The State’s Role and Synergies in China-Africa Engagements: The Case of Ghana’s Bui Hydropower Dam

A Dissertation
SUBMITTED TO THE FACULTY OF UNIVERSITY OF MINNESOTA
BY

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IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE
DEGREE OF
DOCTOR OF PHILOSOPHY

Abdi Ismail Samatar

August 2019
Acknowledgements

I am grateful to God almighty for bringing me this far and sustaining me with grace and protection. This study was made possible with the support of several people. I wish to convey a special thanks to my advisor and mentor, Abdi Samatar, for his cerebral support, guidance, feedback, and patience. I also wish to thank the rest of my advising committee: Mark Lindberg, Kathryn Grace, Abigail Neely, and Greta Friedemann-Sanchez for supporting and challenging me to a productive effect. I am grateful to the Interdisciplinary Center for the Study of Global Change for their financial support and a sense of community. A similar gratitude goes to the Department of Geography for supporting me all these years. I also wish to thank all my friends in the Twin - Cities and elsewhere for making this journey successful. In particular, I want to thank Forster Ntow, Joe Getzoff, and Jay Bowman for reading various iterations of this work and offering thoughtful comments. Likewise, John Eleblu, Mark Segbefia, Nii Tackie, Hayford Manu, Abraham Lamptey, Abraham Seda, Janeke Thumbran, Sravanthi Kollu, Maurice Skenyi, Ding Fei, Anindita Chatterjee, Liz Schneider, Jacqui Daigneault, Uday Thapa, and Emily Springer offered hope amidst grad-school frustrations. I also wish to thank the Noble family including Jim, Heidi, Eleanor, and Arthur for their warmth and kindness in helping me adjust to life in the Twin - Cities. They made life in grad-school manageable. A special thank you to my godmother, Charity Dzormeku, who provided extra motivation throughout the process of research and writing. I wish to thank my brother, Doe, whose home in Iowa was a refuge for cooling off and relaxing. We troubleshooted ideas and had stimulating conversations even at odd hours of the day. My parents, Efo Sammy and Sister Aku, as well as my other siblings—Ekeke, Nyuiwordze, Elenu, Patron, Edem,
Ehui, Romeo, and Gifty—who provided advice and encouragements. Finally, I am grateful to my research collaborators in Accra, Bui, Kumasi, Sunyani, and University of Ghana for their resourcefulness in making this project a success.
Dedication
I dedicate this thesis to my family.
Abstract

Contemporary China-Africa engagement endured a tumultuous start for much of the 20th century until changes over the last three decades transformed it into a salient case in international political economy. The relationship which began after World War II was inspired by geopolitical and anticolonial philosophies. These principles lingered until China’s 1990 economic boom triggered sustained economic performance that supplanted the geopolitical motives. The new geo-economics deepened China’s interactions with African countries. Trade which was previously peripheral increased exponentially, resulting in China becoming Africa’s leading trading partner. Likewise, aid and investment cooperation soared, culminating in rebranding the relationship as a win-win affair.

The new win-win relationship attracted considerable attention, and has now sparked intense debate in African studies, international relations, and China-Africa relations. The debate can be structured into two: advocates and critics. Advocates see China’s African intervention comprising trade, aid, and investment as a catalyst for the continent’s transformation. For the advocates, China’s operations in Africa differ from Western assistance, hence provide the continent opportunity for self-determination. This view is countered by critics who consider China’s presence in Africa as self-centered due to excessive focus on resource extraction and market expansion. Critics argue that China’s activities in Africa are reminiscent of colonial strategies. As such, they characterize China’s approach as neocolonial and less developmental.

These two views are important in highlighting the pros and cons of China’s Africa foray. However, they overly amplify China’s actions and rarely analyzes how African
countries can harness the opportunities the relationship entails. To fill this lacuna, this study proposes decisive and active state interventions in forming synergistic networks with China to leverage and shape the developmental outcomes of the current relationship. This proposition seeks to rescue the relationship from being lopsided and provide a framework for evaluating the outcomes of the relationship based on African state interventions.

My study focuses on Ghana’s Bui hydropower dam as a case of China’s African initiatives. The Bui hydropower dam was implemented between 2008 and 2013 with the purpose of: 1) generating 400 megawatts of electricity; 2) boosting Ghana’s socio-economic development. Although the project was perceived as a success based on improvements in Ghana’s previous large experience, the objective of using electricity to catalyze local transformation has yet to occur. The project has been plagued with several issues. First, energy output from the dam falls short of anticipated targets. Second, the project has so far generated negligible socio-economic development in and beyond the project. Third, the construction project displaced, and impoverished residents of riparian communities yet created little opportunities for livelihood improvements. These shortcomings derive from poor Ghanaian state capacity and the weaknesses of its actors in their interactions with Chinese players in designing and building the behemoth. These conclusions highlight the centrality of state capacity and interventions in development programming. The study contributes to the literature on development studies, China-Africa relations, African studies, and international political economy.
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<td>ADs</td>
<td>Asian Drivers</td>
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<tr>
<td>AGL</td>
<td>Above Ground Level</td>
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<td>AU</td>
<td>African Union</td>
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<tr>
<td>BAA</td>
<td>Bureau of African Affairs</td>
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<td>BC</td>
<td>Beijing Consensus</td>
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<td>BDC</td>
<td>Bui Development Commission</td>
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<td>BDS</td>
<td>Bui Development Secretariat</td>
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<td>BNP</td>
<td>Bui National Park</td>
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<td>BOT</td>
<td>Build Operate and Transfer</td>
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<td>BPA</td>
<td>African Labor Research Network</td>
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<td>BRRI</td>
<td>Bridge and Road Research Institute</td>
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<td>CADF</td>
<td>China Africa Development Fund</td>
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<tr>
<td>CIRR</td>
<td>Commercial interest Reference Rate</td>
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<td>CMP</td>
<td>Construction Management Plan</td>
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<td>CNOOCs</td>
<td>Chinese National Offshore Oil Companies</td>
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<td>CSIR</td>
<td>Center for Scientific and Industrial Research</td>
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<td>DRC</td>
<td>Democratic Republic of Congo</td>
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<tr>
<td>EC</td>
<td>Energy Commission</td>
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<tr>
<td>ECOWAS</td>
<td>Economic Community of West African States</td>
</tr>
<tr>
<td>ENR</td>
<td>Engineering News Record</td>
</tr>
<tr>
<td>EPA</td>
<td>Environmental Protection Agency</td>
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<tr>
<td>EPC</td>
<td>Engineering and Procurement Contract</td>
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<tr>
<td>ERM</td>
<td>Environment Resources Management</td>
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<td>ERP</td>
<td>Economic Recovery Program</td>
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<td>ESIA</td>
<td>Environmental and Social Impact Assessment</td>
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<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>EXIM</td>
<td>Export and Import Bank</td>
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<td>FAO</td>
<td>Food and Agriculture Organization</td>
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<td>FDG</td>
<td>Focus Group Discussion</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>FOCAC</td>
<td>Forum on China-Africa Cooperation</td>
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<td>GCI</td>
<td>Global Competitive Index</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GhIE</td>
<td>Ghana Institution of Engineer</td>
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<td>GHS</td>
<td>Ghana Cedi</td>
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<td>GIDA</td>
<td>Ghana Irrigation Development Authority</td>
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<td>GIPC</td>
<td>Ghana Investment Promotion Center</td>
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<td>GREDA</td>
<td>Ghana Real Estate Developers Association</td>
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<td>GTA</td>
<td>Ghana Tourism Authority</td>
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<td>GWh</td>
<td>Gigawatts per hour</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>ISI</td>
<td>Import Substitution Industrialization</td>
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<td>JTL</td>
<td>Juapong Textiles Limited</td>
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<td>JV</td>
<td>Joint Ventures</td>
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<tr>
<td>KV</td>
<td>kilovolts</td>
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<tr>
<td>KWh</td>
<td>Kilowatts per hour</td>
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<tr>
<td>LVB</td>
<td>Land Valuation Board</td>
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<tr>
<td>MDAs</td>
<td>Ministry, Departments, and Agencies</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>MFA</td>
<td>Multifiber Agreement</td>
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<tr>
<td>MITI</td>
<td>Ministry of International Trade and Industry</td>
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<tr>
<td>MNC</td>
<td>Multinational Corporation</td>
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<tr>
<td>MoE</td>
<td>Ministry of Energy</td>
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<td>Acronym</td>
<td>Description</td>
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<tr>
<td>MoFED</td>
<td>Ministry of Finance and Economic Planning</td>
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<tr>
<td>MVA</td>
<td>Manufactured Value Added</td>
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<tr>
<td>MW</td>
<td>Megawatts</td>
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<tr>
<td>NDPC</td>
<td>National Development Planning Commission</td>
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<td>NGOs</td>
<td>Non-Governmental Organizations</td>
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<td>NIC</td>
<td>Newly Industrialized Countries</td>
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<td>NLD</td>
<td>National Level Datum</td>
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<td>NOCs</td>
<td>National Oil Companies</td>
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<tr>
<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
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<td>PAP</td>
<td>People’s Action party</td>
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<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
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<td>R4I</td>
<td>Resource for Infrastructure</td>
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<tr>
<td>RCC</td>
<td>Roller Concrete Compacted</td>
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<td>SA</td>
<td>Strategic Alliance</td>
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<td>SAP</td>
<td>Structural Adjustment Program</td>
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<td>SCA</td>
<td>Subcontracting Arrangement</td>
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<td>SCC</td>
<td>State Construction Company</td>
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<td>SDGs</td>
<td>Sustainable Development Goals</td>
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<td>SEZ</td>
<td>Special Economic Zones</td>
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<td>SNEP</td>
<td>Strategic National Energy Policy</td>
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<td>SOEs</td>
<td>State-Owned Enterprises</td>
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<tr>
<td>T&amp;K</td>
<td>Technology and Knowledge Transfer</td>
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<tr>
<td>TUC</td>
<td>Trade Union Congress</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>VALCO</td>
<td>Volta Aluminum Company</td>
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<td>VRA</td>
<td>Volta River Authority</td>
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<td>VRP</td>
<td>Volta River project</td>
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<td>Acronym</td>
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<tr>
<td>WB</td>
<td>World Bank</td>
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<td>WC</td>
<td>Washington Consensus</td>
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<td>WCD</td>
<td>World Commission on Dams</td>
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<td>WRC</td>
<td>Water Resources Commission</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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<td>WWII</td>
<td>World War Two</td>
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Chapter One
The Rise of China and Impact on African Development

1.0 Overview

Seventy-five years before Vasco da Gama and his ships sailed round the Cape of Good Hope to found a Portuguese empire in the Indian Ocean, great expeditions sent by the court of Ming dynasty China crossed the Indian Ocean from the other direction and called repeatedly at the ports of the East African coast. Now, as the Western tide recedes, those early contacts are being renewed and strengthened (Snow, 1989, p. Xiii).

As the quote above suggests, China-Africa engagement is far more than a recent phenomenon. The relationship has a long provenance that stretches back to antiquity (Amoah, 2014). Some studies date the earliest China-Africa encounter to the beginning of the 1st and 3rd centuries AD, spanning the Han and Tang dynasties (Filesi, 1972). However, other scholars trace the relationship to a much later date. Rotberg et al., (2008) for instance, consider the relationship to have started around the 9th or 10th CE centuries. These scholars attribute the Chinese advance to improvements in maritime knowledge and experience craftsmanship.

Despite the uncertainties surrounding when the relationship started, there is compelling evidence that China-Africa relations predated Europeans’ arrival in Africa. This is encapsulated by Chinese coins and porcelains which were found in cities, such as Alexandria and Mombasa in Eastern Africa. Likewise, African paintings and figurines were unearthed by sinologists in Chinese cities, such as Perking (Amoah, 2018). These facts underscore prior vibrant China-Africa commercial activities, until they were
subverted in the Medieval Ages by Europeans’ invasion of the continent. The relationship would then remain inactive until the end of World War II (WWII).

The aftermath of WWII was marked by the twin forces of the founding of the People’s Republic of China and African decolonization. These factors triggered a rapprochement predicated on a South-South Cooperation, which would evolved in various stages. For instance, the early phases of the renewed encounter were driven primarily by geopolitical imperatives. This ideology fueled the formation of a Third World anticolonial bloc in reaction to the ensuing Cold War, and to provide a framework in interacting with the warring factions (Taylor, 2006). Since the end of the Cold War, however, China-Africa relations have experienced a sea change in ideology leading to the adoption of geo-economic strategies and subsequent rebranding of the relationship as a win-win affair (Konings, 2007).

