

A POLITICALLY ACTIVE DIASPORA

In 2015 Ethiopia surpassed Kenya to become the largest refugee-hosting country in Africa, with a total of 630,000 refugees. Most of the refugees came from Eritrea, South Sudan, Sudan and Somalia. According to UN data, in the 23 refugee camps in the country South Sudanese make up the largest number of refugees (253,030), followed by Somalis (245,326), Eritreans (126,363), Sudanese (35,870) and other nationalities (almost 5,300). With Somalia still failing to produce a functioning government, the political crisis in South Sudan and a looming one in Eritrea, the future of the people of the Horn of Africa looks gloomier than ever.

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50 Interviews with Ethiopian experts, Addis Ababa, October 2015; Johannesburg, November 2015.
51 The EPRDF currently has about 9 million party members in addition to several million unregistered followers.
53 Kebeles are the smallest units of local government, usually formed by peasant associations of around 500 families.
54 One local analyst believed that the ruling government would only leave power due to either the party’s disintegration or its natural phasing out due to societal factors such as a gradual increase in the size of the middle class (interview with Ethiopian researcher, Addis Ababa, October 2015).
57 President Isaias Afwerki, who has ruled the country with an iron fist for the past 25 years, is reportedly in a critical medical condition, raising questions about the political future
Aside from hosting migrants, Ethiopia is also a place of transit and departure. The Ethiopian diaspora, estimated at almost 2 million, consists of people who have used both legal and illegal means to leave the country. A significant number of people in the Ethiopian diaspora are actively engaged in domestic politics and are critical of the ruling government. The US is by far the main destination, with around 200,000 Ethiopians in Washington DC alone. The UK, Saudi Arabia, Kenya, Norway, Germany, Sweden and South Africa, among others, also have sizable numbers of Ethiopian migrants. More recently, China has also become an increasingly interesting destination for growing numbers of Ethiopians— not only those involved in wholesales and imports but also those who wish to pursue a higher education, particularly in technical fields and engineering. At the same time, the EPRDF also sends officials and technical experts to China for political and administrative training.

The Ethiopian diaspora, whose members are very cognisant of the internal politics of their home country, can be subdivided into three broad categories. The first one comprises the ‘Restorationists’, who are nostalgic about the old imperial regime; the second, known as the unity camp, brings together groups with the grand mission of protecting the ‘territorial integrity’ of the state. The third category is structured around dozens of ethnic-based political and military groups referred to as the ‘F’ cluster (all of their names use the word ‘front’). The Tigrain community abroad forms the main support base of the EPRDF. Since the TPLF was the most notable force in toppling the previous military junta, many Tigrains revere the current leadership. While relatively small in number, their commitment and determination is disproportionally high. The EPRDF also enjoys support from other minority ethnic groups, including the Hararis, Afars, Somalis and people from the Southern regional state. Additional support for the ruling party comes from those among the diaspora who are either engaged in business activities and admire the country’s development (even if most of them think that the EPRDF is dividing the nation along ethnic lines) or those who have suffered under previous regimes and believe that the EPRDF has brought relative peace to the country.

Whether domestically or regionally, the political culture informs the manner in which the Ethiopian government deals with the outside, and thus shapes its relationship with China as well.

**HIGHER STAKES IN A PARTNERSHIP OF CONVENIENCE**

The broadening spectrum of Chinese involvement in Ethiopia illustrates how interactions go beyond purely economic interests. Diplomatic relations between Ethiopia and China were initiated in 1970 under Selassie, but remained limited throughout the Derg period as the latter had closer ties with the Soviet Union. It is only since 1991, with the

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58 Close allies during the 1950s, the relationship between the People’s Republic of China and the Soviet Union gradually worsened, leading to a split in the early 1960s. This Sino-Soviet tension also spilled over onto the African continent, in addition to their rivalry with the US.
coming to power of the EPRDF, that Beijing has gradually been able to build a closer partnership with the government. This occurred mainly after 1995, following a debate about Ethiopia's foreign policy direction amid ‘what was seen as unbearable pressure coming from the West’.\(^{59}\) The Chinese government views Ethiopia as a key entry point into the region, mainly due to its diplomatic clout on the continent and crucial role in the Horn of Africa. Additionally, Addis Ababa, being the seat of the AU headquarters, the UN Economic Commission for Africa and other regional institutions, provides a visible platform and an ‘immediate multiplier effect throughout the continent’\(^{60}\) for any engagements by foreign players. As a result, China’s interests are motivated ‘as much by diplomatic, strategic, and even ideological considerations as economic ones’.\(^{61}\)

Diplomatic and political ties have expanded over the years. Following the first national elections in 1995, Zenawi visited China and received then president Jiang Zemin a year later, resulting in the signing of a trade and technical co-operation agreement in 1996 and an investment protection and promotion agreement in 1998. Since the launch of the multilateral Forum on China–Africa Cooperation (FOCAC) in 2000, Ethiopia has upgraded its bilateral relationship with China to the level of ‘new strategic partnership’ (the same year). Ethiopia also hosted the second ministerial meeting of the Forum in Addis Ababa in 2003 and co-chaired the third iteration in Beijing in 2006. Out of the 50 African countries with official ties to the People’s Republic of China, Ethiopia is the only one that has benefitted from all eight FOCAC policy measures\(^{62}\) announced in Beijing in 2006.\(^{63}\) The China–Africa Development Fund, established in 2007, pledged to commit $5 billion to potential Chinese investors across the continent. A branch opened in Addis Ababa in 2010 to promote the activities of Chinese companies in Ethiopia and the greater Eastern African region.\(^{64}\) High-profile visits in both directions have occurred at regular intervals. Among the most recent ones have been visits to China by Ethiopia’s President Mulatu Teshome (July 2014) and its Prime Minister Hailemariam Dessalegn (June 2013), as well as a visit by Chinese Prime Minister Li Keqiang to Ethiopia (May 2014).

