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**Call it neocolonialism: Correlation between
Chinese economic investment and crime,
corruption, gas, oil and the level of democracy in
Sub-Saharan Africa**

Bachelor's Thesis

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Abstract

This thesis explores the possible neocolonialism behind Chinese economic investment in Sub-Saharan Africa. The author used most-different case study and chose Angola, Cameroon, Chad, Congo Republic, Ethiopia, Gabon, Ghana, Mozambique, Nigeria, Senegal, South Africa and Zimbabwe as the countries to analyse the economic co-operation with China. Investments made into these twelve countries were compared with the level of democracy and corruption, the reserves of oil and natural gas and the homicide rate in each of these countries and the correlations were analysed.

The main research question is how relevant is the extraction of resources from African states for Chinese investment in the region? Sub-questions for this thesis are whether the Chinese economic investment in Sub-Saharan Africa correlate with the availability of oil and gas reserves, corruption, crime rates and the level of democracy, whether China's economic co-operation is resource motivated as is theorised by the critics of the Beijing Consensus and if there will be no correlation between resources and investment then do other factors play a role? The hypothesis of this paper is that there is an average correlation between all of the factors except gas and oil which would have an high correlation.

The critics of the Beijing Consensus has said that the Chinese approach in Africa is an example of neocolonialism in the sense that they are trying to extract as much natural resources for themselves as possible while exploiting the African countries. This was found to be incorrect as all of the chosen factors were of average correspondance and from these factors the correlation between investments and corruption rates was the highest. This also means that the hypothesis of this paper was not completely true. Oil and gas reserve correspondance with investments was found in five countries. Seven countries had corresponding data between investments and corruption rates, five countries examined had corresponding data between investments and homicide rates and six countries had correspondance between the democracy rating and the Chinese investments. So the extraction of resources is not the most relevant factor for Chinese investment strategy.

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Introduction

The aim of this paper is to explore the possible reasons for Chinese economic investment in Sub-Saharan Africa. This is a very relevant topic because China has increased its economic presence in the region and has become one of the key partners to many African countries concerning large-scale infrastructure projects (Arewa, 2016: 101). When previously the so-called Washington Consensus was the most influential on the continent with its neo-liberal approach, then now the Beijing Model or the Beijing Consensus has expanded to numerous countries (Bekana, 2014: 131). The Washington Consensus which can be seen as a reform package promotes economic liberalisation and with it also the idea of freedom in the political sphere contrary to the Beijing Consensus which is advertised more as a strings-free economic co-operation with no forced movement towards the market orientated democratic model (ibid). However there are some concerns about the Beijing Consensus and more specifically about the Chinese cooperation with Africa. These concerns are mainly related to China's policy of non-interference in local affairs which has led to dealings with a number of leaders who have been criticized for human rights abuses, environmental destruction and also large-scale corruption, so leaders who do not lead their country by the idea of sustainable growth (Nordtveit, 2008: 96). Due to Africa's long history of exploitation thanks to its abundance of natural resources, some authors have blamed China for neocolonialism which in its essence is China taking control of Africa's natural resource supplies in exchange for cheap China-manufactured goods or as was brought out previously, infrastructure projects which will help the Chinese export the goods from African countries (Chen, 2016: 513). This combined with the fact that China has emerged as a big political and economical power in the last decades makes the topic of further Chinese economic expansion in Africa a very relevant topic in the field of international relations.

The main research question for this paper is how relevant is the extraction of resources from African states for Chinese investment in the region? Sub-questions for this paper are whether or not the Chinese economic investment in Sub-Saharan Africa correlate with the availability of oil and gas reserves, corruption, crime rates and the level of

democracy, whether or not China's economic co-operation is resource motivated as is theorised by the critics of the Beijing Consensus and if there will be no correlation between resources and investment then do other factors play a role? To find an answer for these questions the author of this paper will analyse Chinese economic investment taking into account four factors and will see whether or not the Chinese investments correlate with these factors or not. The factors chosen for this analysis are from the area of natural resources, corruption, crime and the regime in that country. Natural resources were chosen because the rational thinking behind making investments is to get something in return and the countries which are rich in natural resources should then be a better option than those which do not possess them in the same quantity. Corruption and crime were chosen to show the internal stability of a country and to see whether or not this correlates with the investments made to the respective countries. The reasoning is that the more stable a country is, the bigger the chance that there will be no unwelcome surprises which would ruin the investment, for example riots and civil wars, so the more should be invested in this country. The last factor which is the regime type is analysed because China has advertised its economic co-operation as a no-strings attached polity and that the political sphere is not in their interest, so exploring whether this is true or not and whether or not there is a correlation is the point of the last factor.

This paper is mainly of an exploratory nature in that it is trying to find relationships between these factors, and from it to define possible new studies as well. It is also important to add that correlation does not always imply causation but finding a strong correlation between factors can be a starting platform for a new study going more in-depth with only one factor. It is, however possible that there is no correlation between any chosen factors which would mean that there should be another exploratory research paper looking for example at the possibility of China investing in Sub-Saharan Africa only to buy diplomatic power and voting power in the United Nations which can be another important factor.

The author's hypothesis is that there is an average correlation between all of the previously mentioned factors except for gas and oil reserves. The strongest correlation is hypothesised to be between the economic investments and gas and oil reserves because energy resources are very valuable in today's world, especially in China. The

reason behind this is that China has had a strong economic development which continuously needs a great deal of energy and a wide variety of natural resources. This is also backed up by the theory of resource-seeking foreign investment that says, as the name suggests that investment is made to gain access to resources needed back at home or to get the resources that are already available at home but at a cheaper price (Dunning, 1993: 57). In addition to this, the criticism of the Beijing Consensus and the accusation of Chinese neocolonialism in Africa which was brought out previously points into this direction as well. The other factors are hypothesised to have an average correlation because they are thought to be factors that also play a small role in the Chinese investment strategy.