The new win-win partnership implies a complementarity whereby African resources are exchanged for China-financed infrastructure projects, such as roads, dams, and stadia (Odoom, 2015). Despite the underlying sense of mutuality, scholars question the relationship’s impact on Africa’s present and future developments (Corkin, 2013). These concerns arise from Africa’s historical experience and resource pillage perpetrated by colonial architects (Six, 2009). These worries have sparked debate in the literature on China-Africa relations.

Even though there is no consensus on the evolving debate, Shinn and Eiseman (2012) structure the arguments into two: pro-Chinese (optimists) and China-critics (pessimists). Pro-Chinese scholars, such as Brautigam (2009) and Barry and Yan (2007)
consider China as a benign business partner that supports African progress. These scholars see China’s African interventions comprising aid and trade as catalysts for African development. This proposition assumes that China’s African interventions embody little diktats as compared to Western assistance. In contrast to this proposition, scholars including Tull (2006), Taylor (2006), and Mohan and Power (2009) argue that China’s excessive quest for raw materials, unbalanced trade practices, poor labor relations, and sub-standard environmental approaches are detrimental due to their propensity to undermine Africa’s economic diversification and structural change. These critiques counter the catalytic features accorded China’s African foray. In this context, critics view China’s African presence as self-serving, exploitative, and neocolonial, hence less developmental.

In addition to these two groups of scholars are analysts who take the middle ground by situating the relationship as a feature of globalization (Zeleza, 2008; Carmody, 2011). For these scholars, China’s deepening links with Africa coincide with the new phase of globalization as evidenced in the flow of materials and people (Cooper, 2001; Steger, 2003). Although these analysts acknowledge the flaws of globalization, they insist that the outcome of the relationship depends on the actors’ interest and strategies (cf. Campbell et al., 2010).

These views highlight the pros and cons of the evolving relationship. However, they overemphasize China’s African activities and rarely examine how African nations can build an economically beneficial and transformative partnership with China. Moreover, the current literature undertheorize how African political systems shape and
determine the nature, depth, and outcomes of China’s interventions. My study analyzes these missing links. I argue that building a developmental and a mutually beneficial partnership with China requires purposive and active African state\(^1\) interventions. African state intervention is necessary in preventing a lopsided relationship and shifting the discourse from what China does to how African countries can leverage the potentials of the partnership. Consequently, the study examines state attributes, practices, and actions that are necessary to effectuate positive developmental outcomes in contemporary China-Africa engagements. The research focuses on the Bui hydropower dam and examines how African countries, such as Ghana can maximize the opportunities provided by their relationship with China. The study proposes synergistic networks (or linkages\(^2\)) as the key in forging a win-win relationship with China. Further, it assesses how state intervention shapes developmental outcomes. Likewise, the study analyzes the conditions under which China’s evolving links with Africa enables or disables Africa from forging its own developmental capacity.

This chapter contains four parts. Part One examines China’s rise and its African policies. The analysis foregrounds China’s growing influence in Africa and how such policies intersects with the continent’s development needs. Part Two analyzes the debate on China-Africa relationship. This section also explains the study’s conceptual

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\(^1\) My working definition of the state derives from one proposed by Samatar and Samatar et. al., (2002) as a constellation of norms, institutions and personnel that manage collective and earthly political fate of society.

\(^2\) Albert Hirschman conceives of linkages as a process where one thing leads to another.
framework. Part Three outlines the research questions, study area, and the methods of data collection. Part Four describes the dissertation’s structure.

1.1 China’s Rise and its African Policy
The founding leader of the People’s Republic of China, Mao Zedong, declared in 1949 that China has stood up. This statement is now a reality as there is little contention regarding China’s position in the world. One way of measuring China’s emergence is its economic achievements. At its founding in 1949, China was politically weak, resource-dependent, and poor (Amoah, 2014). Four decades after, China has managed to transform its economy into an industrial powerhouse, which has consistently registered an average of 10% growth rate yearly (Schmitz, 2006). In addition, China has delivered over 600 million of its citizens from abject poverty (Sautman & Yan, 2007; Corkin, 2013). As recent as 2010, China overtook Japan and Germany as the world’s largest economy behind the United States (US) (Moyo, 2012). Coupled with these economic performances, China has attained considerable political influence having secured United Nations (UN) Security Council’s permanent membership (Breslin, 2013). As a result, China is now a prominent global decision-maker. These political and economic factors make China a crucial global force with profound influence.

Concomitantly, as China’s influence increases so does its interest. Although Chinese interests are expansive and diverse, sustaining its growth and economic consistency remains a fundamental priority (Shinn & Eiseman, 2012). China’s

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3 James Ferguson (2006) raises similar question with respect to Africa’s place in the world as a way of thinking through broad conceptual issues such as modernity, globalization, social justice, and inequality.
industrialization requires raw materials, new markets, and outward investments. Even though China is resource-rich, its accelerated industrialization, since the 1990s, had turned it into a net importer (Hardus, 2014; Zweig & Jianhai, 2005). These changes have created a sense of insecurity that requires pragmatic state response (Dent, 2010).

China’s state pragmatism entailed revitalizing its foreign policies, restructuring state machinery, and forming new parastatals, such as banks to advance the country’s interest overseas (Lam, 2017). Operationalizing these agenda coincided with increasing globalization, which introduced competition among a range of actors with similar interests (ibid). As the process of globalization deepens, actors multiply—making the competition more intense (Tan-Mullins et al., 2010). Subsequently, China has had to interact with both emerging and established players in fulfilling its interests (Woods, 2008).

One foreign policy step the Chinese state adopted in the wake of its resource vulnerabilities entailed diversifying resource supply sources (Mawdsley, 2017). This involved forming strategic bonds with a wide range of countries, including those in Africa (Tull, 2006). China’s relationship with Africa is described by many scholars as a strategy for advancing its political and economic goals (Chau, 2014). The strength of the relation has led Shinn and Eiseman (2012) in describing it as unmatched in extent, intensity, speed, and impact.

The strategic importance of Africa to China was previously dismissed by many analysts. During the 1980s for instance, Segal (1988) argued “it is hard to make a case that Africa matters very much to China (quoted in Zeleza, 2008 p.178)”. Similarly,
Taylor (1989) suggested that Africa is politically more imperative to China than economically. These earlier commentaries on China-Africa engagements have been turned on their heads since the 1990s. It was therefore unsurprising that Taylor subsequently revised his earlier thesis on the relationship by suggesting that developments of the past few years have radically remapped China and Africa interactions (Taylor, 2006).

Contrary to the perceived unimportance attached to Africa’s link to China before the 1990s, Donovan Chau (2014) notes that China’s 20th century engagement with Africa has hardly changed. Using the precepts of political warfare⁴, he suggested that China’s contemporary focus on resources, investment opportunities, and markets is a continuum of a grand strategy that was installed in the 1950s. For him, although resources were not explicitly stated in the formative years of the relationship, there is no denial that China had a clear objective in its dealings with Africa. These objectives, he suggested are not static. They are dynamic and fluid, suggesting that whenever possible, the terms of the relationship have been leveraged in fulfilling a given goal. For instance, from the 1950s to 1970s China’s goals involved overcoming international isolation, displacing Taiwan from the global scene, and battling the Soviet Union for leadership of the communist bloc. Achieving each of these goals involved some element of African support as was demonstrated in 1971 when twenty-six African countries (out of seventy-two total vote cast) voted for China to unseat Taiwan from the UN Security Council (Aidoo, 2016).

⁴ An instrument of grand strategy which involves the use of nonviolent tactics and coordinated actions to influence and have tangible effects on intended targets.
Africa-China engagements should not be construed as a one-sided phenomenon. Both parties have forged a mutually supportive relationship since the 1955 Bandung Conference, albeit China being relatively more aggressive. During the immediate postcolonial periods, China provided material, technical, and moral support for African liberation movements (Snow, 1989). These overtures fit squarely into the principles of soft power and grand strategy (cultural hegemony) (Nye, 1990). Joseph Nye describes soft power as the use of ideology, culture, and attraction to win favor (Nye, 2004). Soft power is a seductive strategy as opposed to hard power which involves military force (Li, 2008, 2009). For Amoah (2014), Africa provides the ground for testing China’s soft power to productive effects. In this regard, China’s soft power in Africa is considered as targeting two audiences. The first being the governments and people of Africa for whom the message is growing Chinese fraternity, benevolence, and influence. The second audience involves China’s political, geo-strategic, and economic competitors for whom it seeks to suggest that it is a force to reckon with. While acting seemingly as a benevolent actor, China has exploited Africa in fulfilling its interests (Chau, 2014). The effectiveness of China’s soft power is evidenced in the continent’s seemingly total embrace of the relationship which has now shifted focus from geopolitics to geo-economics. The success of the engagement has given rise to it being characterized in the literature as the most dynamic and salient development since the end of World Warr II (Ampiah & Naidu, 2008).

China’s shift from geopolitics to geo-economics made economic goals imperative and the pursuit of resource central to present overtures. Although resource concerns
emerged early in the 1990s as China’s economy boomed, it was only in 1997 that China’s Ministry of Defense made it a major national security issue (Dent, 2010). The Ministry observed with grave concern that the country’s rapid industrialization needs sustained raw materials supply streams. Additionally, as China’s economy booms so too did its middle class burgeons. These factors combined in triggering high urban demand for luxury goods, such as the automobile. As these dynamics intensified, supply conditions changed less, thus creating a conundrum for China’s authorities (Breslin, 2013). It was in this context that the Ministry of Defense declared strategic resources including oil, as national security issues requiring urgent attention. Resources are needed to support industrialization and maintain social stability, and to ensure the Communist Party’s survival (Zweig & Jianhai, 2005). These dynamics underscored resources’ centrality to China’s foreign policy.

China’s quest for resources prompted the formulation of the Going Global or Going Out policy in 1999 (Nunoo, 2016). This policy sought to transform and internationalize China’s State-Owned Enterprises (SOEs) (Lam, 2017). Further, the policy sought to encourage SOEs to invest abroad and increase their resource acquisition (Gonzalez-Vicente, 2011). As a result of Going Out, many Chinese SOEs now operate in various African countries to acquire and supply unrestricted streams of resources to shore up shortages of firms back home (Brautigam, 2009).

With the aim of sustaining and strengthening China-Africa relationships, the Going Out policy was transformed into the Forum on China-Africa Cooperation (FOCAC) in 2000 (Li, 2007). Although FOCAC started as a forum, it has been elevated
into a summit and holds meetings every three years (Aning & Lecoutre, 2008). Over the past 18 years, seven meetings have been organized (Table 1.0). FOCAC provides the institutional expression on economic and political affairs for strategic China-Africa partnership (Fijalkowski, 2011). In other words, FOCAC provides the platforms where major policies concerning China-Africa engagements are launched (see Table 1.0).

Table 1.0 Summary of FOCAC Meetings and Key Outcomes

<table>
<thead>
<tr>
<th>Conference type</th>
<th>Year</th>
<th>Host</th>
<th>Key policy outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inaugural ministerial conference</td>
<td>October 10-12, 2000</td>
<td>Beijing, China</td>
<td>Program for China-Africa Cooperation in Economic and Social Development</td>
</tr>
<tr>
<td>6th ministerial Conference</td>
<td>December 4-5, 2015</td>
<td>Johannesburg, South Africa</td>
<td>Johannesburg Action Plan</td>
</tr>
<tr>
<td>7th</td>
<td>September 3 – 4, 2018</td>
<td>Beijing, China</td>
<td>Beijing Declaration</td>
</tr>
</tbody>
</table>

Source: China-Africa Co-operation Website

Although the other conferences are important, FOCAC 2006 is on record as the most historic for two main reasons. First, the summit was primarily intended to mark the 50th anniversary celebration to of contemporary China-Africa relations, which dates to the 1955 Bandung Conference (Alden, 2007). It was at the 1955 Bandung Conference that China initiated first contact with African countries—after centuries of hiatus. Some analysts describe the Bandung Conference as seminal to contemporary China’s African diplomacy (Mawdsley, 2007). Bandung provided the opportunity for China to cast itself
as the champion of Afro-Asia interests and solidarity (Amoah, 2014). Hence, its deployment to structure current engagements exemplifies how history, politics, and economics are tactfully intertwined in crafting 21st century relationship (Corkin, 2013). The idea of China as the champion of Afro-Asia solidarity and interests reinforces the narrative that China and Africa share a similar colonial heritage (Large, 2008).

Secondly, the 2006 summit was profoundly influential as it became the springboard for the launch of China’s African Policy document. This policy sought to chart a new strategic partnership between China and Africa based on cooperation, equality, mutual benefit, and common development (Hardus, 2014). Within the 9-page document, development appeared 34 times focusing on four main areas: health, education, culture, and science (Amoah, 2014). The plan includes China’s pledge to double its aid to Africa by 2009, set up a $5 billion China-Africa Development Fund (CADF), build 30 hospitals, and malaria treatment centers (Lam, 2017). Further, China promised to construct a 200-million dollar conference center for the African Union (AU) (Prah, 2007). Given Africa’s developmental aspirations, the policy document seemingly gives credence to a common denominator that connects both sides.