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\(^{59}\) Adem S, \textit{op. cit.}, pp. 144–145.

\(^{60}\) Hackenesch C, \textit{op. cit.}, p. 24.

\(^{61}\) Cabestan J-P, \textit{op. cit.}, p. 53.


Bilateral links with China are not only strengthened by the expansion of diplomatic representations but also indirectly shaped by the stature of specific political individuals. Not only does Ethiopia have an embassy in Beijing but it is also represented by a consulate general in Guangzhou, Chongqing and Shanghai. In 2010 the Ethiopian government appointed its longest serving minister of foreign affairs (from 1991–2010), Seyoum Mesfin, as ambassador to China. Additionally, President Teshome, in office since October 2013, served as an ambassador to China in 1994 and 1995, and obtained his doctorate in International Law from Peking University. The Chinese are likewise heavily invested in their diplomatic relationship with Ethiopia. Apart from their bilateral embassy in Addis Ababa, they have had a large delegation at the AU since May 2015 (the third permanent mission, after that of the US and the EU).

**FROM SYMBOLIC TO PRAGMATIC DEVELOPMENTALISM**

In comparison with China's other key engagements in Africa, resource-poor Ethiopia's strategic position is something of an anomaly. China's diplomatic priorities, or, to borrow from Seifudein Adem, its 'infrastructure for diplomatic support', are to some extent also mirrored in the scope of economic endeavours undertaken by Chinese actors. If bilateral trade figures have been rising exponentially – from $383 million in 2004 to $6.3 billion a decade later – they still remain fairly low for a country with the second-largest population on the continent. Chinese investments in Ethiopia, although still modest, have multiplied at a rapid pace. Highly visible and sizable flagship projects have become an integral part of the urban landscape in Addis Ababa. The AU's new headquarters, inaugurated in 2012, is emblematic of this. With a 100m tower dominating the city's skyline, this modern

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66 While some might consider that the Ethiopian government deliberately sent a very experienced and senior official to represent the country, others have suggested that it may be a political move to sideline a potential competitor (interviews with several Ethiopian experts, Addis Ababa, October 2015).

67 While the Chinese embassy in Addis Ababa is located in Bole, far away from the AU headquarters, there are rumours that the Ethiopian government has promised China a big plot of land next to the AU to relocate its embassy (interview with the head of political affairs at a European embassy, October 2015).

68 Adem S, op. cit., p. 143.


70 Concomitant with the increase in volume, the trade balance, as with most non-resource-rich countries, is very asymmetrical and has largely remained in China's favour. Ethiopia mainly exports sesame, coffee, cut flowers, textiles and leather products, while imports from China mostly comprise transport equipment and electronics, consumer goods and chemical products. See Shinn D, op. cit. In comparison, China's bilateral trade with South Africa (its largest trading partner on the continent since 2009) has risen from $4.5 billion in 2004 to $24 billion in 2014, according to UN Comtrade, op. cit.
complex has become a prominent landmark in the Ethiopian capital. Built at a total cost of $200 million, the building has been entirely financed by Chinese money (through a grant) and implemented by China State Construction Engineering Corporation. Another major Chinese infrastructure project leaving a tangible imprint on the city is the recently completed light-rail system. Stretching over a total of 32km (subdivided into a north–south and an east–west axis) and viewed as a symbol of new development, the project was completed in only three years by China's Eryuan Engineering Group.

Over the years there has been increasing Chinese involvement in major infrastructure projects, ranging from transport and energy to telecommunications. According to one source, about 70% of the road network in Ethiopia, including the ring road around the capital, the Ethio–China Friendship Road and the Addis Ababa–Adama Expressway, have been constructed by Chinese companies. China Railway Engineering Corporation and China Civil Engineering Construction have recently also completed the 750km cross-border Ethiopia–Djibouti electrified railway line, at a cost of an estimated $3.4 billion, and China Bridge and Road Corporation won the contract to expand Bole International Airport in Addis Ababa, to be finalised in 2017.

Another key area of Chinese involvement in Ethiopia is energy generation. At the current stage most projects only exist on paper and still have to come to fruition. So far, two dams – one large, one medium scale – have been finalised with the participation of Chinese companies. Africa's highest concrete arch dam, the Tekeze Dam (also referred to as the Three Gorges of Africa), was completed in 2009 with the involvement of Sinohydro and produces 300MW. Next to the half-completed Grand Ethiopian Renaissance Dam, Gibe III, situated on the Omo River and part of the Gibe cascade dams, was inaugurated in late June 2015 and is expected to produce 1 870MW. As a result of major social and environmental concerns, the World Bank, the African Development Bank and the European Investment Bank had withdrawn from the project in 2010. That same year, Ethiopian Electric Power Corporation and Dongfang Electric Machinery Corporation (a Chinese state-owned enterprise) signed a Memorandum of Understanding (MoU) to provide electrical and mechanical equipment (turbines), while the Italian company

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72 Shinn D, op. cit.
73 The Ethiopian Herald, op. cit.
76 Fourie E, op. cit., p. 307.
Salini was awarded the actual construction contract for the dam.\textsuperscript{77} The Industrial and Commercial Bank of China is believed to cover 85\% of the $495 million project (through a loan). Additionally, China Eximbank is financially supporting the realisation of high voltage transmission lines to Addis Ababa to be implemented by another Chinese company. More recently, Chinese operators have also been awarded the contract to build the power transmission lines for the Grand Renaissance Dam on the Blue Nile River.