Beijing Consensus and neocolonialism

Due to the fast economic rise of the last decades and the following rise in political importance China can be seen as a good economic role model to follow for other developing countries. Speaking in broad terms following China's model is what the Beijing Consensus is all about. The Beijing Consensus is flexible, pragmatic and is mainly a set of economically driven ideas which do not tell a country to act in one way or the other politically, being more orientated on the economic side of things (Ramo, 2004: 4). The spread of these ideas along with Chinese presence can be seen as the spread of Chinese influence as well.

Researchers have criticized the Beijing Consensus and more specifically the cooperation between African states and China as being part of a strategy to obtain easy and cheap access to natural resources in Africa. Some experts like Adam Tiffen for example have gone so far as to say that China's only motive for being in Africa is just to relieve its economy's thirst for natural resources and with it they are taking advantage of the less developed African countries (Tiffen, 2014). The spread of the Beijing Consensus in Africa along with increased economic investments and development financing from China and its investors might be seen as neocolonialism in that sense. Neocolonialism in its essence is when a country has enough influence over an another, seemingly sovereign country so that its politics can be directed to take advantage of them. Meaning that the critics of the Beijing Consensus feel as if China is just growing its influence on the continent and investing in countries with a higher level of natural resources so that they can theoretically influence the countries policies to give them easy and cheap access to natural resources which their own economy needs. So in that scenario China would win economically and the African countries would lose economically and also be taken advantage of. From that it is possible to derive that the bigger the investments are in a country with big reserves of natural resources the more likely it is that China is trying to raise its influence and is acting like a neocolonial power. However there could be other reasons for large investments as well, for example getting more international recognition and voting power in the United Nations or getting Taiwan not recognised by the international community for example.

Methodology

The author will be using the method of most-different case study in this analysis when choosing the countries. The method, which is mainly used to identify correlation, and the logic behind it argues that when you take for example two cases which are as similar as possible except for one characteristic, when one case experiences an effect that the other does not, then the factor in which they differ must be the cause or at least a part of it (Mills et al. 2010). So the author will choose the countries according to their similarities and differences from Sub-Saharan Africa and will compare the chosen factors with the investment levels. If for example countries "a", "b" and "c" are in a different category concerning the level of democracy but the other factors are the same and the investment levels are the same as well then the level of democracy does not play a role. At the same time when countries "a" and "b" have a similar level of crime but differ in corruption and China is investing aggressively to countries with low corruption then the conclusion to take from there is that there is a correlation between corruption levels and investments from China. Taking that into account it is possible to find an answer to the research question.

Countries chosen for this paper in alphabetical order are Angola, Cameroon, Chad, Congo Republic (also known as the Republic of the Congo), Ethiopia, Gabon, Ghana, Mozambique, Nigeria, Senegal, South Africa, Zimbabwe. These countries are chosen because they have an economic connection to China and represent a wide range of different types of countries in regard to the factors previously brought out, which will give a good overview of the situation and will give the author comparable data. These countries are all also from the Sub-Saharan region. They will be divided into groups of low, average and high level of corruption, crime, oil reserves, gas reserves, diplomacy rating and investment compared to each other. After that, the factors in those countries will be analysed with the investment and the level of correspondence or correlation between said factors will be found.

The author defines low-correlation of a factor to 0-4 countries which will be in the corresponding groups, 5-8 as average and 9-12 to high. So if for example nine of the

countries have corresponding data between gas, oil reserves and Chinese investments, it will be seen as high correspondance. On the other hand, if only 3 countries have correlation between a factor and investment then the correlation between said factor and investments in that region will be regarded as low.

Because these areas encompass a lot of different data in them the author of this paper decided to scale them down and make the factors more concrete. So in the area of natural resources this paper will take into account the reserves of natural gas and oil as these are one of the most important natural resources needed in our society although Africa has a very large quantity of natural resources including also diamonds, salt, iron, uranium, copper, tropical fruits and so on. For corruption the author will be using Transparency International's corruption index of 2015. The index was established in 1995 and they get information from reliable data collectors as all of their sources originate from professional institutions which all clearly document their methodologically sound methods for data collection, for example if they are provided an expert opinion then they will look for assurances on the qualifications of the expert (Transparency International, 2016). This in addition to Transparency International's reputation is the reason the author decided to use this particular index. To analyse crime the author will be using the document "Global Study on Homicide 2013" published by the United Nations Office on Drugs and Crime. The author will be concentrating on homicides because this is the most registered type of crime, as in many countries sexual offences and small-time burglaries and assaults do not get reported or are not seen as crimes. The report which will be used, had data from the years 2000-2012 on the countries that were included in this paper and it showed intentional homicide rate per 100,000 population, by country (United Nations Office on Drugs and Crime, 2014: 9). To show the differences in regime types, the author will use The Economist Intelligence Unit's Democracy Index which scored 167 countries on a scale of 0 to 10 based on 60 different indicators concerning democracy (Economist Intelligence Unit, 2016). Finally the information about the Chinese investments from 2000 until 2013 was available thanks to Open Data for International Development which worked to track Chinese development finances to Africa by using over 31 000 sources including academic research, information from finance institutions and aid and debt information management systems among others (Strange et al. 2013).

To ensure that the data is comparable, the units are converted. The investments are shown per capita, the gas and oil reserves are shown in cubic metres and barrels of oil per square kilometre and the homicide rate is shown per 100 000 people in that country. The democracy and corruption indexes did not need conversion as that data was already made comparable.

1. Profile of selected countries

1.1 Angola

Angola has a total of 9.011 billion barrels of proven oil reserves to its land area of 1 246 700 square kilometers (The South African Oil and Gas Alliance, 2015: 18). It also has a proven natural gas reserve of 308.1 billion cubic metres (Organization of the Petroleum Exporting Countries, 2016: 8). This comes to 7219 barrels of oil and 247 052 cubic metres of gas per square kilometre.