Having attracted representatives from all 48 African countries with diplomatic ties with Africa, China’s Premier, Wen Jiabao, seized the moment to elaborate on this plan, which *inter alia* includes a call for a stronger South-South Cooperation to foster so-

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5 This number is based on the number of African countries with diplomatic links with China in 2006. This number has changed since with Swaziland (Kingdom of Eswatini) being the only African countries without formal diplomatic links with China.
called win-win outcomes in which resources are exchanged for infrastructure. Wen declared:

The Chinese government encourages and supports competent Chinese enterprises to cooperate with African nations in various ways on the basis of the principles of mutual benefit and common development, to develop and exploit rationally their resources, with a view of helping African countries translate their advantages in resources to competitive strength, and realize sustainable development in their own countries and the continent as a whole (Ampiah & Naidu, 2008, p. 8; Hardus, 2014, p. 592).

While aid, investment, and trade have been fundamental to interactions between China and Africa, in contemporary times, they have assumed new dimensions. For instance, trade is now bundled with aid (Woods, 2008). This new arrangement stipulates that any Chinese aid doled out would be accompanied by importing a pre-determined quota of Chinese goods and exporting agreed quantities of African resources to China (Bräutigam & Gallagher, 2014). The arrangement which had been installed late in the 1970s resulted in exponential growth in trade from $820 million in 1979 to $100 billion in 2009 (Fernando, 2014). At present, trade between China and Africa exceeds $300 billion (Chipaike & Bischoff, 2018). Consequently, China overtook the United Kingdom (UK) and France in 2009 as the continent’s leading trading partner (Carmody, 2011). With respect to export-import dynamics, African countries import from China general consumer goods, such as textiles, food grains, electronics, and manufactured goods (Naidu, 2007). Meanwhile, African countries export timber, manganese, iron, copper, platinum, and fish to China. Despite the significance of these products, economic and geostrategic circumstances make oil the mainstay of the engagement. In 1999, Africa supplied 18% of China’s total oil demand (Jaffe & Lewis, 2002). This has since increased
with Africa now supplying China 25% to 38% of its oil needs (Samy, 2010). The bulk of this oil comes from Angola, Sudan, Nigeria, Gabon, and Equatorial Guinea (Fijałkowski, 2011).

Although China possesses 9.3% of global oil reserves, its recent increased consumption has made it a net importer (Hardus, 2014). Studies suggest that China’s oil demand may increase to about 15 million barrels per day (bpd) by 2030 (Downs, 2007; Alden & Alves, 2009). China’s increasing consumption of oil along with political turbulence in the Middle East, which possesses 61% of global oil reserves makes Africa an attractive supply source. As of 2007, Africa has 9.5% of the global oil stock. This proportion has been boosted by recent discoveries in Ghana and Uganda (Mohan, 2010). The centrality of resources to China’s African overtures determines the nature of investments that its private and SOEs pursue in Africa (Gonzalez-Vicente, 2011).

Trade transactions, aid and investment flows strengthen the relationship between China and Africa. Aid, comprising concessional loans and grants, is fundamental to China-Africa relationship. Although investment is a recent addition to the matrix, aid programs geared toward courting African political goodwill have endured. Even through periods of extreme economic hardship in the 1970s, China still ranked 6th in aid donation to Africa (Brautigam, 2009). In 1992, 24 of the 52 countries receiving Chinese aid were African (Taylor, 2000). Although little has changed regarding aid, foreign direct investments (FDIs) are now being bundled with it (Woods, 2008). This tied aid modality allows Chinese firms to invest in infrastructure as a strategy to acquire resources (Corkin, 2011). The arrangement, also known as resource-for-infrastructure (R4I), or the Angola
Model came to the fore when China supported Angola in its 2002 post-war reconstruction efforts (Chipaike & Bischoff, 2018).

Through the Angola model, China loaned Angola over $10 billion for infrastructure in exchange for a stake in the country’s oil sector (Corkin, 2013). In this deal, Chinese construction companies were mandated to provide infrastructure while mining companies explored Angola’s oil, which is then sold to China. Similar resource-related deals abound in Nigeria (Bing & Ceccoli, 2013), the Democratic Republic of Congo (DRC) (Chakrabarty, 2016), and Sudan (Large, 2008). While these types of exchange are not peculiar to China, they are now ubiquitous in its contemporary African activities. Chinese aid now targets African infrastructure projects that can net resources for China (Bräutigam & Gallagher, 2014). Investment in oil and natural gas prospecting and the provision of infrastructure, such as dams, schools, railways, and government buildings is now normal in Africa. This approach contradicts the Paris Club’s sector-wide program support. But the focus on infrastructure fulfils the World Bank’s call for increased investment in African infrastructure (Tan-Mullins et al., 2010). Although the current $7 billion investment pales behind the estimated $93 billion annual investment required to rebuild Africa’s infrastructure to the level of advanced countries, the continent’s political elites embrace China’s interventions (Foster et al. 2010).

China’s strategy of providing infrastructure in exchange for resources is now central to existing ties with African countries (Odoom, 2015). The construction and

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6 China learned its quid pro quo strategy from Japan during its reform years. Japan then supported Chinese infrastructural development in exchange for resource such as coal and oil. The success strategy led China to adopt it in its cooperation with African countries.
handed over of the African Union Complex in 2012 cements the importance of infrastructure in the current interactions (Amoah, 2014). This relationship is consistent with the South-South Cooperation, which aims at promoting win-win outcomes for both parties (Haglund, 2008). Some scholars celebrate this type of agreement between China and Africa, but others criticize it. The next section elaborates on the bifurcated debate.

1.2 Debating the Developmental Implications of China’s Rise in Africa

The Chinese just come and do it. They don’t hold meetings about environmental impact assessments, human rights, bad governance and good governance. I am not saying it is right, just that Chinese investment is succeeding because they don’t set high benchmarks (Hilsum, 2005 p. 239).

We would suggest that China may simply be offering new markets for African commodities without reshaping the continent’s place in the international division of labor. With little scope for adding value in Africa to these commodities or for encouraging African private enterprises and in the absence of a focus on political empowerment, it seems that the distributional outcomes of Chinese-led growth will be limited (Mohan & Power, 2009, p. 26).

These quotes capture the contending narratives of China’s growing presence in Africa.

The debate, which focuses on issue of development, has now intensified. Even though no consensus exists, two main strands of argument are discernable: Advocates (optimists) and critics (pessimists). Advocates see China’s African interventions as a boon for development. As a result, they champion these efforts. In Contrast, critics challenge this view. The critics claim China’s activities in Africa are based on resource extraction, which they see as reminiscent of colonial strategies; hence consider the engagements as ominous and neocolonial.
1.2.1 The Advocates

Advocates for China’s African intervention contend that the relationship constitutes a force for African development and progress. Proponents of this view see Chinese aid, trade, and investments with African countries as catalysts for economic prosperity. The starting point for the advocates’ claim entails comparison with Western assistance. Joshua Ramo’s (2004) study provide the pivot for pitting the West with the East. Ramo introduced into the literature on China-Africa relationship what he called the Beijing Consensus (BC). BC is characterized by a desire to have equitable and peaceful high-quality growth (Suzuki, 2009). The approach, however, does not believe in uniform solutions—such as economic and political liberalization often propagated by the West. Rather, it has a ruthless willingness to innovate, experiment, and a lively defense of national borders and interests⁷ (ibid). By comparing the Beijing Consensus to the Washington Consensus, Ramo considers China’s African approach as distinct because it involves little conditionalities relative to Western assistance which insists on trade liberalization, rule of law, and democracy. The apparent lack of restrictions and conditionalities associated with China’s African interventions contribute to national sovereignty⁸. National sovereignty is necessary for self-determination. This new physics of power, according to Ramo (2004), challenges Western hegemony and provides

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⁷ An idea that emphasizes the Westphalian logic of state sovereignty: One that sanctifies the integrity of the territorial nation-state and the principle that no nation can interfere in the affairs of another. This has become a defining principle in China’s so-called non-interference stance in Africa.

⁸ Although many scholars suggest that China’s engagement with African countries is devoid of conditionalities, this is not entirely true. African countries need to conform to the One-China policy. This policy enjoins all countries with diplomatic ties with China to not engage Taiwan. In addition to this political requirement, countries are also to purchase certain quantities of Chinese goods and service.
African countries the leeway for global reintegration. Further, the BC offers Africa the latitude to shape and chart a new course of development. As suggested by Ramo, these gains are based on the understanding that China’s African trade provides market for raw materials, while its aid and investment contribute to infrastructure and generate employment, promote skills and technology transfer. Ramo’s work is key in shaping the foregoing debate, but it tends to accord a passive role to the African state as it did not indicate how self-determination and related benefits can be forged. Despite these shortcomings, Ramo’s view resonates with those of other advocates who focus on other aspects of the BC.

Focusing on aid, Deborah Brautigam (2009) claims that Chinese loans, grants, and technical assistance vary in form and in content from those of the West. Building on Joshua Ramo’s comparative framework, Brautigam argues that aid from China prioritizes improving Africa’s productive capacity because Chinese aid focuses on projects like roads, dams, railways, schools, hospitals, and telecommunication infrastructure, elements ignored by the West. These projects are tailored towards the needs of African countries. They are not based on one-size-fits-all principles which typify Western assistance. Chinese interventions also involve promoting mutual interests. Because of the nature of the interventions, Chinese assistance contributes significantly to African development, and form the basis of employment and economic growth.

The importance of Chinese aid to Africa is often illustrated by China’s symbiotic relationship with Angola in the early 2000s. Angola’s relationship with China is a classic demonstration of what is known of China’s African intervention. Angola emerged in
2002 after decades of civil war amidst crumbling infrastructure. The country was economically weak with poor credit ratings, albeit being rich in oil and diamonds. Post-war reconstruction efforts based on sourcing financial support from the IMF and World Bank were thwarted by the insistence on credit improvement and macroeconomic stability. The Bretton Woods institutions raised concerns about Angola’s governance, transparency, and corruption. While Angola’s leadership indicated their awareness of the issues raised by the Bretton Woods institutions and their willingness to address them, the World Bank and IMF did not budge. The insistence of the IMF led to Angola’s turn to China for help (Corkin, 2013). Subsequently, China accepted Angola’s request and offered $10-billion credit-line to support the reconstruction process involving the provision of infrastructure, such as road, utilities, schools, and power generation (Corkin, 2011).

Although Chinese assistance to Angola did not include much conditionalities⁹ peculiar to the West, the agreement entailed repayment using resources, such as oil. For the period of the loan—17 years—100,000 barrels of oil would be shipped daily to China to service and repay the loan. Meanwhile, 70% of the infrastructure to be provided was outsourced to Chinese contractors (Bräutigam & Gallagher, 2014). These provisions encapsulate the essence of the Angola Model, which entails an arrangement whereby Chinese loans are repaid using resources. The way in which Chinese aid are bundled with strategies to extract resources is a major worry for analysts who see the approach as

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⁹ The most significant defining conditionality for diplomatic cooperation with China is respect for the One-China principle—the assertion that only China NOT Taiwan represents all Chinese people.
neocolonial because of their restriction on choosing a contractor and how such contractors are paid (Carmody & Kragelund, 2016). However, advocates insist that such claims are misguided because China’s approach tend to curb misappropriation of funds that characterizes projects financed by Western aid (Moyo, 2009).

One other important issue that has emerged concerning China’s aid program in Africa regards the view that they have mostly been geared toward rogue and illiberal regimes (Alden, 2007). This issue is fundamental to the ongoing debate and has been extensively discussed by advocates, such as Ngaire Woods (2008) and Suzuki Shogo (2009). For Ngaire Woods, the allegation that China supports rogue governments and inhibit African development is unjustified. According to her, China’s approach in Africa is based on political noninterference which does not discriminate or judge countries using Western standards of governance. China considers its African counterparts as peers and equals who need development (Chipaike & Bischoff, 2018). Because China does not claim a moral high ground and remains less sacrosanct, it does not meddle in internal politics. Instead, it tries to separate its business from local politics. As a result of this decoupling principle, China’s activities embrace polities of variant hues. This practice fuels concerns that China props up rogue regimes and inhibits efforts of good governance on the continent. Advocates, such as Woods and Suzuki claim that these critiques tend to dwarf China’s good intentions in Africa. For them, China is a member of multilateral institutions, such as the UN whose peacekeeping operations in countries such as Liberia, Sierra Leone, and Sudan contributes to stability and peace. China also played a crucial role in forging truce in Darfur by appointing a special envoy to Sudan. China also turned
around a ship of grain for Zimbabwe and offered to meet opposition figures instead (Woods, 2008). From these illustrations, advocates assert that China uses diplomacy instead of violence and sanctions in addressing conflicts in Africa\(^\text{10}\). Unfortunately, most of these interventions are ignored, and are therefore not registered in scholarly works. Further, Woods contends that there is incontrovertible evidence that countries receiving Chinese support have experienced considerable growth. A case in point is the 11% growth registered by Sudan in 2007\(^\text{11}\). Based on this evidence, it remains unfounded that China only support illiberal acts in Africa and inhibit the continent’s growth and development.