Although less visible, Zhongxing Telecommunication Equipment (ZTE) has played a vital role in upgrading and modernising Ethiopia’s telecommunications sector. By setting up a large mobile network in Addis Ababa and at least eight other cities, the company has contributed to expanding connectivity and the number of mobile phone users at a national level, which rose from 1 million in 2007 to 15 million in 2012.\textsuperscript{78} However,

\textsuperscript{77} Cabestan J-P, \textit{op. cit.}, p. 58.
\textsuperscript{78} \textit{Ibid.}, p. 59.
the poor quality of the network and installations has led to widespread criticism. Consequently, measures were taken to impose more rigorous quality and norm controls on ZTE, in addition to opening the market to other operators (such as France Telecom, which has signed a deal with Ethiopian Telecom). Given its firm grip on the economy, the Ethiopian government has demonstrated its ability ‘to react and adjust to a situation perceived as too unbalanced and detrimental’.79

Thanks to the importance attached to industrialisation (in particular light manufacturing) and urban development in the GTP-II, there is great investment potential for Chinese economic operators in Ethiopia. As part of a broader initiative to set up special economic zones (SEZs) in parts of Africa,80 the Chinese and Ethiopian governments decided in 2008 to create an industrial zone, known as the Eastern Industrial Park, on the south-eastern outskirts of Addis Ababa. Funded by a consortium of public and private Chinese enterprises, the area was designed to cover 5km² and expected to attract factories specialising in the manufacturing of textiles, shoes and electric equipment while creating about 20 000 new jobs.81 Thus far it has failed to meet expectations. Nonetheless, when asked about beneficiation and the localisation of products and the workforce in Africa, Chinese officials consistently refer to the Huajian shoe factory, located in this industrial zone. Established in 2012, Huajian employs more than 4 000 Ethiopians82 and has, at least according to pro-government newspapers (both Chinese and Ethiopian), become the exemplar of investment opportunities in Ethiopia’s manufacturing sector.83

According to the Ethiopian Investment Authority, 348 Chinese private and state-owned manufacturing companies were operating in Ethiopia in 2010. Adem has argued that these investors have been attracted partly by favourable conditions for producing and selling manufactured goods and partly by the prospect of duty-free access to the US market for domestically produced textiles under the African Growth and Opportunity Act.84 With plans to increase the number of SEZs across the country, the Ethiopian authorities expect further investments by Chinese companies. Despite the recent slowdown of the Chinese economy and slump in commodity prices resulting in a significant drop-off in Chinese FDI into greenfield projects, Ethiopian officials are optimistic that Ethiopia, being more

79 Ibid., p. 59.
81 Adem S, op. cit., p. 146.
82 The Ethiopian Herald, op. cit.
83 There are nonetheless recurring rumours that the company has been struggling to keep afloat in Ethiopia, and that, following the widespread media coverage, the Chinese authorities had to help it out to sustain the idea of a success story.
84 Adem S, op. cit., p. 151.
Promotional magazine cover showing the envisaged Ethiopia–China Dongguan Huajian International Light Industry Zone, handed out at Huajian headquarters, Dongguan, Guangdong
resilient than commodity-exporting countries, will continue to attract investments owing to its strategic position85 and ‘diplomatic usefulness’.86

Furthermore, the visible construction boom both within and on the margins of Addis Ababa, coupled with rising urbanisation rates, also creates market opportunities for Chinese property developers. While some of the latter are already involved in building affordable housing units to help address the country’s housing shortage,87 others are mainly interested in developing modern and upmarket urban complexes.88 The most ambitious comprehensive project to date, combining industrialisation with housing, is the Ethiopia–China Dongguan Huajian International Light Industry Zone, implemented by the aforementioned shoe factory (also involved in real estate) at a cost of $400 million and intended to be functional by 2020.89

As mentioned before, ‘development [in Ethiopia] is basically a local act’90 and has a direct impact on the scope of Chinese actors involved on the ground. Additionally, it ‘illustrates China’s propensity for assisting developing countries by aligning itself with the ambitions of governments in place’.91 Whereas most large African cities are nowadays characterised by the tangible presence of Chinese migrant-entrepreneurs involved in trade, the strict retail and wholesale regulations in Ethiopia have prevented foreign operators from penetrating this segment of the market. As a result, Chinese involvement in the Ethiopian economy consists of mostly large companies, both public and private, as well as government loans and contracts.