Corruption in Angola puts it on the 163rd place on the corruption ranking with a score of 15 (Transparency International, 2015). Angola also has a homicide rate of 10 homicides per 100 000 people (United Nations Office on Drugs and Crime, 2014: 123). In addition to that Angola is a democracy with the level of democracy in Angola getting a ranking of 3.4 (Economist Intelligence Unit, 2016).

Angola has received about 12.1 billion USD worth of investments from the Chinese investors (Strange et al. 2013). The population of 21.47 million means that Angola has received about 564 USD worth of investments per capita (World Bank, 2013).

1.2 Cameroon

Cameroon has 154 billion cubic metres of gas to its land area of 475,442 square kilometres (Organization of the Petroleum Exporting Countries, 2016: 101). In addition to that, in 2004 Cameroon's oil reserves were estimated at around 400 million barrels (CAMEROON, 2007: 29). So per square kilometre they have 323 909 cubic metres of gas and 841 barrels of oil.

Cameroon was ranked by its corruption as the 130th country in the world with a score of 27, along with Iran, Nepal, Nicaragua, Paraguay and Ukraine (Transparency International, 2015). Furthermore, Cameroon has a murder rate of 7.6 murders per 100 000 people (United Nations Office on Drugs and Crime, 2014: 123). Cameroon is an democratic country and democracy in Cameroon got a score of 3.4 out of a possible 10 (Economist Intelligence Unit, 2016).

Cameroon has been a recipient of investments in the range of about 4.7 billion USD from the Chinese investors (Strange et al. 2013). With a population of 22.25 million, they received approximately 211 USD per capita (World Bank, 2013).

1.3 Chad

Chad has an approximate 1 billion barrels of oil in its southern part, in the Doba Basin to its land area of 1 259 200 square kilometres but does not boast a significant natural gas reserve (Means, 2016: 1). This means Chad has 794 gallons of oil per square kilometre.

According to the Transparency International, Chad's level of corruption was ranked as the 147th in the world with a score of 22 (Transparency International, 2015). The homicide rate in Chad was 7.3 murders per 100 000 people (United Nations Office on Drugs and Crime, 2014: 123). Chad is a democratic country which scored 1.5 in the Democracy Index (Economist Intelligence Unit, 2016).

Chad has gotten 261 million USD in investments from the Chinese investors (Strange et al. 2013). With a population of 12.83 million this amounts to 20 USD per capita (World Bank, 2013).

1.4 Congo Republic

Congo has 106 billion cubic metres of gas to its land area of 342,000 (Organization of the Petroleum Exporting Countries, 2016 : 101). In addition to that they have an oil reserve of 1.6 billion barrels which means they have 309 941 cubic metres of gas and 4678 barrels of oil per square kilometre.

Congo's rank on the corruption index was 146 with a score of 23 (Transparency International, 2015). Congo's rate of homicides was 12.5 killings per 100 000 people (United Nations Office on Drugs and Crime, 2014: 123). Congo, which is a democratic country, got a 2.91 out of a possible 10 in the Democracy Index rating (Economist Intelligence Unit, 2016).

Chinese companies have invested 4.1 billion USD in Congo (Strange et al. 2013). Considering that the Republic of the Congo has a population of 4.3 million, this

amounts to approximately 953 USD per capita worth of investments (World Bank, 2013).

1.5 Ethiopia

Ethiopia has a proven reserve of natural gas in the amount of 76 billion cubic metres in the Ogaden basin (Bekele, 2013: 70). In addition to that there is an estimated oil reserve of at least 1.56 billion barrels (Southwest Energy: 2013, 1). For a land size of 1 104 300 square kilometres this amounts to 1 413 barrels of oil and 68 821 cubic metres of gas per square kilometre (World Bank: 2015).

Ethiopia was ranked as the 103rd country in the world by its corruption alongside Dominican Republic, Kosovo and Moldova scoring 33 on the index (Transparency International, 2015). According to the World Health Organization the rate of homicides per 100 000 people in Ethiopia was 12 (United Nations Office on Drugs and Crime, 2014: 122). Democracy in the democratic country of Ethiopia scored 3.60 in the Democracy Index (Economist Intelligence Unit, 2016).

Ethiopia has gotten investments from China worth about 10.2 billion USD (Strange et al. 2013). Per capita this means 108 USD worth of investment as the population of Ethiopia is about 94.1 million (World Bank, 2013).

1.6 Gabon

Gabon has a total of 2 billion barrels of proven oil reserves to its land area of 267 667 square kilometres (Organization of the Petroleum Exporting Countries, 2016: 22). It also has a large quantity of proven gas reserves which reached 29 billion cubic metres in 2010 (Enerdata, 2011a: 4). This means Gabon has approximately 7472 barrels of oil reserves and 108 343 cubic metres of gas reserves per square kilometre.

Level of corruption in Gabon puts it on the 99th place in the corruption ranking, alongside Bolivia, Djibouti and Niger with a score of 34 (Transparency International, 2015). Rate of murders in Gabon in 2012 was 9.1 homicides per 100 000 people (United Nations Office on Drugs and Crime, 2014: 123). Gabon is a democratic country and Gabon's democracy rating has been on a steady rise since 2006 scoring 3.74 in 2016 (Economist Intelligence Unit, 2016).

Gabon has been the recipient of approximately 456 million USD worth of investments from China (Strange et al. 2013). With a population of 1.672 million this amounts to 272 USD worth of investments per capita (World Bank, 2013).

1.7 Ghana

Ghana is believed to have at least 3.8 billion barrels of oil reserves (Kopinski, Polus, Tycholiz, 2013: 583). In addition to that Ghana has about 24 billion cubic feet of natural gas reserves as well (Enerdata, 2011b: 4). For a land area of 227 540 square kilometres this amounts to 16 700 barrels of oil and 105 475 cubic feet of gas per square kilometre (World Bank: 2016).

Ghana was ranked as the 56th country in the world by its level of corruption alongside Cuba with a score of 47 (Transparency International, 2015). It also has a homicide rate of 6.1 murders per 100 000 people (United Nations Office on Drugs and Crime, 2014: 124). Ghana which is also an democratic country got a score of 6.75 in the Democracy Index (Economist Intelligence Unit, 2016).