In addition to the foregoing, another area that has preoccupied advocates of China-Africa relations is trade and its opportunities for African development. Dambisa Moyo’s (2009) work delves into how China shapes African trade and the opportunity it portends for the continent’s development. Moyo is a staunch critic of Western aid; therefore, her intervention in the discussion is less surprising. For her, Western countries’ and institutions’ interventions in Africa through aid have not worked because such ‘cash donations’ often end up in the private bank accounts of the political elites and ruling classes. Western aid is also intended to recycle reserves hence attracts astronomical interest rates, usually 2.5% plus. Given these issues, she proposes trade as a means to

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\(^{10}\) China opposes sanctions as a solution to political problems. The Chinese view sanction as hurtful for the poor, in lieu of sanction, they support diplomacy. Some experts on international relation and conflict resolution oppose sanction. Sanctions only work when the targets have economic links in the country that may be damaged when such steps are taken.

\(^{11}\) The elements and drivers of this growth is contested as most critics argue that it was solely induced by the extraction and export of raw materials and crude with limited distributional effects.
ensure African economic growth. The first way that trade produces growth, according to Moyo, is by increasing the number of actual goods and services that a country sells abroad; second, trade drives up the productivity of workforce. She posits that Africa has been trading with the West for generations, but has gained little due to structural and political circumstances, such as subsidies. Western subsidies make African commodities globally less competitive. Moyo characterizes Africa’s role in the global economy as tragic. As such, she remains critical of globalization and suggests that although Africa has not been bypassed by globalization, Africans have not benefited as much from it as the Western world. Given her critical views on globalization, Moyo sees China’s rise as a counterweight to the deleterious impact of globalization on Africa. According to her, China’s willingness to trade with Africa provides new growth opportunities for the continent. In this regard, she stresses that China’s resource demands underpin recent economic growth in Africa. Moyo’s claim on the benefit of China’s trade with Africa coupled with other elements of China’s African interventions, such as aid, investment constitute some of the main gains that have been touted by advocates of China. These claims have been countered by critics who see China’s deepening stake on the continent as less developmental and neocolonial.

**1.2.2 The Critics**

Critics of China’s African interventions challenge advocates who view China’s contribution as a boon to the continent’s development. These critics see the relationship as less developmental, neocolonial, and exploitative. Drawing from dependency theory that considers inequality and poverty (underdevelopment) as conditions induced by the ways in which regions, such as Africa were integrated into the global economy (Amin,
1974), critics explain that China’s focus on resources entrenches Africa’s role as a raw material producer (Mohan, 2012).

Chakrabarty (2015) examines this resource-centered exploitation by focusing on China’s $9 billion investment in the DRC. She agrees that some gains have been made but sees Chinese investment as primarily resource-seeking which constitutes an insecure path to development. Chakrabarty's critique stems from numerous unfulfilled promises from the so-called ‘deal of the century’ brokered by Chinese companies in the DRC. Signed in 2007, the agreement between the DRC and a consortium of Chinese companies sought to establish a company to process copper in the DRC. This resource-backed investment provided for the provision of infrastructure, such as universities, hospitals, roads and railways. While the deal failed to deliver to the DRC much in the way of infrastructure and had to be abrogated after barely four years, the DRC shipped huge quantities of raw and refined copper to China.

Further, Chakrabarty's analysis emphasizes the limited diversification that characterizes resource economies that export raw materials. For her, resource-dependent economies need to vigorously pursue economic diversification and structural change. Unfortunately, for most African countries this rarely happens. In fact, for many African countries, China’s foray into the continent tends to deepen their external dependence (Andreasson, 2005, 2010). The lack of diversification makes African countries vulnerable to changes in the global market, and China’s domestic demands (Mohan & Power, 2009). This implies that variations in resource demands portend negative consequences for exporting African countries.
Kwasi Prah (2007) views resource dependence as deficit enhancement. He argues that China’s rise is perceived to superficially positively contribute to Africa in terms of trade, investment, and infrastructure. The relationship, however, extends and magnifies Africa’s deficits instead of resolving them. While China-Africa trade has increased exponentially, it is dominated by the export of oil. This situation undermines the continent’s ability to diversify its economy. Prah contends that developing a useful and profitable relationship with China is in Africa’s strategic interest. Even though Prah proffered people-to-people engagement as an antidote to accountability issues, it is unclear how ‘cultural diplomacy’ would deliver economic diversification (cf. Kragelund, 2014).

In Giles Mohan’s comparative case studies of China’s interventions in Angola and Ghana, he examined the elitist nature of the relationship between China and the two African countries. For Mohan (2013), some of the infrastructure provided by China including presidential palaces hardly contributes to the continent’s development. His work suggests that although China provides Africa with some infrastructure, Africa’s developmental issues remains unaltered. The elitist and enclaved nature of the connections between China and Africa is a reason why significant African development has not occurred. The elitist focus of the relationship and its limited linkages increases the continent’s extroversion and perpetuates its position as a raw material producer in the international division of labor (Mohan, 2012). In this context, Mohan views the relationship as neocolonial.
Lucy Corkin (2011) takes China’s neocolonial posture in Africa a notch higher through the analysis of construction practices and investments in Angola. Corkin notes that many Chinese construction firms not only have limited connections with domestic contractors, they often disregard local laws, as well as engineering, procurement, and contract agreements (EPC). EPC agreements are between contractors and a host country. An EPC outlines the terms and conditions that guide Chinese firm’s operations regarding labor, material, and equipment. EPCs often stipulate that no less than 50% of material, labor, and equipment can be sourced from China. The quota varies from one country to the other. However, Corkin’s study unmask Chinese firms’ blatant indifference to these quotas, many of which use a higher percentage of China-sourced labor, materials, and equipment than those domestically supplied. For Chinese firms, it is more efficient to recruit skilled workers from China than train local workers (Lee, 2009). The disproportionate bias for Chinese labor, equipment, and materials that characterizes China’s infrastructure projects in Africa undercut local employment, as well as skills and technology transfer. These issues coupled with China’s poor regard for environmental regulation and resource deals which prioritize Chinese interest exemplify the neocolonial stance. For Corkin, these patterns are antithetical to African’s development. Similarly, Denis Tull (2006) is convinced that there is virtually no way around the conclusion that China’s massive return to Africa presents a negative political development that almost certainly does not contribute to the promotion of peace, prosperity, and democracy on the continent.
1.2.3 A State-centered Perspective

While advocates and pessimists debate China’s African interventions, another group of scholars critical of these accounts presents an alternative reading to the literature. These scholars acknowledge the importance of the advocates’ and pessimists’ arguments. However, they contend that the nature of the discussions oversimplifies the relationship’s complexity. At the same time, there is little dispute on China’s investment and aid cooperation in Africa, yet such investments are narrowly-focused on resource extraction, such as providing elitist benefits which are enclaved and contribute little to African development. Moreover, they posit that the present consternations marginalize the African state’s agency to make the most of the transactions (Kragelund, 2009; Amoah, 2014). These statist perspectives suggest shifting focus from what China does in Africa to what and how African countries can make the most of their transactions with China.

The discussion in the previous section highlights China’s African strategy, yet the continent lacks any coherent countervailing policies in engaging China. Africa’s lack of coherent policy toward China stems from the nature of bilateral ties individual countries have with China (Dent, 2010). Most African countries pursue uncritical open-door policies with China which presumes that high investment inflows from China would necessarily create local benefits (Kragelund, 2009). This unquestioned presumption fails to recognize two facts. First, that interstate relationships involve the pursuit of interests not benevolence. This viewpoint relates to what Lord Palmerston\(^\text{12}\) once said: In

\(^{12}\text{Lord Palmerston also known as John Henry Temple was a British statesman and two-term prime minister who dominated his country’s foreign policy at the height its empire in the 19\textsuperscript{th} century.}\)
international relations, there are no permanent friends or foes, only permanent interests (cited in Ampiah & Naidu, 2008). Secondly, misunderstanding development as less teleological, but a process that requires conscious effort, deliberate, and purposive actions. Unfortunately, because of the uncritical and open-door approach to Chinese investments most African entrepreneurs have been crowded out. Similarly, because these investments tend to be sporadic and not linked to any specific areas of African economic growth they tend to generate minimal stimulus for economic transformation and structural change. The conundrum whereby Chinese investment undermines local entrepreneurs and stimulates limited growth is now gaining traction in the Africanist literature (Wethal, 2018).

Focusing on infrastructure, Corkin (2012) argues that linkages remain one of the clearest ways of assessing the true benefits of China’s activities in Africa. For her, infrastructure represents the tangible benefits African resources buy from China and offers a way to evaluate the impact of China’s interventions in Africa and the specific roles African countries play in linking such projects to their development. The idea of analyzing the outcomes of infrastructural projects through the actions of the African state is an important framework for evaluating present China-Africa engagements. My thesis builds on this approach and contends that unless African countries link Chinese investment projects to their local economies, the promise of mutual development will prove elusive. Given that China has a strategy for engaging the continent, African states must position themselves to leverage the potential benefits of their engagement with the Chinese.
This thesis hinges on analyzing the potential of state interventions in creating transformative linkages for development. Albert Hirschman (1981) examined the concept of linkage to counteract the enclave nature of resource and commodity-dependent economies. In his pioneering work, Hirschman identified three kinds of linkages—fiscal, consumptive, and productive. Fiscal linkage connotes the extraction of rent (taxes and royalties) from a given commodity. Consumption linkages, on the other hand, involve demand, triggered by income earned through employment in resource-related industries. These categories of linkages contribute to the fiscal stability of government finances, but their overall impacts on national economic performance are ephemeral. In contrast to this claim, Hirschman noted that production linkages are generative and necessary for engendering economic diversification and structural change. The idea that production linkages embody generative impulses for economic development stems from the understanding that they have backward and forward effects. In other words, productive linkages can be sub-divided into forward and backward linkages. Hirschman explains backward and forward impacts of a sector/product as:

Investment generating forces that are set in motion, through input–output relations, when productive facilities that supply inputs to that line or utilize its outputs are inadequate or nonexistent. Backward linkages lead to new investment in input-supplying facilities and forward linkages to investment in output using facilities (Hirschman, 1981, p.65)

From this perspective, backward linkages constitute activities established to supply inputs into a given industry or sector. They are necessary for economic integration, and comprise skills, expertise, and material inputs that stimulate a given industry or economic activity. With specific regards to construction activities Mehmet & Yorucu (2010),
conceive of backward linkages as “direct input interdependence between the construction sector and other sectors (p.83).” In other words, construction backward linkages entail purchases by the construction sector of intermediate goods in interindustry transactions, such as skills (labor), equipment, materials (cement, lime, wood/timber, chemicals, precious and non-ferrous metals), and quarry products (sand, stone, and clay).

Conceptually, Wethal (2018) suggests that backward linkages in the construction sector take the form of employment, supply of materials, subcontracting, and service provision.

By contrast, forward linkages are high-order activities or investments in output producing facilities prior to export. In construction, forward linkages entail deliveries of final outputs or intermediate goods and services including all forms of repairs and maintenance. The literature on construction management characterizes these forward linkages as fixed capital stocks (FCS).

Several scholars, including (Morris et al., 2011), (Bloch & Owusu, 2012), (Kaplan, 2016), (Sampath & Oyelaran-Oyeyinka, 2016), and (Hensengerth, 2018) have engaged the concepts of linkages. In particular, Bloch & Owusu, (2012) basing their work on mining in Ghana and South Africa argue that linkages take time to develop. They also assert that linkages are dynamics, in that they can be today and vanish tomorrow. This brings to the fore how linkages evolve and decay with time. Central to this argument is the view that linkages entail spatiality, whereby the point activity is located elsewhere but the linkages manifest in another location.

The launch of the 2015 United Nation’s Sustainable Development Goals (SDGs) reinvigorated discussions on how to leverage natural resources of developing countries in
reducing poverty, promoting industrialization, mitigating climate change, and facilitating sustainable communities and cities (Sampath & Oyelaran-Oyeyinka, 2016). David Kaplan (2016) points to linkage enhancement as a clear path towards fulfilling the SDGS. In highlighting backward and forward linkages, Kaplan concretized the spatial dimensions associated with Bloch’s and Owusu’s work into lateral/ horizontal linkages, as a dimension that requires serious consideration by governments of developing countries.