**MUTUAL (ASYMMETRICAL) LEARNING, REGIONALISM AND RULE BY LAW**

Ethiopia is among the few countries in Africa where Chinese national and regional interests not only cohabit but also increasingly intersect. This is, as already mentioned, due to its strategic positioning in the Horn of Africa and the highly concentrated institutional landscape present in the capital. It is thus important to look at China’s direct

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86 Adem S, *op. cit.*
87 China Eximbank agreed to provide a $170 million loan for the building of condominiums in major cities across Ethiopia. Adem S, *op. cit.*, p. 146.
88 China’s Tsehay Real Estate is the most blatant example, worth $150 million, comprising flats, offices, a commercial street and a four-star hotel. *Youtube*, ‘Ethiopia (CCTV Africa): Addis Ababa’s construction boom’, https://www.youtube.com/watch?v=c-1jwN6qU_Q, accessed 26 October 2015.
90 Fourie E, *op. cit.*, p. 305.
and indirect influence on governance at a national level, ranging from regular party-to-party exchanges and shared practices to the indirect spread of broader ideas. Beijing is also increasingly engaging Ethiopia through multilateral platforms with regard to South Sudan and other conflict-affected areas in Africa.

**Constrained forms of engagement and influence**

Ethiopia is often portrayed as a paradox, with ‘astonishing progress delivered by a restrictive regime’. Given the emphasis on state-led development and the increasingly blurred line between party and state, numerous parallels have been drawn with China. A recent study has argued that, far from their partnership’s being limited to an exchange of infrastructure for diplomatic support or utility maximisation, China and Ethiopia are ‘linked through their shared interest in learning and applying a common practice’. This idea of a ‘shared identity’ between Ethiopia and China is, for instance, connected to the existence of a joint enterprise. Despite differences in their political systems and the outcomes of long-term modernisation, both governments, at least in practical terms, place greater emphasis on the need to achieve economic development than on considerations of broader political reforms. In this specific calculus, the state (and/or ruling party) becomes the key reference point and actor in maintaining stability (often labelled as ‘authoritarian developmentalism’) and draws its legitimacy from the delivery of goods and services.

Determined to implement its own development path, Ethiopia’s political leadership has, from the mid-1990s onwards, increasingly been inspired by China’s example of developing without following prescriptions from the outside. While playing an important role in Ethiopia’s development ideology and overall structure, ‘China’s model [is nonetheless nested] within a broader project of East Asian modernisation, [where China is] viewed as a recent and prominent example of a broader regional phenomenon’. When asked about its breadth of influence, most interviewed stakeholders remarked that the Ethiopian party-state is interested mainly in learning from China’s economic success story, in particular the ‘socialist market economy’, but tends to see European countries as

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96 Fourie E, op. cit., p. 302.
'more useful' in terms of political matters. As many interviewees pointed out, Ethiopia 'is a proud nation (claiming to be distinct and chosen) and also very turf-orientated', a phenomenon that can be observed from the top leadership to the level of citizens. As a result, the impact of foreign actors is often diluted within national agendas and, as Fourie argues, 'even where China is viewed as a model, its lessons are selectively incorporated and perpetually in competition with other influences'.

After extended periods of violence and conflict under the brutal Derg regime, Ethiopia has entered a phase of relative stability, at least until recently. Nonetheless, some areas remain uncertain. The border between Ethiopia and Eritrea is still heavily militarised ever since the war between the two countries (1998–2000) and both states continue to harbour rebel groups opposing the other within their respective territories.

At a domestic level, Ethiopia has been gripped by internal turmoil since November 2015, particularly in its two largest and most populated regions – Oromia and Amhara. These protests, which erupted in reaction to the government's master plan to create an integrated development framework between Addis Ababa and the surrounding Oromia towns, have left hundreds of people dead and led to thousands of arrests. Against the backdrop of the government's secrecy regarding the nature and content of the plan, many Oromos felt that the master plan was another attempt to seize more Oromia lands in the name of development. In Amhara, the protest was triggered by the alleged annexation of three woredas by Tigray regional state. Since June 2016 dozens of protesters and several police officers have lost their lives. The related damage of property was also significant – according to reports, 10 out of 12 foreign-owned flower farms were ransacked in Bahir Dar (the regional capital) alone. Moreover, around 95 people were killed in the first half of 2016 in an inter-clan clash between the Amhara and Qemant ethnic minority groups in different parts of Gondar. Konso, a small area in the Southern regional state, also witnessed clashes between federal police and local residents demanding more

97 Interviews with a number of Ethiopian experts, Addis Ababa, 19–26 October 2015.
98 Interview with the Head of Political Affairs, Embassy of Norway, Addis Ababa, 19 October 2015, as well as general conversations throughout the whole field trip.
99 Fourie E, op. cit., p. 302.
101 Woredas or districts are composed of a number of wards (or kebeles), which form the smallest unit of local government in Ethiopia.
103 Addis Standard, op. cit.
freedom and independent administration. Without making any firm statements, various international actors – including the US government and the EU – have criticised the Ethiopian government for its heavy-handedness in handling these protests. On 10 October 2016 the Ethiopian government declared a six-month nationwide state of emergency with the aim of restoring order following months of anti-government protests and the continued marginalisation of minority political groups.

The Ogaden region, located in eastern Ethiopia, represents another security problem for the government. Chinese companies started oil explorations in the Ogaden region in the mid-2000s. This came to a sudden halt in 2007 when the Ogaden National Liberation Front (ONLF), a group opposed to the central government, attacked an oil exploration field operated by Zhongyuan Petroleum Exploration Bureau (a subsidiary of Sinopec). A total of 74 people, including nine Chinese workers, were killed and six other Chinese were kidnapped, resulting in Sinopec’s pulling out of the country. Despite warnings by the ONLF that it would not allow resources from the region to be exploited either by the Ethiopian government, which it accused of violating human rights and committing war crimes, or by any foreign firm, Beijing stated that such attacks ‘would not deter it from continuing to invest in Ethiopia and Africa’. In 2011 a Hong Kong-based Chinese company, PetroTrans, was awarded a contract to develop oil and gas reserves in Ogaden and build a pipeline to Somaliland’s port of Berbera. When it failed to honour its commitments, an unnamed Chinese company was awarded the concessions in 2013. Tangible results still remain to be seen.