Ghana has had 10.1 billion USD worth of investments made by the Chinese investors (Strange et al. 2013). Ghana has a population of 25.9 million people so this amounts to about 390 USD worth of investments per capita (World Bank, 2013).

1.8 Mozambique

Mozambique is thought to have a large quantity of oil but as of yet it is an unproven statement, but an estimate of natural gas reserves is about 13,4 billion cubic metres (Bucwane, Mulder, 2007: 7). To a land area of 786 380 square kilometres this amounts to 17 040 cubic metres of natural gas per square kilometre (Trading Economics: 2015).

Mozambique's rank on the corruption index was 112, with a score of 31, which puts it on level with Honduras, Malawi, Mauritania and Vietnam (Transparency International, 2015). World Health Organization has Mozambique's rate of homicides per 100 000 people at 12.4 (United Nations Office on Drugs and Crime, 2014: 122). Mozambique which is an democratic country got a democracy rating of 4.02 in 2016 (Economist Intelligence Unit, 2016).

Mozambique has had 5.7 billion USD worth of investments made by the Chinese companies (Strange et al. 2013). With a population of 25.83 million this amounts to 221 USD worth of investments per capita (World Bank, 2013).

1.9 Nigeria

Nigeria has a total of 37.062 billion barrels of proven oil reserves and 5,284.3 billion cubic metres of gas to its land area of 923,768 square kilometres (Organization of the Petroleum Exporting Countries, 2016: 22, 101). This means Nigeria has 40 053 barrels of oil and 5,72 million cubic metres of gas per square kilometre.

Nigeria has been ranked by its corruption as the 136th country scoring 26 on the ranking scale (Transparency International, 2015). Nigeria is found to have a murder rate of 20 homicides per 100 000 people (United Nations Office on Drugs and Crime, 2014: 124). Democracy in the democratic country of Nigeria got a ranking of 4.50 in the Democracy Index (Economist Intelligence Unit, 2016).

Nigeria has had a little over 9 billion USD worth of investments made which came from China (Strange et al. 2013). As the population of Nigeria is about 173.6 million people, this amounts to 52 USD worth of investments per capita (World Bank, 2013).

1.10 Senegal

According to the U.S. Geological Survey, Senegal has oil and gas resources in the volume of firstly 2 350 million barrels of oil and secondly about 529 billion cubic metres of gas to its land area of about 929 900 square kilometers (Brownfield, 2016). That means it has about 2 527 barrels of oil and 568 878 cubic metres of gas per square kilometre.

Senegal is on par with Italy, Lesotho, Montenegro and South Africa on the corruption index as the 61st country scoring 44 on index (Transparency International, 2015). According to the World Health Organization Senegal has a murder rate of 2.8 per 100 000 people (United Nations Office on Drugs and Crime, 2014: 124). Senegal which is an democratic state, was given a 6.21 rating in the Democracy Index (Economist Intelligence Unit, 2016).

Chinese investors and companies have invested about 515 million USD in different projects in Senegal (Strange et al. 2013). With a population of 14.13 million this means the Chinese have invested 36 USD per capita (World Bank, 2013).

1.11 South Africa

With a land area of 1 219 090 square kilometers South Africa has a total proven oil reserve of 15 million barrels and according to the U.S. Energy Information Administration they have an estimated 11 043 billion cubic metres of gas (The South African Oil and Gas Alliance, 2015: 6-10). This comes to 12,3 barrels of oil and 9 058 396 cubic metres of gas per square kilometer.

South Africa's corruption level puts it as the 61st country scoring 44 on the corruption index (Transparency International, 2015). According to South Africa's national police, they have a murder rate of 31 homicides per 100 000 people (United Nations Office on Drugs and Crime, 2014: 124). South Africa which is an democratic country, got a 7.41 in the Democracy Index which is one of the highest ratings in Africa (Economist Intelligence Unit, 2016).

South Africa has gotten investments worth about 8.8 billion USD from the Chinese (Strange et al. 2013). With a population of 52.98 this amounts to about 166 USD per capita (World Bank, 2013).

1.12 Zambia

Zambia is a country that has no proved significant oil or natural gas reserves although geological surveys have shown that there might be favourable conditions for them in the Okavango and North Luangwa basins (Zambia Mining Sector Profile, 2015: 10).

Corruption in Zambia was ranked as the 76th in the world with a score of 38 which puts it on level with Bosnia and Herzegovina, Brazil, Burkina Faso, India, Thailand and Tunisia (Transparency International, 2015). Rate of homicide in Zambia was 10.7 homicides per 100 000 people (United Nations Office on Drugs and Crime, 2014: 122). Zambia being another democratic country, was handed a rating of 5.99 in the Democracy Index (Economist Intelligence Unit, 2016).

Zambia has recieved about 4 billion USD in Chinese investments (Strange et al. 2013). Zambia's population is about 14.54 million so per capita the Chinese have invested 275 USD (World Bank, 2013).