**Figure 1.0 Linkage and Effects**

![Diagram of Linkage and Effects]

Source: Adapted from various sources

Lateral linkage according to Kaplan involves diffusion of skills, technology, technical capabilities and other benefits to other activities. Lateral linkages are stronger where local firms have the capacity to absorb spillovers (Wethal, 2018). Together, backward, forward, and lateral linkages foster economic diversification (Figure 1.0), which trigger
structural change manifested in greater involvement of labor in high value (higher end) chain activities including manufacturing and service provision.

Because of the importance of linkages to the process of development, they must be purposively encouraged and promoted by the state through targeted industrial policies including regulations, local content policies, and localization (Morris, Kaplinsky, & Kaplan, 2012; Schmitz, 2007; Wade, 2009).

The development of linkages through the actions of the state is encapsulated in the developmental state literature, which provides a theoretical framework for examining the importance of state leadership in development. Although the ideational foundation of the developmental state can be ascribed to the works of Fredrick List (1909) and Gerschenkron (1962), Chalmers Johnson (1982) remains the contemporary source of analysis (Onis, 1991). Johnson’s work was based on Japan’s Ministry of International Trade and Industry (MITI), where he identified the existence of a plan-rational structure that was committed to economic development through industrialization, technology, and skills transfer. Johnson considered this state as developmental. The theory of the developmental state has since been investigated in other contexts, especially those in Southeast Asian countries, such as South Korea, Taiwan, Hong Kong, and Singapore. These countries were poor and agricultural-based economies before mid-20th century. Since then, they have been transformed into post-war industrial economies. Their magnificent achievements have led to them being described as Asian Tigers and Miracles. One significant feature of these countries is their ability to build capable institutions to accumulate wealth and advance capital; a task to which they intentionally
committed their administrative, technical, and managerial resources. Other researchers have analyzed the existence of the developmental state in other countries, such as Botswana and Mauritius (Samatar, 1999; Fritz & Menocal, 2007; Taylor, 2002). Even though Wade (1990) considered Johnson’s work less prescriptive and theoretically problematic, Johnson’s approach continues to inspire further enquiry on the developmental state.

Writing in 2001, Thandika Mkandawire analyzes the ideological and structural underpinnings of the developmental state. Mkandawire (2001) asserts that the ideological-structure nexus differentiates the developmental state from other states. Like Johnson, Mkandawire views the developmental state as one that has economic development as its primary goal. This objective is achieved through commitment to high rates of accumulation and industrialization. This view was echoed by Manuel Castells (1992), who asserts that the developmental state regards sustained economic growth and development as the key to its legitimacy. Similarly, Ellen Hillbom (2012) argues that sustained economic development under the developmental state is the result of structural changes. In other words, structural changes make economic transformation possible and sustainable. This neo-Weberian understanding suggests that a structural shift in the mode of production to deliver economic development and diversification (Whitfield, et al., 2015). The developmental outcomes of the development state according to Mkandawire is not pregiven neither is the structures that produce such outcomes pre-determined. For him, both must be historicized through the ideological hegemony of the ruling class.
The developmental state’s ideology is considered by Marxist scholars as a product of the politics of state formation (Vu, 2007). Such an analysis is beyond the parameters of the present thesis, but it is instructive to note that Marxist scholars view state formation as a vested and contested process, which involves competition and struggle (Glassman & Samatar, 1997). These scholars regard the state as a generator of ideas and strategies (Jessop, 1990). According to Bob Jessop, the dominant class at the state’s realm determines the primary strategy. Thus, class cohesion and unity bear directly on the trajectory of development. In this context, class unity, then challenges the particularistic interests of state leaders that are prevalent under fragmented statehood (Samatar, 1999). The dominant class determines the state’s hegemonic projects. This argument opposes the view that the state is a neutral arbiter of social problems. The state’s hegemony determines its ability to develop ideas to advance capital (Evans, 1995).

In addition to the ideology of the developmental state, Mkandawire also describes the structural underpinnings of the developmental state as a function of its capacity and relative autonomy. Relative autonomy encompasses freedom from internal and external forces (Samatar, 1999). The interactions between these forces feed into the state’s power and behavior (ibid). State autonomy is often conflated with capacity, which although related, is different. Whereas Brautigam (1998) views state capacity as the measure of the ability of a government to implement its policies and accomplish its goals, Mkandawire (2001) describes capacity as a country’s capability to design and implement policies sagaciously. At a minimum, state capacity implies the effective administration of a country’s territory. This reduces state capacity into four main dimensions. First,
administrative capacity connotes the routine ability to manage personnel and resources of the state and to ensure accountability and efficient service delivery. This is measured in terms of effectiveness of public service delivery and stability in turnover of top public officials. Secondly, regulatory capacity constitutes the resourcefulness of a state to establish and enforce rules that guide societal behavior. This can be measured with respect to the ability to keep contracts and property laws and defend itself. Third, technical capacity involves the expertise required to make and implement special and professional decisions. Finally, extractive capacity entails the wherewithal of a government to raise the needed revenue to prosecute its policies and goals.

Generally, it is expected that a country with high capacity indicators is likely to score high on the developmental ladder. But such an assumption is fraught with three main issues. First, the development industry involves the operation of non-governmental organizations (NGOs), which may be producing high developmental outcomes, albeit in environments with limited capacity. Secondly, inequalities in the developmental outcomes may give the impression that a country is doing well, whereas such gains may be concentrated in just a few hands or locations. Third, capacity may be high yet constrained by external forces—an issue of relative autonomy. These challenges bring to the fore the idea that capacity cannot exist without the needed relative autonomy. As an example, various organizations including the World Bank have since the late 1970s attempted to use Structural Adjustment Policies (SAPs) to bolster technical and institutional capacities in Africa, but these programs yielded minimal returns because the
targeted countries were bereft of the necessary relative autonomy to implement the programs.

In analyzing the relationship between autonomy and capacity, Peter Evans (1995) suggests that the notion of the state is not a generic concept. To him, different states produce different capacities for action, which can be determined through the behavior and roles of its actors. In other words, the capacity of the state is subsumed by the role of the state involving actions of state actors in relation to external forces. This constructivist imbrication lead to Peter Evans’ concept of embedded autonomy\textsuperscript{13}, as a framework that explains how ideology and structure are linked to performance of the bureaucratic functions of a developmental state.

Embedded autonomy denotes a bureaucracy with corporate coherence. Competent career bureaucrats, who are recruited based on merit, staff this bureaucracy. Unlike Weber’s insulated bureaucracy, Evans’ bureaucratic apparatus is embedded in society through concrete social ties that bind the state to society. This is a process in which the state purposively forms selective linkages with segments of society, including entrepreneurs and industrialist to accumulate wealth and advance and capital. According to Evans, this process involves the state playing four main roles. Demiurge and custodian are the conventional role of the state as a regulator and a producer. These two roles are necessary for countries that are at the formative stages of industrialization and need state support to provide fundamentals, such as infrastructure and protection to thrive (Evans, 2008).  

\textsuperscript{13} Antoinnette Handley (2008) denotes embedded autonomy with the concept of constructive contestation.
Chapter two illustrates these roles in detail by highlighting strategies that Asian countries adopted in guiding their industrial advance and entrepreneurship. Beyond custodian and demiurge roles, Evans indicates that states play midwifery and husbandry roles. These roles define the relationship between state agencies and private entrepreneurs (ibid). The roles entail policies including tax reliefs, research support, and incentives that are geared at helping existing firms succeed and diversify into new areas or other markets. These supporting roles and structure enable the state to advance, diversify, and consolidate gains made it the initial stages of development. The effectiveness of these roles then depends on the capacity of the state and its relative autonomy. In other words, the outcomes of a state’s action and the behavior of its actors is a measure of its capacity and relative autonomy.

The notions of the embedded autonomy encapsulates conjoining a state’s capacity and autonomy in forming a special pact with market and society in realizing its developmental agenda (Underhill & Zhang, 2005). Scholars such as Amsden (1989) observed how this process transformed South Korea. Amsden’s work emphasizes the state’s potency to distort market prices as part of its market augmenting strategies. Such interventions undergirded South Korea’s industrial development which began with the creation of the entrepreneurial class—Chaebol—and the diversification of the industrial process to include shipping and automobile. Kragelund (2009) describes this process as crowding in as opposed to crowding out.

Similarly, Pereira's (2008) work illustrates the key role the state played in creating a profitable biomedical industry from a declining manufacturing sector. The biomedical
science initiatives Pereira describes involved husbandry state interventions to create backward and forward linkages. In Singapore, these backward, forward, and lateral linkages included botanical research gardens and tax and legal incentives to attract talented researchers to the city. Similar dirigiste actions occurred in Taiwan (Wade, 1990) and Botswana (Samatar, 1999).

The tale of the developmental state and its role in shaping the Miracles of Asia and those elsewhere including Mauritius and Botswana offers useful lessons to African countries as they attempt to make the most of their engagements with China. In this study, I use the concept of linkages and state interventions (roles) to examine China-Africa relations. Based on a case study of Ghana’s Bui hydropower dam, the research examines how state intervention shapes and determines the formation of transformative outcomes. It also examines what happens to such linkages in the absence of limited state interventions.

China financed and built the Bui hydropower dam in 2013 to generate electricity and boost socio-economic development. However, since its completion, the project has been bedeviled with controversies, including inadequate electricity production and unfulfilled promises to local communities. These issues raised doubts regarding the viability of the project and the state’s overall complicity in the challenges that have come to characterize the project. Recent studies on the dam, however, tend to focus on the project’s contribution to climate change through methane and carbon dioxide emission, as well as the permanent inundation of the Bui National Park (BNP) (Hensengerth, 2013; Urban et al., 2015). These studies, however, ignore the dam’s socio-economic impacts. This study
fills this gap. The thesis conceptualizes the Bui hydropower dam as a major development assemblage that is capable of far more than merely generating electricity.

1.3 Research Questions
This study examines the developmental outcomes of the Bui hydropower dam and the role the Ghanaian state played in shaping such benefits. The study is based on four main questions.

- What does the literature say about the role of the state in development?
  - How do we juxtapose this literature in relation to African industrialization and China’s African interventions?
- What is the historical foundation of present China-Ghana engagements?
  - In what ways have past engagements conditioned present China-Ghana interactions?
- How do we explain and conceptualize China’s interests in financing a project like the Bui hydropower dam which has been abandoned for nearly a century? What does the Bui hydropower dam project tell us about China’s African interests?
  - How did China and Ghana engage each other in realizing their interests?
    - What role did each country’s agents play in ensuring their interests were achieved?
- Apart from electricity, what other goals motivated the implementation of the Bui hydropower dam?
  - How are the linkages connected to Ghana’s national development plans?
How can the outcomes of the dam be explained through the actions of the state?

- How do we connect the empirics (outcomes) of the dam back to theory?

### 1.3.1 Study Area

This study was conducted in the Greater Accra, Brong Ahafo, Ashanti, and Northern regions of Ghana (Figure 1.1). Because of the dam’s site on the border between the Brong Ahafo and Northern, it has actors located in these two regions, as well as in Ashanti and Greater Accra. Consequently, I categorize the regions where the research was carried out into on and off sites.

The on-site locations include the two resettlement camps (A & B) and six other adjoining villages scattered in downstream and upstream locations of the dam (details in Chapter Five). These villages, namely Ahenkro, Bongase, Banda Nkwanta, Jama, Gborlekame North and Bui Camp\(^\text{14}\), were affected by the project but they were not resettled. Meanwhile, other unmoved villages in the downstream area including Tesselima, Carpenter, Bamboi and New Longoro which were also affected by the dam were not actively studied. The decision to exclude these villages from the study is based on the understanding that the degree of impact on them was relatively minimal (in the short-term) than those nearer to the project’s site (see Chapter 5). In other words, the project’s impact, in the short-term, tend to decrease with increasing distance away from the main dam site (Owusu et al., 2017). Located on – site is the local government.

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\(^{14}\) This is considered a separate village because it essentially contains professional foresters and wildlife managers who work for the forestry commission. Their work involves managing the Bui National Park.
administration unit (District Assembly) in Banda Ahenkro which was supposed to coordinate the activities of the construction. The District Assembly was only marginally involved in the project.

The population of these communities comprises various ethnic groups, such as Ewe, Mos, Akan, Valaga, Gonja, Banda and Dagarti. The Ewe is a migrant group who moved upstream following their displacement by the Akosombo dam in the 1960s. The Dagarti group also moved to the area Bui from the Upper West region of Ghana. The main occupation in these communities include farming, fishing, hunting, and petty trading. But the migratory histories of the Ewes and Dagarti groups affects land ownership and farm sizes (Asiama et al., 2017).