Apart from its direct impact on human lives, human security can also be understood from a broader perspective, which includes the provision of basic services to the country’s population. In Ethiopia this is particularly salient in light of the recent drought, where tens of millions of people have been severely affected and are in need of urgent support. In November 2015 China donated RMB 50 million ($7.9 million) worth of food aid to

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107 Thakur M, op. cit., p. 11.
108 Ibid., pp. 11, 12.
110 Shinn D, op. cit.
112 Currency code for the Chinese renminbi.
the drought-affected areas in Ethiopia and supplied an unspecified amount of financial support through its Red Cross Society in March 2016.\textsuperscript{113} In this context, China's ability to pull several hundred million Chinese out of poverty and absorb young and educated people into its domestic job market is seen as a valid example for Ethiopia's own development challenges.

Apart from the more easily recognisable economic interests, it remains difficult (for the outsider) to assess China's impact in shaping the governance space in Ethiopia. If it has become increasingly hard to disentangle government-to-government from party-to-party links, a more specific focus on the latter helps nonetheless to unveil some of the main areas of co-operation. For the Chinese Communist Party (CPC), the EPRDF, as a zealous proponent of the developmental state, is a key ally.\textsuperscript{114} In line with regular party member exchanges (both high level as well as from regional and national administrations)\textsuperscript{115} and training, specific attention is given to party building (in particular the role of the party in the state), public mobilisation, and party leadership and succession strategies.\textsuperscript{116} Additionally, one online comment mentions a joint workshop held in Addis Ababa in 2012 on the topic of China's experience in the areas of mass media capacity building, mass media institution management and internet management.\textsuperscript{117} The CPC even sent a delegation to the EPRDF's organisational conferences (2008, 2010 and 2013), in addition to signing an MoU on exchange and co-operation with Ethiopia's ruling party (2010). There are also close links between Ethiopia's Parliament and the China National People's Congress.\textsuperscript{118} Despite this political closeness, one stakeholder insisted that, beyond any ideological tropes, China is unable to influence state shaping in Ethiopia due to the country's own cultural background and particular context.\textsuperscript{119}


\textsuperscript{114} In July–August 2015, both authors took part in a seminar tour in China organised by the Policy Research Office of the CPC Central Committee. While this particular trip catered to African scholars from think tanks and universities, the organisers regularly extend invitations to selected political parties, including the EPRDF, but also the South-West African People's Organisation (Namibia), the South African Communist Party, the ANC, the Zimbabwe African National Union – Patriotic Front and the Chama Cha Mapinduzi of Tanzania.


\textsuperscript{116} Hackenesch C, \textit{op. cit.}, p. 23; Lejeune J, \textit{op. cit.}, pp. 8–9.

\textsuperscript{117} This item, posted on Facebook, is a direct translation of the EPRDF's website information feed written in Amharic. See Facebook, https://m.facebook.com/story.php?story_fbid=184119308384573&tid=499671008211&fref=pb&fbid=184119308384573, accessed 25 November 2015. Some additional commentators questioned the EPRDF's take on freedom of expression or sarcastically dismissed China's 'model' position in this area.

\textsuperscript{118} Hackenesch C, \textit{op. cit.}, p. 23; Shinn D, \textit{op. cit.}; Lejeune J, \textit{op. cit.}, pp. 8–9.

\textsuperscript{119} Interview with the Director of the Institute for Peace and Security Studies (IPSS), Addis Ababa, 26 October 2015.
Different forms and varying levels of control have become an integral part of Ethiopian society. To government detractors, the country resembles a police state\footnote{Interview with a Professor in the Political Sciences Department at the University of Addis Ababa, Addis Ababa, 21 October 2015.} ‘run[ning] a pervasive security apparatus and restrict[ing] free speech, despite claims to the contrary’.\footnote{\textit{Financial Times}, \textit{op. cit.}} Increasingly perceived as the region’s military and economic hegemon,\footnote{Maiyo J, ‘Ethiopia: New East African hegemon?’, \textit{African Arguments}, 20 April 2012, \url{http://africanarguments.org/2012/04/20/ethiopia-and-somalia-joining-eac-will-transform-regions-security-architecture-by-josh-maiyo/}, accessed 15 September 2015.} Ethiopia has one of the biggest armies on the continent.\footnote{\textit{Mail & Guardian}, ‘Military Inc.: African armies are big players in economies – with Ethiopia, Egypt top of the list’, 23 November 2015, \url{http://mgafrica.com/article/2015-11-22-military-inc-big-players-in-african-economies-with-ethiopia-egypt-among-the-top-brass}, accessed 15 September 2015.} The more central parts of Addis Ababa reveal the heavy presence of armed soldiers, while hotels and big shopping centres also enforce safety checks at their entrances. In light of the recent assault on the Radisson Blu Hotel in Mali’s capital Bamako (20 November 2015), during which three Chinese citizens died, as well as claims that the bulk of attacks on Chinese employees overseas are taking place in Africa,\footnote{\textit{China Daily}, ‘3 Chinese citizens killed in Mali hotel siege, 4 rescued: embassy’, 21 November 2015, \url{http://www.chinadaily.com.cn/world/2015-11/21/content_22506333.htm}, accessed 24 November 2015.} Chinese authorities will look favourably at these measures.