2. Analysis

2.1 Chinese investment

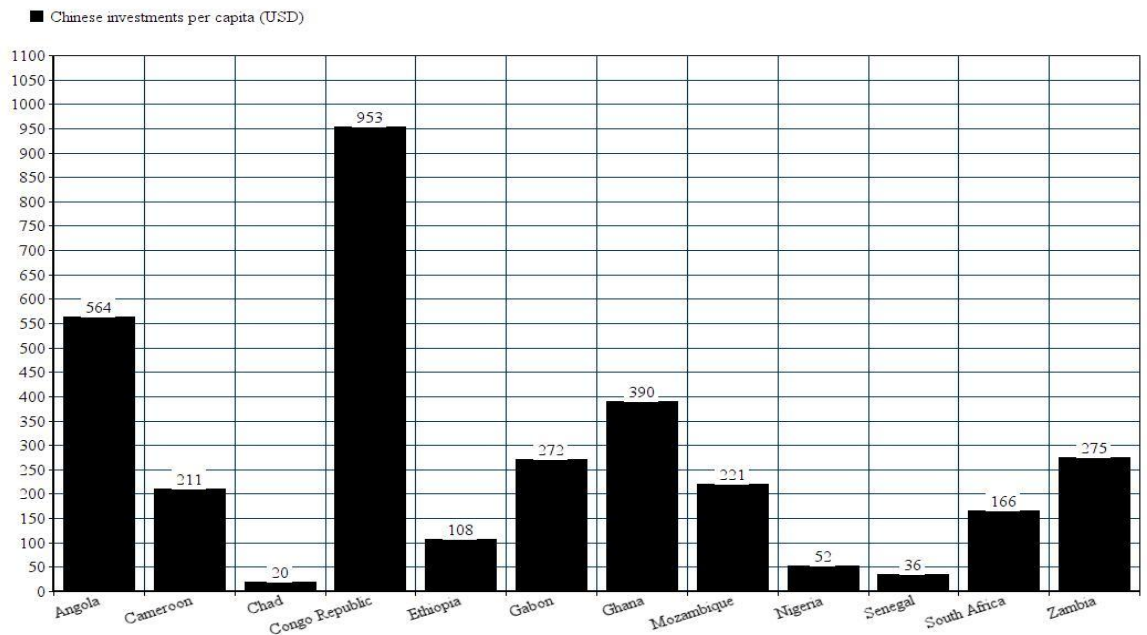


Table 1. Chinese investments per capita (USD)

From the Chinese investments made to the twelve African countries examined in this paper, it is possible to categorise the countries by the level of investment. These countries can be categorised as low, medium and high investment opportunities for the Chinese investors. The low category is made up of Chad, Nigeria and Senegal which all received less than 100 USD per capita in Chinese investments, the medium category is made up of countries that received over 100 USD per capita in investments but less than 300, which are Cameroon, Ethiopia, Gabon, Mozambique, South Africa, and Zambia. Finally the high category from these countries are made up of countries which received over 300 USD per capita in investments and these countries are Angola, Congo and Ghana as is seen from the table above as well.