The off-site locations include Accra (Greater Accra regional capital), Kumasi (Ashanti regional capital), and Sunyani (capital city of the Brong Ahafo region). These three regional capitals averages between 180 kilometers to 400 kilometers (112 mile to 250 miles) away from the dam site. However, they are home to actors of interest to this study. For instance, Accra hosts the Bui Power Authority (BPA) and key government ministries, as well as agencies which were involved in designing, planning, and executing the project. Likewise, Kumasi hosts the Building and Road Research Institute (BRRI) while Sunyani is home to the regional office of the Ghana Tourism Authority15 (GTA).

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15 I was directed to the GTA regional office after initial interactions with officials at the headquarters in Accra. The officials in the Accra office claimed the regional office has the pertinent information that I sought for the study.
These off-site locations also have key professional agencies, such as the Ghana Institutions of Engineers and the Ghana Real Estate Developers (GREDA) and the Building and Material Workers Union of the Trade Union Congress of Ghana (TUC), and research centers which participated in this study. These participant population were purposively selected to ensure that the study’s findings are representative and adequate in addressing the research questions.
1.3.2 Research Design and Data Collection

This study adopts an exploratory mixed method and a case study design phased into several steps spanning 2014 to 2017. The first step involved archival research at the Library of Parliament, the Volta River Authority (VRA), Public Records and Archival Administration Department (PRAAD), and the Institute for Environment and Sanitation Studies at the University of Ghana (Table 1.1). This archival work was the first step in the study to explore the history, planning, and to identify the main institutions, agencies, and actors who were involved in implementing the behemoth.

Table 1.1 Archives and documents review

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<th>Source</th>
<th>Data type</th>
<th>Location</th>
<th>Date</th>
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<td>Accra</td>
<td>June 1 – 20, 2016</td>
</tr>
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<td></td>
<td>Newsletters</td>
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<tr>
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<td>Briefings/ memos</td>
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<tr>
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<td>Maps</td>
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<td>Committee briefings</td>
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<td></td>
<td>Memos</td>
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<td>Memos</td>
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<td></td>
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<td></td>
<td>Government speeches</td>
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<td>Feasibility studies</td>
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<td>Academic publications</td>
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<td>August 7 – 16, 2017</td>
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<td></td>
<td>&amp; maps</td>
<td></td>
<td></td>
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</tbody>
</table>

Source: Author’s construct

The archival work led to identifying 13 government ministries, department, and agencies (MDAs) (Table 1.2). These MDG were contacted and interviewed using semi-structured interview guides (Table 1.4). Most of these interviews were conducted in off –

\(^{16}\) Formerly called the Volta river basin research, at the university of Ghana, Legon
site locations in Accra, Kumasi, and Sunyani involving government officials. Interviews with these government agencies were usually conducted in offices or conference rooms of identified organization involving 1 to 3 persons from the agencies. I also interviewed current and former employees regarding training, skills transfer, and conditions of work. Likewise, I interviewed identifiable stakeholder groups, such as engineers, local contractors, quantity surveyors, Chinese actors and representatives and individuals of affected communities. A total 108 interviews were conducted.

All the interviews were conducted in English, except a few which were conducted in Twi—the local language. Before each interview, participants voluntarily signed a Consent Form stating that they agreed to participate in the study and be audio-recorded. All but three Chinese participants signed the consent form. Although these participants did not consent to be recorded, they agreed that notes could be taken during their interviews.

Further, I conducted five group interviews (GIs) on-site. These (GIs) were based on occupations, such as farming, fishing, and trading. Two comprising women discussed the dynamics of the dam on trade. The remaining GIs were composed of men focusing on occupation such as fishing, farming, and hunting. Recruitment was based on occupational membership. This usually began by identifying a member of the group who suggested other individuals through snowballing. The study’s objective was explained to suggested individuals to solicit participation. Once an agreement was reached, time and locations were discussed. Each GI comprised 3–10 persons. We capped participants’ number at 10 to ensure that: 1) every participant had ample time to talk and allow for follow-ups; 2)
there was adequate time management; 3) reduce fatigue as the meeting were held after work hours. GI lasted from one to two 2 hours.

These meetings were mostly held in the evening after work hours and other household obligations to ensure there was ample time to discuss all the major issues that were raised through interviews. The GIs were mostly conducted in the residence of one of the members. We checked to ensure that all chosen locations were acceptable to participants before starting our conversations. Overall, there was no instance of objection to a location or expression of insecurity before, during and after our meetings. This allowed participants to speak freely and allowed for follow-ups.

The fourth stage of the research involved a survey of the resettlement of the communities. This was intended to capture residents’ prior expectations and explore the specific ways in which the construction project affected residents of the displaced communities within the confines of the behemoth. Within the stratified population, sampling was random—any individual within the identified population stood the chance of being surveyed. These surveys sampled views on expectations prior to the project’s implementation, coping strategies, challenges and opportunities created the project. The survey details are contained in table 1.3 below.

<table>
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<th>Methods</th>
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<th>Locations</th>
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<td>Aug. 6, 2016</td>
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Sampled former employees | 20 | Bui | Jan. 20, 2016
---|---|---|---
Identifiable groups
Fishermen | 1 | Bui | Jan. 28, 2016
Farmers | 1 | Bui | Jan. 28, 2016
Fishmongers | 1 | Bui | Jan. 28, 2016
Traders | 1 | Bui | Jan. 29, 2016
Community based organizations | 1 | Bui | Jan. 29, 2016
Total | 108 |

Source: Author’s construct

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<tr>
<td>Female</td>
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<td>38%</td>
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</tr>
<tr>
<td>School</td>
<td>279</td>
<td>97.89%</td>
<td>10</td>
</tr>
<tr>
<td>Health services</td>
<td>265</td>
<td>92.98%</td>
<td>9</td>
</tr>
<tr>
<td>Market/trading opportunities</td>
<td>261</td>
<td>91.58%</td>
<td>8</td>
</tr>
<tr>
<td>Road</td>
<td>258</td>
<td>90.53%</td>
<td>7</td>
</tr>
<tr>
<td>Employment</td>
<td>249</td>
<td>87.37%</td>
<td>6</td>
</tr>
<tr>
<td>Water supply</td>
<td>247</td>
<td>86.67%</td>
<td>5</td>
</tr>
<tr>
<td>Irrigation</td>
<td>176</td>
<td>61.75%</td>
<td>4</td>
</tr>
<tr>
<td>Tourism</td>
<td>161</td>
<td>56.49%</td>
<td>3</td>
</tr>
<tr>
<td>Community center (info center)</td>
<td>130</td>
<td>45.61%</td>
<td>2</td>
</tr>
<tr>
<td>Water transport</td>
<td>118</td>
<td>41.40%</td>
<td>1</td>
</tr>
<tr>
<td>Total (N)</td>
<td>353</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact on Local communities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss of farm land</td>
<td>183</td>
<td>64.21%</td>
<td>5</td>
</tr>
<tr>
<td>Loss of fishing grounds</td>
<td>126</td>
<td>44.21%</td>
<td>4</td>
</tr>
<tr>
<td>Increased crime</td>
<td>102</td>
<td>35.79%</td>
<td>3</td>
</tr>
<tr>
<td>Family instability</td>
<td>75</td>
<td>26.32%</td>
<td>2</td>
</tr>
<tr>
<td>Others(^17)</td>
<td>23</td>
<td>8.07%</td>
<td>1</td>
</tr>
<tr>
<td>Total (N)</td>
<td>354</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational level</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>104</td>
<td>31%</td>
<td>-</td>
</tr>
<tr>
<td>Basic</td>
<td>168</td>
<td>51%</td>
<td>-</td>
</tr>
<tr>
<td>Secondary</td>
<td>39</td>
<td>12%</td>
<td>-</td>
</tr>
</tbody>
</table>

\(^{17}\) Respondents were not specific. While some stated bad, others mentioned negative.
Table 1.4 Sample interview guide

<table>
<thead>
<tr>
<th>Dimensions/ themes</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Backward linkages</td>
<td></td>
</tr>
<tr>
<td>Sub-contracting</td>
<td>1. What were the potential sources of technology and skills transfer on the Bui dam?</td>
</tr>
<tr>
<td></td>
<td>2. How did Sinohydro interact with local contractors and employees?</td>
</tr>
<tr>
<td>Procurement</td>
<td>1. What were the primary materials, equipment, and machinery needed for the dam?</td>
</tr>
<tr>
<td></td>
<td>2. What were the main sources of these inputs? What’s the percentage of input that were locally sourced?</td>
</tr>
<tr>
<td></td>
<td>3. What are the likely impact these procurements had on locally suppliers?</td>
</tr>
<tr>
<td>Employment</td>
<td>1. What was the projected number of jobs to be created by the dam implementation?</td>
</tr>
<tr>
<td></td>
<td>2. How many of these jobs were created?</td>
</tr>
<tr>
<td></td>
<td>3. What were specific categories of jobs created on the Bui dam?</td>
</tr>
<tr>
<td>Forward linkages</td>
<td></td>
</tr>
<tr>
<td>Research and Development</td>
<td>1. How did the Bui dam contribute to the technical-how on dam in Ghana?</td>
</tr>
<tr>
<td>Impact of capacity to undertake repairs and maintenance</td>
<td>1. How did the implementation impact local capacity of local contractors to repair and maintain similar project?</td>
</tr>
<tr>
<td>Lateral linkages</td>
<td></td>
</tr>
<tr>
<td>Tourism</td>
<td>1. What kind of tourism activities existed in the project area prior to the dam implementation?</td>
</tr>
<tr>
<td></td>
<td>2. In what ways has the dam’s implementation impacted the existing tourist activities in the project area?</td>
</tr>
<tr>
<td></td>
<td>3. What is government plans to boost tourism in the post-dam</td>
</tr>
<tr>
<td>Irrigation</td>
<td>1. What’s the capacity of the irrigation scheme to be developed along with Bui dam, and where would it be sited?</td>
</tr>
<tr>
<td></td>
<td>2. What the likely impact the irrigation scheme on agriculture in the area?</td>
</tr>
</tbody>
</table>
1.3.3 Data Analysis

The audio-recordings from the interviews, field notes, and GIs were manually transcribed with the help of two research assistants. The transcripts were imported into NVIVO PRO® for coding along the main themes of the research including backward, forward, and lateral linkages. Codes were also assigned to challenges, benefits, skills transfer, financing, negotiations, and procurements, and facilitation. The codes generated in NVIVO were subjected to content and narrative analysis based on the themes of the study. Archival materials were subjected to meta-analysis based on themes of history, actors, and responsibilities in calibrating questionnaires. The survey data provide summative statistics for inference on the research’s pertinent themes. A word cloud generated from the survey is provided in Figure 1.2 to shine lights on some of the pertinent issues residents within project’s catchment experience.
1.3.4 Ethical Considerations

This study was approved under University of Minnesota’s Institutional Review Board (IRB) Exempt category guidelines. The IRB reviewed the interview protocols, including questions, consent, actors and expected outcomes as having minimal impacts on individuals—as such outcomes is public information. Moreover, the IRB deemed the study to involve input from public officials who were performing public duties. As such, the IRB deemed the study as an exempt.

1.3.5 Confidence and anonymity

Participants in this study are protected by the project’s governing guidelines. The views of public officials are treated as public information. Unless otherwise indicated in
the Consent Form, such views are considered confidential and anonymized in the analysis. Additionally, statements by private individuals are strictly confidential and anonymized to conceal identity.

**1.3.6 Challenges**

I encountered a few challenges in conducting this research. First, the research was conducted in multiple locations in Ghana. Accessing these locations was challenging. This was exacerbated by the underdeveloped nature of Ghana’s public transport system. For instance, the distance between Accra and Bui is about 350 miles. This journey should take a maximum of four hours. But in Ghana it takes about twelve hours. There were times when I was at Bui only to be called to meet an MDA officer in Accra. Because of difficulties faced in scheduling meetings, I was left with no options but endure the tortuous journey at short notices. Second, it was very hard sometimes to access public officials and documents. With the exception of a few agencies that were willing to help me, the majority kept excusing themselves and eventually backed out. Third, most public institutions have poor recording keeping and institutional memory. There were times when I followed up on my previous letter only to be told that it could not be retrieved. I learnt this lesson early and had resorted to printing extra copies of letters—at additional cost—which I carried everywhere I went. Fourth, much like their Ghanaian counterpart, the Chinese actors of interest in this project were extremely lukewarm to me. Some did not even respond to my letters let alone agreeing to meet. Those which agreed sent representatives who were always in a hurry to leave. I could not tell whether that was deliberate, or they were genuinely pressed for time. Fifth, this study could have benefitted more if I had Chinese language skills. Even though I noticed this deficiency early in the
field and started taking Chinese classes (evening options) at the Confucius Institute at the University of Ghana, my irregular movements between locations undermined my progress. Sixth, scheduling interviews and GIs with community members was challenging. This was exacerbated by occupational dynamics and fear of exploitation due to previous studies on the communities.