Another area of expanding control, this time in conjunction with Chinese companies, is in the technological surveillance of the internet and mobile technology.\footnote{Gagliardone I, \textit{op. cit.}.} China’s leading position in Ethiopia’s telecommunications industry is seen as undermining freedom of expression, given the ‘suspected [use of] Chinese technology for jamming radios and television broadcasts critical of the government and for blocking opposition-controlled or opposition-affiliated websites’.\footnote{Adem S, \textit{op. cit.}, p. 153.}

Controlling as well as limiting corruption is another area of focus in Ethiopia, even though, in comparison with most countries in the region, it is not seen as being rampant. Like China, but to a lesser degree, the ruling EPRDF party has enforced strict anti-corruption measures, which extend as far as clamping down on rent-seeking behaviour and enforcing party discipline.\footnote{Interview with an Ethiopian expert on domestic politics, Addis Ababa, 20 October 2015.} Nonetheless, if theoretically considered as an implementation of the ‘rule of law’, it does not seem binding to the top political leadership, effectively transforming it into a ‘rule by law’.\footnote{Fukuyama F, \textit{Political Order and Political Decay}. London: Profile Books, 2014, p. 24.}

Besides interactions at a domestic level, China’s presence in Ethiopia is also informed by interests that stretch beyond the latter’s territorial borders.
SEEING ETHIOPIA AS A REGIONAL PLATFORM

As the continent’s main diplomatic ‘capital’, Addis Ababa is at the heart of broader political discussions and proceedings. In a region where Western players, both individual European countries as well as the EU as an entity, have for a long time dominated politics, China has recently stepped up its efforts to become more actively involved. The latter’s presence amid a myriad of foreign actors in Addis Ababa provides a condensed view not only of China’s gradually shifting foreign policy approach to African matters but also of comparisons, challenges and possible complementarities with Western counterparts.

If Ethiopia has developed into one of the most coveted co-operation partners in Africa, its ties with various countries often respond to different logics. According to Hackenesch, ‘the EU mainly engages Ethiopia as an aid recipient, whereas China has developed a comprehensive political and economic partnership with the East African state’.129 One European stakeholder particularly deplored the fact that, despite being Ethiopia’s main strategic partner (from his point of view), Europeans are not trying hard enough business-wise and are increasingly perceived as ‘failing’ economies versus the ‘progressive outward-looking’ Chinese one.130 Another difference lies in the overall approach. While discussions about political and economic reforms with China seem to respond to Ethiopian demands, Hackenesch argues that dialogues with Europeans donors are largely driven by the European side.131

Nonetheless, the degree of outside influence on domestic politics in Ethiopia remains limited. When, in the aftermath of the 2005 election disaster, European donors decided to suspend direct budgetary support,132 Meles refused to buckle. Despite threats European funds never actually left the country, but were instead increasingly rechanneled towards ‘programmes with stricter monitoring and earmarking procedures’ in order ‘to continue cooperating with the government’.133 When asked about donor politics in a country with a poor human rights record, the same European stakeholder insisted that, despite the largest overall volumes of programmes by the UK’s Department for International Development, the EU and probably the US Agency for International Development (better known as USAID), Ethiopia remained a very low per-capita aid recipient, coming after even Somalia.134 As vocal defenders of liberal democratic values, European donors in Addis Ababa are in an uncomfortable position. Given Ethiopia’s strategic importance in East Africa, they have to maintain (and even expand) their presence on the ground.

129 Hackenesch C., op. cit., p. 7.
130 Interview with the Head of Political, Press and Information Section, Delegation of the EU to Ethiopia, Addis Ababa, 26 October 2015.
131 Hackenesch C., op. cit., p. 28.
132 Ethiopians still believe they are being held to a different standard than other African countries. While the 2005 post-election violence (where about 200 people died) led to the (temporary) halt of donor funding, the 2009 post-election outbreak of violence in Kenya (with about 1 000 causalities) left the donor community mostly unmoved.
133 Hackenesch C., op. cit., p. 20.
134 Interview with the Head of Political, Press and Information Section, Delegation of the EU to Ethiopia, Addis Ababa, 26 October 2015.
Additionally, beyond the human rights and governance conundrum, a Western diplomat was quoted in a media analysis piece as saying that ‘dollar for dollar, Ethiopia represents by far the best value for aid money in Africa’.\textsuperscript{135} From the outside, it remains unclear to what extent China and other emerging economies are being used by the Ethiopian government as a ‘bargaining chip in negotiations with European donors’.\textsuperscript{136}

The co-existence of Chinese and European interests in Addis also reveals divergences in terms of focus areas and implementation. At the EU delegation to the AU, the meeting with the head of the Political, Press and Information Section took place in a room directly overlooking the AU headquarters. For him, the main difference between Chinese and European involvement lies in the contrast of the ‘tangibles’ with the ‘intangibles’. First, he motioned at the AU edifice in the background (built by the Chinese for $200 million) before pointing at a much smaller building in the foreground, the Peace and Security building funded by the German Gesellschaft für Internationale Zusammenarbeit at a cost of about $15 million. From his perspective, this example illustrated a broader trend, namely that the Chinese are predominantly responsible for large-scale and symbolic projects (such as the AU building or the light rail), whereas larger sums of European money are used for a range of smaller, less visible, endeavours.\textsuperscript{137} The political head at the bilateral European delegation made a similar comment, saying that, in Ethiopia, it is easier to make a difference or have a long-term impact at the national level when keeping a low profile and investing in targeted projects.\textsuperscript{138}