2.2 Chinese investment compared to oil and natural gas reserves

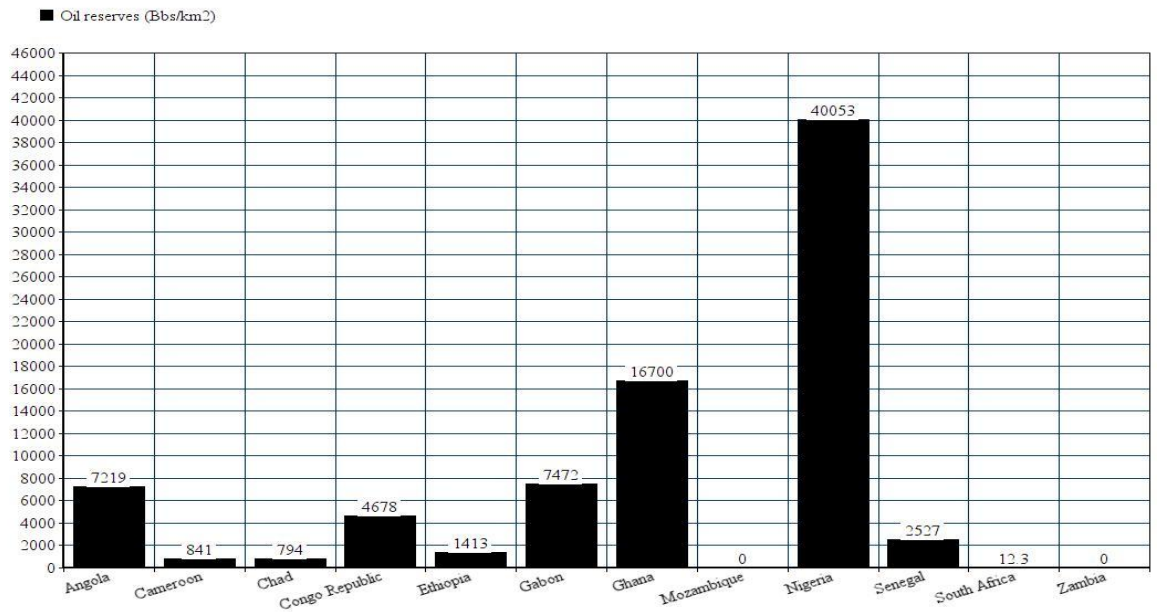


Table 2. Oil reserves by barrel per square kilometre

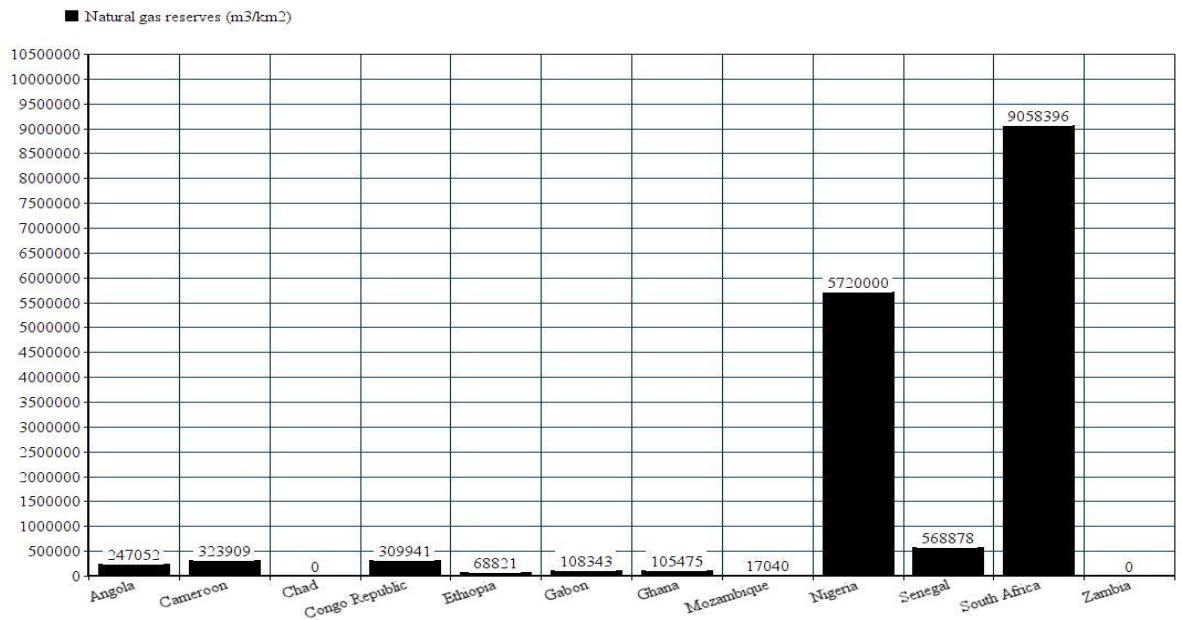


Table 3. Natural gas reserves by cubic metre to square kilometre

The natural resources analysed, which were the oil reserves and the natural gas reserves per square kilometre show that there is a big difference in proven reserves between

those countries. Concerning oil reserves the countries without corresponding reserves are Mozambique and Zambia. Adding to the previous two, the low category is made up of Cameroon, Chad, Ethiopia, Senegal and South Africa. The medium category is made of Angola, Congo, Gabon and the high category is made up of only Ghana and Nigeria. Concerning the natural gas reserves Nigeria and South Africa are the countries that can be classified as high category and Angola, Senegal, Cameroon and Congo can be classified as medium category with all the other countries as low category.

As Zambia had no oil or natural gas reserves but was still classified to medium category in Chinese investments, Angola had modest reserves but had one of the biggest destinations of investments made, comparing especially to bigger natural resource countries like South Africa, Ghana and Nigeria it is possible to state that the reserves of oil and natural gas are not the main factors behind Chinese investments into African countries. There is however a correlation in oil reserves and investments in Chad and Senegal which were in the low category in both cases, Gabon which was in the medium category and Ghana which was in the high category in both instances. Looking at gas reserves and investments it is possible to add to that list Cameroon which was in the medium category in both instances. This means there was correlation between investments and reserves of oil and gas in five countries.

2.3 Chinese investments compared to corruption

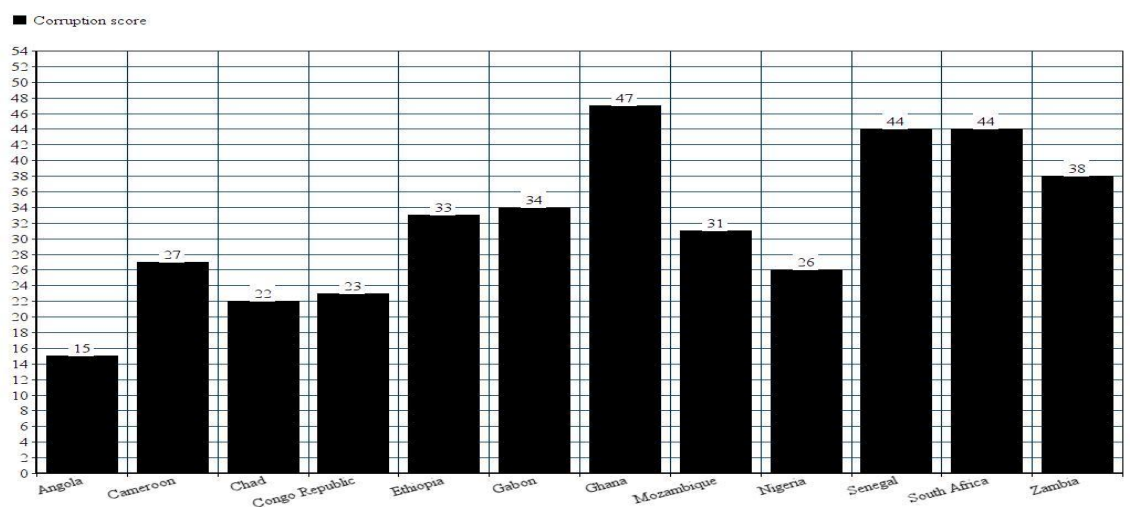


Table 4. Corruption score per country

Globally the African countries examined in this paper were not held in high regard concerning corruption but within the region there are certain differences as well. The lowest category defined in this paper is made up of countries which scored under 30, so Angola, Cameroon, Chad, Congo and Nigeria. The medium countries which scored between 31 and 40 were Ethiopia, Gabon, Mozambique and Zambia. The high category countries were South Africa, Senegal and Ghana which scored over 41.

Taking into account the rational logic that an investor wanting to make legitimate business in another country would prefer less corruption, so a better corruption score, there were some correspondences. Ghana was the country which had less corruption and also a higher level of investments per capita, Chad and Nigeria were the opposite examples and Ethiopia, Gabon, Mozambique and Zambia were the countries that were in the middle concerning both factors. Because seven countries had corresponding data between investments and corruption rates it is categorised as average correspondance and hence this is not the main factor for the Chinese government and investors for making investments.