1.4 The Structure of the Dissertation
This study examines how state intervention determines and shapes the outcomes of China-Africa relationship. The research focuses on Ghana and uses the Bui hydropower dam as a means of analyzing how the state leveraged the opportunities provided by the project. The thesis is structured into six chapters. Chapter Two analyzes the role of the state in development. This chapter compares how post-war industrialization in Asia and Africa were shaped by state interventions. The chapter notes significant variation in industrialization between Asia and Africa. This situation is attributed to the ways in which the states in the two regions elected to intervene and manage their economies. The second part of the chapter examines the channels of China-Africa interactions and called for active African state involvement in maximizing the gains of the relationship. Chapter Three examines China-Ghana relations since 1957. This chapter surveys and analyzes the key moments in the relationship. The chapter demonstrates how various Ghanaian government agencies shaped this relationship over time and how this differs from other African countries. Chapter Four focuses on the Bui hydropower dam as a case study and a reflection of China’s soft power strategies in Ghana. This chapter summarizes the literature on large dam and its connections to China’s infrastructure strategy in Africa. It describes China’s emergence as a major
financier of large dams after the World Bank’s interest dipped at the end of the 20th century. The chapter also discusses the Bui hydropower dam’s background and objectives. Further, the chapter discusses how the project’s negotiations were conducted, as well as its overall impact on China-Ghana relationships. Chapter Five evaluates the Bui hydropower dam’s developmental outcomes. An analysis of the dam’s objectives and outcomes clarifies the extent to which the project’s original objectives have been fulfilled. Chapter Six provides concluding remarks and summarizes the key findings of the research. It also outlines my future research plans.
Chapter Two
The African State and Industrialization
2.0 Overview

Investment in industrialization especially manufacturing is considered pivotal to any development strategy (Schmitz, 2007). Historically, no country develops without serious investment in manufacturing activities. Western Europe’s 18th century industrialization entailed revolutionizing the process of manufacturing and inventing new processing techniques and ideas. Europe’s inventions were adopted and adapted by the United States in the 19th century to advance its development. Similarly, the emergence of 20th century late industrializers including Japan were premised on sustained industrialization through adoption and learning-by-doing (Amsden, 1989). In each of these cases, dynamic manufacturing contributed considerably to economic prosperity, employment creation, and technological advancement (Lawrence, 2005).

Despite the importance of industrialization, colonial rule prevented most Third World countries from pursuing it. Apart from enervating manufacturing, colonial activities also disarticulated peripheral economies and exploited their resources (Amin, 1974; King, 2015). As an additive, Third World countries latched onto industrialization as their primary development strategy upon attaining independence (Goldman, 2015). These countries considered industrialization as a means to foster self-determination, create jobs, and promote balanced international trade (Chandra, 1992).

However, after decades of Third World industrialization, the outcome remains remarkably mixed (Lawrence, 2005). While a limited number of East Asian countries succeeded in industrialization, those in Africa failed (Gui-Diby & Renard, 2015). The
divergence in industrial performance between the two regions remains a formidable puzzle for analysts. This conundrum hinged on the fact the two regions share common colonial heritage. Despite this similarity, researchers attribute the divergence in industrial achievements to the nature of their respective states and how they elected to manage and intervene in their economies (Kohli, 2005). This observation brings to the fore the centrality of quality state intervention as an important determinant of industrial transformation (Evans, 1995).

This chapter revisits the notions of state intervention as a key factor in industrial transformation. The chapter has two objectives. First, it seeks to show how variations in industrial outcomes between East Asia and Africa are shaped by the role played by the state in the local economy. Second, it illustrates that China’s African interventions would generate limited industrialization without significant changes in the role and capacity of the African state. The chapter contends that although the African state was marginally involved in the continent’s industrial development process in the past, it needs to become more actively involved now to harness the opportunities China’s interventions provide.

The chapter contains four parts. Part One discusses state-led industrialization in Asia. This section uses the theory of the developmental state to examine East Asia’s industrial transformation. Part Two focuses on African industrialization efforts. The section describes how internal and external forces converged in shaping the continent’s industrial performance since independence. Part Three explores China’s evolving relationship with Africa and examines the channels of interaction and their impacts on the continent’s industrial development. Part Four summarizes the chapter’s arguments.
2.1 East Asia’s State-led Industrial Transformation

East Asia’s successful post-war economic transformation contrasts sharply with industrial failures in much of the Third World. The transformation which occurred in South Korea, Taiwan, Singapore, and Hong Kong entailed the evolution of these former agrarian societies into high-technology industrial economies and high value-added good producers (Dassah, 2011). The development of these economies orchestrated economic diversification, social transformation, and increased Manufacturing Value Added products (MVA) (Table 2.0). Some scholars consider the magnificent industrial success as key in enabling these countries to provide such social services as infrastructure, healthcare, and education for their people (Sampath, 2015).

Some scholars perceived the impressive economic transformation as a Miracle, or as the rise of the Tigers (Fritz & Menocal, 2007). This characterization was predicated on the history of these countries. The countries constituting the Miracle including South Korea, Taiwan, and Singapore shared debilitating colonial history with African countries (cf. Pereira, 2008). They also lacked significant quantities of viable natural resources, and were economically backward as some even relied heavily on aid from Japan and the United States (Doner et al., 2005).

Consequently, the ability of these countries to transition from backward societies into successful industrial economies while their African counterparts struggle would spark debate. The debate seeks to foreground the causes of the developmental divergence between the two regions given their shared colonial heritage. For some analysts, the observed differences can be ascribed to how they were immersed in the colonial process.
This conclusion pinpoints what happened during colonialization, including legacies of infrastructure, market orientations, and productive activities (Lin & Monga, 2010). In other words, in cases where colonialist settlers used their colonies to produce manufactures they invested in developing such places. The reverse argument whereby colonial settlers exploited their colonies is also true (Chandra, 1992). In contrast, other analysts cite what happened in the postcolonial period (Vu, 2007). Among the factors that analysts consider in assessing the postcolonial context include the differential role that the state of the two regions played in shaping their postcolonial developments (Sandbrook, 2013). Even though this claim does not efface the centrality of the colonial legacy on postcolonial development dynamics, it seems generative. In other word, proponents of this argument consider both the colonial question and the postcolonial contexts including actions and steps taken by the elites as profoundly consequential to the trajectory of development. Given the centrality of the state as the arbiter of collective action and the locus of ideas and strategies, it has emerged as the major focus of discussion (Jessop, 1990).

The state’s role in development is central to the debate between structuralists and neoliberalists (Shapiro & Taylor, 1990). Structuralists comprising geographers, sociologists, and radical political economists view the state as crucial in guiding long-term economic transformation (Silvey, 2010). These scholars reference protectionism and subsidies as instruments countries use to shape their industrial development (Routley, 2014). This claim is bolstered by the fact that no country in history has developed without substantial state intervention.
Table 2.0 Selected Economic Variables for Africa and East Asia 1960-2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Africa</th>
<th>East Asia</th>
<th>Africa</th>
<th>East Asia</th>
<th>Africa</th>
<th>East Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>244,947,285.24</td>
<td>1,335,714,476.1</td>
<td>1,073.10</td>
<td>1,281.30</td>
<td>0(^{19})</td>
<td>0</td>
</tr>
<tr>
<td>1965</td>
<td>312,559,958.33</td>
<td>1,908,240,169.9</td>
<td>1,214.30</td>
<td>1,678.70</td>
<td>3.5</td>
<td>4.1</td>
</tr>
<tr>
<td>1970</td>
<td>390,293,789.19</td>
<td>2,841,004,184.1</td>
<td>1,335.20</td>
<td>2,203.30</td>
<td>7</td>
<td>-0.4</td>
</tr>
<tr>
<td>1975</td>
<td>484,447,077.59</td>
<td>3,597,299,039.7</td>
<td>1,449.60</td>
<td>2,493.70</td>
<td>-2.7</td>
<td>1.6</td>
</tr>
<tr>
<td>1980</td>
<td>563,416,256.27</td>
<td>4,570,354,078.3</td>
<td>1,465.20</td>
<td>2,932.60</td>
<td>1.1</td>
<td>2.1</td>
</tr>
<tr>
<td>1985</td>
<td>280,265,298.88</td>
<td>5,790,570,224.0</td>
<td>1,309.60</td>
<td>3,441.60</td>
<td>-0.6</td>
<td>4.6</td>
</tr>
<tr>
<td>1990</td>
<td>638,717,471.77</td>
<td>7,628,883,534.8</td>
<td>1,215.90</td>
<td>4,190.30</td>
<td>-0.4</td>
<td>3.9</td>
</tr>
<tr>
<td>1995</td>
<td>662,559,881.01</td>
<td>9,338,898,106.2</td>
<td>1,130.30</td>
<td>4,814.00</td>
<td>0.5</td>
<td>3.8</td>
</tr>
<tr>
<td>2000</td>
<td>784,567,710.91</td>
<td>10,948,140,429</td>
<td>1,173.40</td>
<td>5,351.70</td>
<td>0.9</td>
<td>3.9</td>
</tr>
<tr>
<td>2005</td>
<td>1,037,549,641.1</td>
<td>13,412,994,875</td>
<td>1,360.20</td>
<td>6,295.50</td>
<td>2.8</td>
<td>4.3</td>
</tr>
<tr>
<td>2010</td>
<td>1,358,538,874.8</td>
<td>16,932,058,751</td>
<td>1,554.40</td>
<td>7,680.30</td>
<td>2.5</td>
<td>6.4</td>
</tr>
<tr>
<td>2015</td>
<td>1,659,179,960.8</td>
<td>21,041,175,211</td>
<td>1,657.50</td>
<td>9,232.00</td>
<td>0.3</td>
<td>3.4</td>
</tr>
</tbody>
</table>


Neoliberalists counter the structuralist argument by suggesting that government intervention is inimical to productivity (Arthur, 2002). They view state intervention as inefficient, corrupt, and an embodiment of short-term constraints which in turn hinder long-term industrial development (Shapiro & Taylor, 1990). In perceiving state intervention as obstructive, neoliberalists propose market factors as the basis of growth and development. According to this proposition, state policies, such as regulations, subsidies, and tariff controls must be removed and replaced with market-friendly strategies to spur growth and capital accumulation. It is the view of these ideologues that market forces are superior economic agents as compared to those offered by the state.

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\(^{18}\) The constant value refers to the population in 2010. Eg. GDP per capita implies GDP divided by the midyear population computed from the 2010 population figures.  
\(^{19}\) 0=no data
(Arthur, 2002). This anti-statist approach gained currency during the 1980s, and has since caused massive roll-back of Third World states (Glassman & Samatar, 1997; Laird, 2007).

Although state intervention remains a major bone of contention, the emergence of East Asia’s developmental states provide support for the structuralists’ claim (Dassah, 2011). Developmental statism underscores state interventions (Evans, 1995). This claim is emphasized by most analysts whose work on the developmental state stress intervention as imperative to economic transformation (Aryee, 1991; Onis, 1991). The theory of the developmental state can be traced to the works of Fredrich List (1909) and Alexander Gerschenkron (1962). However, it is Chalmers Johnson (1982), who remains the contemporary source of analysis.

Johnson’s conception of the developmental state hinges on Japan’s industrial development and the role of the state. The starting point for Johnson’s work was Japan’s bureaucracy epitomized by the Ministry of International Trade and Industry (MITI). Johnson described this state as neither socialist nor free-market, but a plan-rational capitalist developmental state that conjoined private ownership with state guidance. This state spurred economic development by facilitating technology transfer, industrial planning, and providing incentives for goal achievement. It was such a state that orchestrated Japan’s 20th century industrial transformation, and the subsequent emergence of the Asian Miracle. Johnson’s work provides support for the structuralists’ claim that economic transformation is far less a market-driven affair. It also reasserts the
existence of a purposive and an interventionist state as the bedrock for economic transformation (Routley, 2012).

Although Johnson’s work has been criticized as less prescriptive and lacking in theory, it has triggered considerable interest on the developmental state. The ensuing literature is voluminous, but it focuses on four fundamental questions. First, what role did East Asian states play in the successful industrialization of those economies? Second, what features do developmental states have in common? Third, why do developmental states emerge in certain areas, but not others? Fourth, is the phenomenon of the developmental state duplicable? These are important questions and they each warrant elaboration to show how state interventions shaped East Asia’s economic transformation.