In parallel with its engagements with the ruling party in Ethiopia on governance capacity building, China has also become more assertive in the field of regional stability. Through the expansion and growing embeddedness of economic activities, some Chinese actors and businesses are increasingly drawn into domestic politics. As a result, China has come to understand that ‘peace and security dynamics are so intertwined that [often] they cannot be resolved independently of each other’.\textsuperscript{139} Chinese oil companies and central authorities active on the continent have gradually realised that oil-related conflicts are not merely limited to a ‘technical issue’, forcing them to become more proactive and requiring a stronger political engagement.\textsuperscript{140} In practice, Chinese actors in Africa have not always grasped the magnitude of the challenges that accompany the unfolding of their activities.

\begin{itemize}
\item \textsuperscript{136} Hackenesch C, \textit{op. cit.}, pp. 27–28.
\item \textsuperscript{137} Interview with the Head of Political, Press and Information Section, Delegation of the EU to the AU, Addis Ababa, 22 October 2015. He mentioned that, during the first summit in the new building, AU Commission Chairperson Nkosazana Dlamini Zuma thanked China on three occasions, even though, as he added, 90% of all external funding to the AU is coming from the West and did not receive any mention.
\item \textsuperscript{138} Interview with the Head of Political, Press and Information Section, Delegation of the EU to Ethiopia, Addis Ababa, 26 October 2015.
\item \textsuperscript{139} Maiyo J, \textit{op. cit.}
\item \textsuperscript{140} Interview with Minister Counsellor at the Norwegian Embassy, previously the special envoy to Sudan and South Sudan, Addis Ababa, 19 October 2015.
\end{itemize}
During the first phase of an investment project, risk assessment was merely seen as a formality rather than a prerequisite serving as an important guiding or arbitration tool.\textsuperscript{141} The fear of losing out on business opportunities has led to Chinese actors’ becoming increasingly aware of the need to incorporate this aspect into their management practices, to ensure the sustainability of their activities. One European stakeholder argued that, ‘in order to maintain their tangibles [ie, business interests], the Chinese need to get into the intangibles’.\textsuperscript{142}

Given its increased participation in direct mediation, both between the two Sudans as well as within South Sudan itself, China has also started to engage at a more regional scale. One example relates to the signing of an MoU in 2011 between the Chinese government and the Intergovernmental Authority on Development (IGAD),\textsuperscript{143} which provided $100,000 for operational costs and a donation of $98 million (in 2012) to be used in part for peace and security purposes.\textsuperscript{144} IGAD is one of the main actors involved in the peace process in South Sudan, having set up a Monitoring and Verification Mechanism in early 2014. Aware that other external partners are more experienced in this domain, the Chinese embassy in Addis Ababa has been consulting other foreign representations, such as the Norwegians and the EU delegation,\textsuperscript{145} on a regular basis.

China’s biggest (if prudent) move has nonetheless occurred at the AU level. With the setting up of its permanent mission, China is henceforth ‘allowed to sit at the table and play a bigger, and ideally more active, role in Africa’.\textsuperscript{146} As a newcomer in this position, China is willing to be guided by and learn from its more established counterparts. While Beijing prefers to remain in the background, the EU is trying to increase its involvement

\textsuperscript{141} Africa-Asia Confidential, ‘Negotiating risk’, 6, 5, 2013, pp. 1–3.
\textsuperscript{142} Interview with the Head of Political, Press and Information Section, Delegation of the EU to the AU, Addis Ababa, 22 October 2015.
\textsuperscript{143} Established in 1996, the Intergovernmental Authority on Development (IGAD) is a regional grouping comprising eight member countries. It superseded the Intergovernmental Authority on Drought and Development (IGADD) in 1986, and has, since then, developed a stronger focus on peace and security alongside development. While the current headquarters are located in Djibouti City, most leading positions are filled by Ethiopians. For further information see IGAD, http://igad.int, accessed 25 November 2015.
\textsuperscript{145} At the Norwegian embassy and at the EU Delegation to the AU, both interviewees had first-hand and in-depth experience of Sudan as well as South Sudan, being directly involved in conflict resolution and mediation. The aforementioned special envoy to Sudan, now minister counsellor at the Norwegian Embassy, mentioned that the Norwegians had regular meetings with their Chinese counterparts regarding regional peace and security issues. However, ever since Norway awarded the Peace Nobel Prize to Chinese dissident Liu Xiaobo in 2010, interactions have become more difficult. At the EU Delegation to the AU, the head of the Political, Press and Information Section previously seconded the special Italian envoy to South Sudan.
\textsuperscript{146} Interview with the Head of Political, Press and Information Section, Delegation of the EU to the AU, Addis Ababa, 22 October 2015.
While it has stepped up its financial support and institutional commitment, the Chinese government relies on African institutional bodies (namely the AU and IGAD) to help maintain stability and thus, indirectly, business-friendly environments for Chinese activities for the following reason: ‘If they [the Chinese] say something, it is different than if it comes from the EU [even when opinions align] … Within a broader African context, their voice has a different connotation and is accepted more easily.’  