2.4 Chinese investments compared to the homicide rate

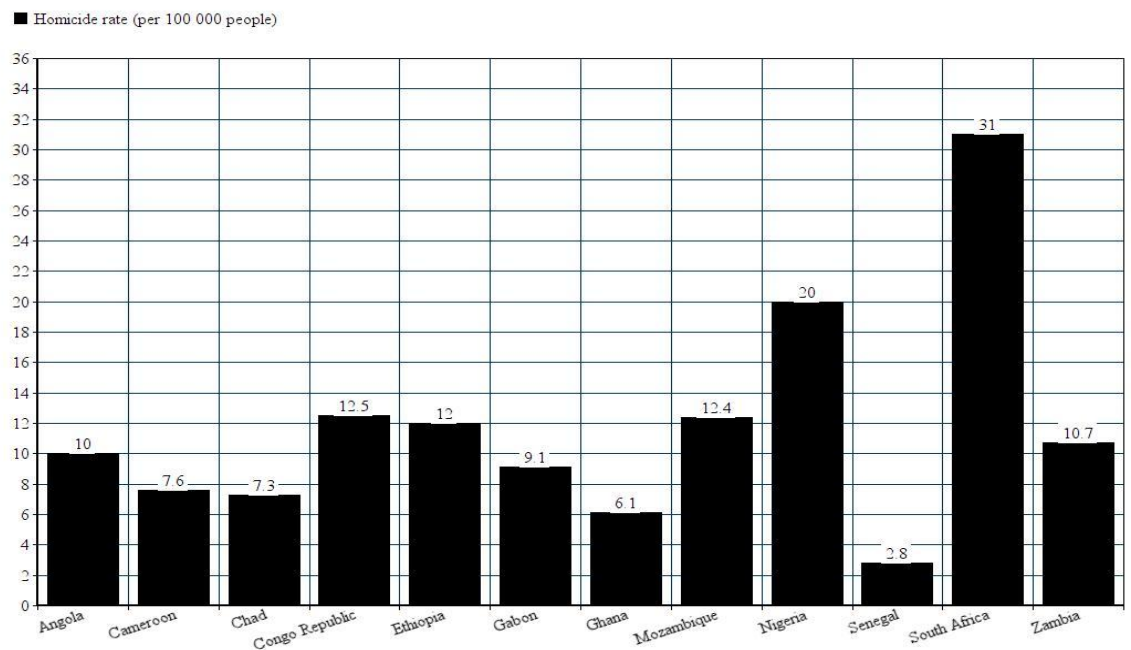


Table 5. Homicide rate by country per 100 000 people

Homicide rates which are defined in this paper to show inner-state stability and the level of crime, which could be an offputting factor in investments, showed that Nigeria and South Africa are the high category countries in murder rates. They are followed in the medium category by Congo, Ethiopia, Mozambique, Zambia and Angola. The lowest category is made up of Cameroon, Chad, Gabon, Ghana and Senegal.

In this aspect the countries which had corresponding data between investments made and the homicide rates were Ethiopia, Mozambique, Zambia which were in the middle category in both aspects, Nigeria which had a low investment per capita and a high homicide rate and Ghana which had a low homicide rate but a high level of investments made by the Chinese investors. This means five countries examined had corresponding data between investments and homicide rates.

2.5 Chinese investments compared to the democracy rating

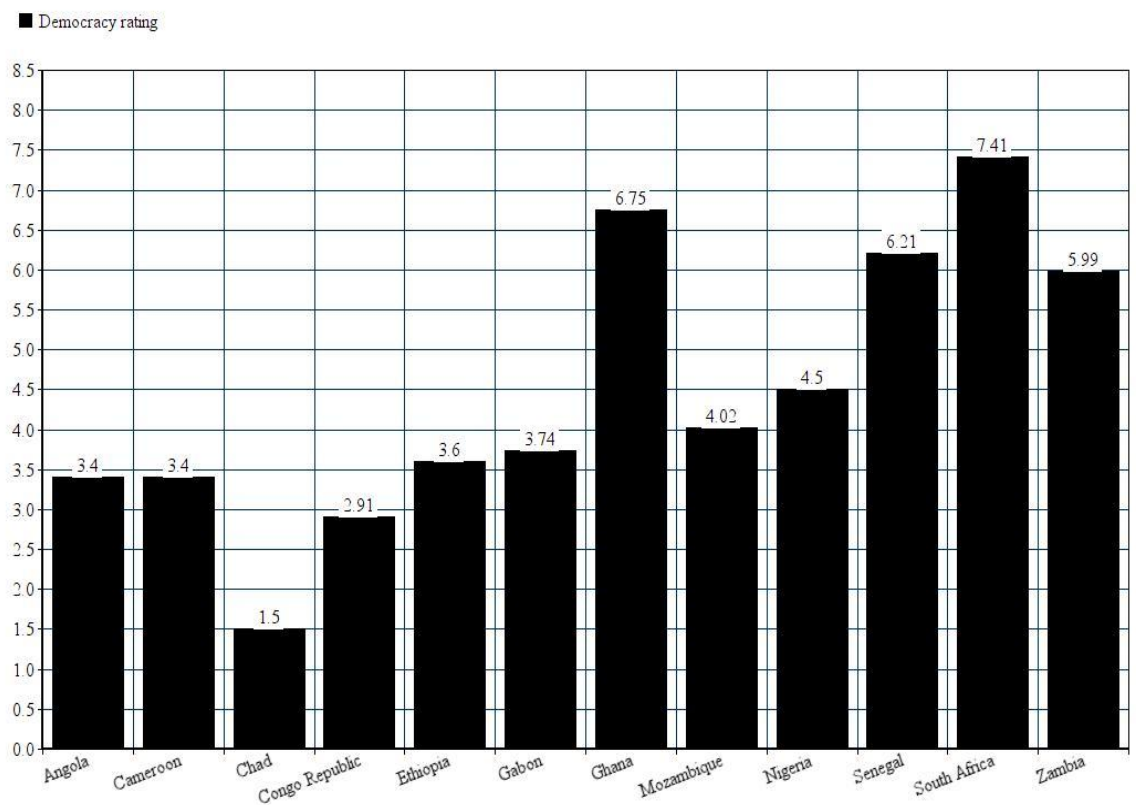


Table 6. Democracy rating per country

Democracy rating which shows how strong is the democracy in these countries exhibited that South Africa, Ghana, Senegal and Zambia have the strongest democracy from the examined twelve countries. They are followed by Nigeria, Mozambique, Gabon, Ethiopia, Cameroon and Angola in the middle category and the weakest democracies are in Congo and Chad which fall into the low category in this paper.