Most outside observers mentioned that, despite pursuing their own goals, the Chinese are willing to align with Europe when ‘permitted’; yet declarations made at the AU in Addis Ababa are not always matched at the UN Security Council in New York. While it has stepped up its financial support and institutional commitment, the Chinese government relies on African institutional bodies (namely the AU and IGAD) to help maintain stability and thus, indirectly, business-friendly environments for Chinese activities. In the long run, following its trial period at the AU and higher expectations related to its assumption of the G20 chair in 2016, China is believed to have become more actively involved in peace and security, both in Addis Ababa and globally.

**CONCLUSION: A BLUEPRINT FOR LEARNING AND REGIONAL POLITICS**

Bilateral relations between Ethiopia and China have improved significantly over the past two decades. Between 2003 and 2013 the yearly volume of bilateral trade has multiplied by more than 13151 and China has become not only Ethiopia’s biggest foreign investor but also its largest trading partner. As part of its expanding role and tangible presence in the country, the Chinese government has constructed large-scale projects in Ethiopia, including the Express Toll Way, the first operative wind power plant, the Addis Ababa Light Track Railway, the Ethiopia–Djibouti railway line, the Tirunesh-Beijing Hospital and a Confucius Institute. This level of co-operation has also been strengthened by the relative proximity in political ideology between the EPRDF and the CPC.

Both Chinese and Ethiopian officials proudly refer to the longevity of their own history (5 000 and more than 2 000 years respectively), and speak about the importance and ownership of their state-led developmental path. Since Xi’s coming to power in 2013, domestic politics in China have been dominated by the ‘Four Comprehensives’

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147 Ibid.
148 This opinion was expressed during interviews with various European stakeholders, Addis Ababa, 19–26 October 2015.
149 During his speech to the UN General Assembly in September 2015, Xi not only announced that China planned to set up a UN permanent peacekeeping force of 8 000 troops but also pledged to provide $100 million to the AU for a standby force capable of responding to emergencies. See Perlez J, ‘China surprises UN with USD 100 million and thousands of troops for peacekeeping’, *New York Times*, 28 September 2015, http://www.nytimes.com/interactive/projects/cp/reporters-notebook/51-jinping-visit/china-surprises-un-with-100-million-and-thousands-of-troops-for-peacekeeping, accessed 30 September 2015.
150 This is how African states see it, by giving emphasis to Chapter VIII of the UN Charter, on the role of regional organisations.
political guidelines.\textsuperscript{152} Less vague than the ‘Chinese dream’ concept, the aims of the ‘Four Comprehensives’ are for China to ‘(re)build a modern and prosperous society in all respects by 2020’, ‘strengthen the rule of law and improve the party’s conduct’, ‘enforce party discipline’ and ‘strengthen reforms’, with the last three being seen as strategic steps.\textsuperscript{153}

Despite strong party-to-party links between the two countries, it is difficult to assess whether and how much these domestic Chinese guidelines are spilling over into the Ethiopian context. As outlined in the course of this paper, Chinese influence in the fields of governance and politics in Ethiopia appears to be quite constrained, due to the nature of Ethiopian statecraft and the strong vertical as well as horizontal dimensions of power and control practised by the ruling party. Nonetheless, the EPRDF’s developmental rhetoric of enforcing strong limitations on personalised rent-seeking, clamping down on corruption and accelerating economic reforms, resonates strongly with the ‘Four Comprehensives’ envisaged by the Chinese leadership.

This said, China’s power of persuasion is mostly limited to being perceived as an example of economic success, while, politically speaking, Ethiopia is much more drawn to emulate experiences from South Korea and Japan.\textsuperscript{154} For Western partners, the importance is to assess when this eventual turning point – the evolution from a purely developmental approach to a broadening of the political discourse – might happen. Until then, maintaining a stable and effective government seems to form the basis of a tacit agreement between Western and Chinese stakeholders.

If complementarities between the broader ‘West’ and China in Ethiopia seem limited to contributing to development priorities, the importance of the regional focus provides numerous avenues for dialogue and collaboration. The most obvious one comes in the form of China’s intensified interest in engaging the AU alongside other Western powers. In the field of peace and security, where China is also becoming more active, it is fairly easy to provide practical inputs as the framework is already entrenched. The African Peace and Security Architecture, which offers a complete overview – from prevention and management to post-conflict reconstruction and development – allows development partners to engage in specific areas. However, while the AU holds ownership at the strategic level, most financial support is still coming from the outside. According to the director of a research institute in Addis Ababa, ‘donors have a lot to say and are able to influence the decision-making process’.\textsuperscript{155} As a newcomer in this position, China is willing to be guided and learn from its more established counterparts. At present, Beijing


\textsuperscript{153} Both authors attended a lecture given by a professor from the Party School of the Central Committee of CPC on the topic of ‘China’s national and intra-Party conditions as well as the “Four principles strategy” blueprint’ (Seminar tour, Beijing, 22 July 2015).

\textsuperscript{154} Several Ethiopian experts mentioned this during a series of interviews, Addis Ababa, 20–26 October 2015.

\textsuperscript{155} Interview with the Director of the IPSS, Addis Ababa, 26 October 2015.
is more comfortable in supporting peacekeeping missions than getting too involved in conflict prevention and mediation. Yet Beijing's reaction to recent terrorist attacks (also directly affecting Chinese citizens), as well as the confirmation that a logistics hub for military operations will be set up in Djibouti, not only signals a broader, more active role for China but also provides possibilities to collaborate with Western countries, both at AU level and throughout the Horn of Africa.
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