Looking at the countries that had correspondence between the democracy rating and the amount of Chinese investments were Ghana, which was in the high category in both cases, which was followed in the middle category by Mozambique, Gabon, Ethiopia, Cameroon, and Chad was in both cases in the low category. This means that with this factor six countries out of the available twelve had some level of correspondence.

Summary and recommendations

Oil and gas reserve correspondance with investments was found in Chad, Senegal, Gabon, Ghana, Cameroon. Seven countries which were Ghana, Ethiopia, Gabon, Mozambique, Zambia, Chad and Nigeria had corresponding data between investments and corruption rates. Five countries examined, which were Ghana, Nigeria, Ethiopia, Mozambique and Zambia had corresponding data between investments and homicide rates. Six countries- Ghana, Ethiopia, Mozambique, Gabon, Cameroon, Chad, had correspondance between the democracy rating and the Chinese investments. This means all of the four factors were of average correspondance. This in turn means that the hypothesis that there is an average correlation with all of the factors, except gas and oil which would have an high correlaton was not completely true. But the average correlation between investments and democracy rating, corruption rates, crime was found as was hypothesised as well.

The average correlation between natural resources and investments made shows that Adam Tiffen's theory and the criticism of the Beijing Consensus that China is economically in Africa just for natural resources is not completely true. It also shows that Chinese investment can not only be explained by the theory of resource-seeking foreign investment and is not purely China's neocolonialism in Africa as there seem to be other factors that influence the investment strategy as well. Average correlation between investments and corruption rates and crime show that internal stability of a country is somewhat important to China when looking at investment opportunities in Africa. In addition to that the slogan that the regime type or the political environment plays no role in China's investment strategy seems to be false as well looking at the average correlation between investments made and the democracy rating. So contrary to the critics of the Beijing consensus, Chinese investment strategy seems to be more complex and multilayered than just finding resources in Africa and exporting them back to China as cheap as possible.

Because there seems to be a bigger correlation between investments and corruption rates then this would be one possible topic for further research. It would have to take more

countries in to the analysis and go more in depth as to find how much and why this has an effect on the Chinese investment strategy in Africa. It is also interesting to note that although China has been criticised for working together with African leaders who are corruptive, their investment strategy seems to be pointing to the fact that they are trying to work together more with countries that are regarded as less corruptive.

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KUTSUGEM SEDA NEOKOLONIALISMIKS: KORRELATSIOON HIINA MAJANDUSLIKU INVESTEERINGU JA KURITEGEVUSE, KORRUPTSIOONI, MAAGAASI, NAFTA JA DEMOKRAATIA TASEMEGA SAHARA-TAGUSES AAFRIKAS

Karl-Hendrik Pallo

Resüme

Tegemist on aktuaalse teemaga, sest viimaste kümnendite jooksul on Hiina jõudsasti tugevdanud oma majanduslikku kohalolu Sahara-taguses Aafrikas ning samuti on Hiina läbi teinud suure majanduskasvu. Majanduse kasv on teinud Hiinast ühe tähtsama riigi rahvusvahelises poliitikas ning nende majandus jääb alla vaid Ameerika Ühendriikidele. Seoses nende kohalolu suurenemisega Aafrikas ning Washingtoni konsensuse mõjupiirkonna vähenemisega on mitmed kriitikud viidanud Hiina kohalolule kontinendil kui neokolonialismile. See tähendab, et peamise motiivina nähakse Hiina vajadust loodusressursside järgi ning nende võimalikult odavalt kätte saamist, mis hõlmab endas Aafrika riikide ärakasutamist. Aafrika maavarade endale ostmine võib anda Hiinale võimaluse tulevikus ohustada Ameerika Ühendriikide hegemooniat ning seetõttu on tegemist teemaga, mis vajab lähemat uurimist.

Hiina investeeringute peamise motiivi väljaselgitamine ja korrelatsioonide leidmine on antud töö eesmärgiks. Käesolevas töös on võetud uurimise alla kuritegevuse tase, korruptsioon, maagaasi ja nafta kogused riigis ning demokraatia tase ja neid kõrvutatakse Hiina majanduslike investeeringutega, et leida korrelatsiooni muutujate vahel. Töö peamiseks uurimisküsimuseks on, et kui oluline on Aafrika riikidest loodusressursside kättesaamine Hiina investeerimisstrateegiale regioonis. Alaküsimusteks on, et kas Hiina majanduslikud investeeringud korreleeruvad nafta ja maagaasi kogustega, korruptsiooniga, kuritegevusega ja demokraatia tasemega, kas Hiina majanduslik koostöö on ressurssidest motiveeritud nagu Pekingi konsensuse kriitikud on väitnud, ning kui mingit korrelatsiooni loodusvarade ja investeeringute vahel näha ei ole, siis kas teised faktorid mängivad suuremat rolli. Töösse on valitud tähestikulises järjekorras Angola, Etioopia, Gabon, Ghana, Kamerun, Kongo Vabariik, Lõuna-Aafrika Vabariik, Mosambiik, Nigeeria, Senegal, Tšaad ja Zimbabwe. Riigid

valiti, sest nad esindavad erinevaid äärmusi valitud tegurite osas ning kõigil on mingil tasemel Hiinaga majanduslik koostöö.

Kõik töös valitud faktorid olid keskpärase korrelatsiooniga, selgelt ei domineerinud ükski tegur teiste üle. Küll aga oli näha et investeeringute ja korrupsiooni vahel oli veidi suurem korrelatsioon. Selle alusel toob töö autor välja, et investeeringute ja korrupsiooni vahelise seose uurimine võiks olla üks võimalik teema, mida lähemalt uurida. Keskpärane korrelatsioon loodusvarade ja investeeringute vahel näitab ka seda, et Pekingi konsensus kriitikutel, kes viitavad Hiina kohalolule Aafrikas kui vaid puhtale neokolonialismi vormile ja Aafrikast odava loodusliku ressursi väljaveo strateegiale, ei ole täiesti õigus.

Lihtlitsents lõputöö reprodutseerimiseks ja lõputöö üldsusele kättesaadavaks tegemiseks

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