The first consideration of the literature on East Asia’s development examines state interventions in two policy areas. These include: 1) industrial policies, such as subsidies and protection; 2) social redistribution and reform policies. The fundamental industrial policies pursued by successful East Asia’s late industrializers included subsidies and protectionism (Lin & Monga, 2010; Routley, 2014). Subsidies offered financial support for infant enterprises, such as textiles and clothing (Wade, 1990). Likewise, protectionist strategies shielded infant industries from external competitions (Amsden, 1989, 1994). These support systems allowed infant firms to stabilize, grow, and develop (Evans, 1995). These incentives were offered to stimulate productivity, but they were not giveaways. They were based on a principle of reciprocity whereby beneficiary firms adhered to strict performance standards, such as meeting employment quotas and export-oriented production. Countries, such as South Korea, Singapore, and
Taiwan used these policies to discipline entrepreneurs to toe the line—thus forcing entrepreneurs be in sync with the national industrial agenda. Likewise, the state considered this form of reciprocity with the enterprises as a way of disciplining itself in fulfilling its set targets (Underhill & Zhang, 2005).

A distinctive feature of these policies was its ability to stimulate productivity and trigger industrial expansion and diversification. Because of the reciprocity engendered by subsidies and the protection offered by the protectionist strategies, beneficiary firms prospered. The firms met their quotas, expanded, and diversified resulting in the emergence of large-scale multidivisional enterprises (Amsden, 1989). Amsden describes these enterprises as large-scale and multidivisional, which were administered by hierarchies of salaried managers. These enterprises produced diverse products and operated in markets, such as cement, textiles, and clothing. The ability of these enterprises to produce non-related products enabled them to withstand the burden of late industrialization. The activities of these enterprises engendered economic dynamism which thrusted their respective countries onto a path of tremendous transformation registered in the post-war era. With the help of their respective governments, these enterprises even penetrated foreign markets, sometimes supplanting established competitors in becoming market leaders. These large-scale multidivisional enterprises, or the Chaebol as they are called in South Korea, and Guanxiquiye in Taiwan played distinct roles in the rise of the Asian Miracle. They operated in similar manner to Japan’s pre-war Zaibatstu, or post-war Keiretsu (Woo-Cumings, 1999).
In addition to providing subsidies and protection that nurtured domestic entrepreneurial classes, government interventions entailed social redistributive policies. These programs ranged from land reforms to investment in education, infrastructure, and other social services (Lie, 1991). Land reforms in South Korea enabled expansion and increased agricultural productivity. Concomitant results included emergence of equipment and chemical firms (Doner et al., 2005). Meanwhile, increased access and investment in technically biased education system provided the required skilled workforce needed in industry. Technical education was necessary in learning and absorbing existing technologies. As Amsden (1989) argued, late industrializers only had to learn to adapt technologies developed by pioneering Western industrializers. In this regard, the technical universities that the East Asian countries established facilitated that learning process. In addition to this, labor was also trained on the factory floors by experienced experts (Evans, 1995). These strategies were important in filling technical gaps that existed in these countries. The strategies were also central in acquiring existing technical skillsets and adapting, which are key to deepening industrialization and enhancing capital accumulation.

In addition to policies, effective institutions and competent bureaucracies were identified as common attributes shared by the East Asia’s developmental states (Evans, 1995; Lin & Monga, 2010). MITI which undergirded Japan’s transformation provides the hegemonic influence that inspired how the protégés designed, organized and executed their bureaucracies. According to Johnson, one of the key factors that led to Japan’s economic transformation was the existence of an effective and competent bureaucracy.
like MITI. Johnson described MITI as the nerve center of Japan’s decision-making. The competence of MITI derived from it being staffed with apolitical and unelected career bureaucrats. These bureaucrats were drawn from the country’s top universities, who were remunerated and promoted based on merit, performance, and qualifications. Because of the competence MITI exuded, it became the agency within which vice-ministers of key institutions were appointed. This defining quality of MITI as a state bureaucracy made it influential in Japan’s transformation. The agency was widely consulted by the government concerning issues of investment and strategic support. MITI’s effectiveness in shaping Japan’s economic transformation cannot be overemphasized. Its role in decision-making and policy helped the country evolved from a backward economy into an industrial superpower. The institutional guidance MITI provided Japan’s economic transformation has been adopted by Newly Industrialized Countries (NICs). For example, Singapore has its Economic Development Board while South Korea has its Economic Planning Board. Similar to Japan’s MITI, these agencies functioned as pilot agencies\(^{20}\) and were responsible for industrial policies, such as planning and facilitating industrial strategies (Leftwich, 1995; Ubhenin & Edeh, 2014).

The aim of East Asian bureaucracies was to create, accumulate, and advance capital. This core value is based on how the institutions combined that state’s vision along with the entrepreneurial class development. Peter Evans (1995) describes the

\(^{20}\) The importance of pilot agency is crucial in sustaining the developmental states of Asia and remains one distinctive feature of the Miracle. Thailand and Indonesia their aggressive growth rate faltered badly because they did not establish any pilot agencies. This missing link made them vulnerable when the Asian financial crisis struck in 1997.
process as embedded autonomy. An autonomously embedded bureaucracy is characterized by a Janus-faced structure. On one hand, it typifies Weber’s concept of bureaucracy because recruitment is merit-based. Further, skills and qualifications determine remuneration and promotion. However, Evans’ institution differs from Weber’s bureaucracy. Whereas Weber’s bureaucracy emphasized insulation, embedded autonomies require strong linkages with selected businesses, society, and labor to accomplish the goal of capital accumulation. Within this structure, channels exist to negotiate and renegotiate goal and policies, always with the aim of building capacity to accumulate capital. This capacity allows the state to pursue investments according to its vision. The existence of large multidivisional enterprises and competence of the bureaucracy made this possible in transforming East Asian agrarian economies into industrial trailblazers.

The developmental state’s third key attribute involves the state elites’ commitment and technical capacity to play developmental roles (Samatar, 2016). Analysts of the East Asian Miracle assert that successful state development requires the state’s leadership to view the state as a critical player in the development process (Dassah, 2011). East Asia’s developmental states had leaders who prioritized development. Constrained by systemic vulnerabilities, including economic hardships, geopolitical insecurities, and limited natural resources, East Asia’s leaders pursued collective goals instead of particularistic interests. These leaders formed coalitions for transformation. The example of Singapore is noteworthy.
According to Pereira (2008), after Singapore was excluded from the Federation of Malaysia, the emergent leadership was confronted with two questions: maintain the status quo of despondency or promote development. The leadership opted to promote development by forming strong coalition with multinational companies. They needed to partner with multinational companies because of the lack of domestic capitalists. While forging this coalition with the MNCs, the Singaporean government, under the People's Action Party (PAP), undertook reforms. These reforms involved land redistribution and education. The reforms helped to turn Singapore’s economy into one that was adept at accumulating capital. Even though other East Asian developmental states have disintegrated, Singapore’s underlying capacity remains resilient. Singapore’s developmental state still exists today, and it continues to forge linkages through post-industrial restructuring. Similarly, the South Korean state instigated labor reforms. It got directly involved in management on the factory floors. The state also offered incentives to companies that improved their operations and labor conditions. Actions, such as these created the capacity for the state to assume a strong and active role in development.

The final element in the literature concerns whether developmental state qualities are transferable to other jurisdictions with variant or similar social and political conditions (Vu, 2007). The developmental state is indeed duplicable. Japan pioneered the Asian developmental state. This trend was continued by South Korea, Taiwan, Singapore, and Hong Kong, which adopted Japan’s model—blending growth with state guidance through well-designed institutional frameworks. In the 1990s, when China attempted to purge from its inherited Leninist command economy, it adopted the Japanese model.
Countries such as Botswana and Mauritius have adopted similar modalities in forging developmental states of their own. One common thread that runs through these cases of developmental statehood after Japan is that they had visionary leaders who deployed their resources to structure state institutions that guided the achievement of collective goals. In Botswana for instance, Samatar’s (1999) work shows how class unity and discipline combined in fostering industrial transformation. Botswana at independence had little natural resources and was only a labor reserve to Apartheid-South Africa. However, the cattle-owning class’ consciousness to pursue economic prosperity inspired the formation of a capital-accumulation coalition. This coalition facilitated economic growth and subsequent investment in social programs, such as education, healthcare, and infrastructure.

While the adoption of the Japan model may not be direct, the existence of an institutional framework (like the pilot agencies) remains supreme. The importance of the institutions underscored Chalmers Johnson’s observations that in Japan, bureaucrats rule, politicians rein. Although countries such as Thailand and Indonesia have performed remarkably well over the past five decades, they are not necessarily considered developmental states because they lacked the institutional capacity to sustain their growth; hence they are susceptible to shocks. A good reminder of this dynamic was the 1997 Asian financial meltdown (Stiglitz, 2002). This institutional dearth is a harbinger for Africa’s failure at industrial development. The following section elaborates on Africa’s industrial malaise.
2.2: The African State and Its Industrial Efforts since Independence

Unlike East Asia where post-war state interventions spurred accelerated economic transformation, Africa’s experience was the complete obverse. African industrialization started on a good note with strong state support. The initial spurts shortchanged with declining growth and output. Inefficiencies and external interventions caused stagnation and de-industrialization. These dynamics combined in causing African industrial malaise, from which the continent has yet to recover. Interplay of these forces continues to shape industrial performance on the continent. Based on dominant factors and achievements, we can conveniently group African industrialization into three phases: 1) independence to 1970; 2) 1971 to 1980; 3) 1981 to present.

Similar to East Asia, the first phase of active African industrialization started immediately after independence and lasted until 1970. This stage was dominated by Import Substitution Industrialization (ISI) (Owusu & Samatar, 1997). ISI was the first shot independent African countries had at industrialization (Lawrence, 2005). The approach entailed producing locally what was previously imported based on state, domestic, and foreign investments (Lall & Stewart, 1998). Practically, this approach can be described as a public-private sector partnership. But the state dominated every aspect of the partnership. This was because the newly independent countries required guarantees, such as infrastructure and protection that only the state could provide. Further, the state established banks and state-owned enterprises to provide some critical services to ensure the industrial policies succeed. Additionally, the state had to outline policies to allay fears concerning future nationalization. These policies were to lure and create the required environment to enable local and foreign investors to flourish.
However, most newly independent countries lacked local bourgeoisies, or capitalist classes, hence the agenda defaulted to the state and foreign actors. The state took the lead in establishing companies to produce basic essentials including clothing and textiles, as well as food and beverages (Arthur, 2002). These statist interventions were complemented by foreign investors (Lall & Stewart, 1998). Although the initial results were mixed for most countries, it was promising. The African continent registered an annual MVA of 7% to 8% throughout the period. This grew at 3% percent per annum until 1970 (Nzau, 2010).

Despite the initial achievements, African industrialization began faltering in late 1960 to the mid-1970s. ISI’s challenges can be attributed to many factors. First, the state shouldered many responsibilities that its attempt at promoting industrialization jettisoned efficiency. This task became more daunting because the institutional framework to support the adopted initiatives did not exist (Mkandawire, 2001). Second, even though ISI was considered laudable, local manufacturing was not integrated with other sectors of the economies to harness the positive externalities, such as backward and forward linkages of industrialization. It is pertinent to stress here that the Tigers of East Asia started in a similar manner, but they transitioned from processing food and basic industrial goods into high-tech products over time by creating linkages. Countries in East Asia also created the conditions that triggered the emergence of large-scale multidivisional enterprises. Failure of African countries to toe a similar line cost them their take-off (Shapiro & Taylor, 1990). Finally, the internally-focused ISI with external investment and the import of foreign inputs was also problematic. Importing foreign
inputs to produce goods for local market created trade imbalances and balance of payment deficits. Linked to this, foreign investment in ISI tended to favor importing inputs from overseas thus compounding the situation. In Tanzania for instance, fertilizer firms that were set up to produce for the market were manned by foreigners. These actors imported inputs, such as phosphate from overseas despite the existence of local sources. The foreign investors contended that it cost relatively less to import from a trusted source (Lawrence, 2005). Added to this, foreign investors tended to repatriate their profit home thus draining African countries of scarce currencies.

The external-dependence that undergirded ISI eventually caused its failure in the 1970s (Mkandawire, 2001). Ending of 1970 was marked by staggering indebtedness of several African countries. Moreover, the oil shock and the change from the dollar as gold standard to floating exchange rate worsened and compounded the situation (Cf. Apugisah, 2012). This debt was incurred by borrowing to import inputs to feed ISI-inspired factories, the products of which were locally consumed and not exported (Leonard & Strauss, 2003). This crisis created anxiety and fear of imminent economic failure, which triggered World Bank intervention. Under the guise of helping African countries, the World Bank systematically starved manufacturing firms by institutionalizing Structural Adjustment Policies (SAP) late in the 1970s and early 1970s (Apugisah, 2012). This resulted in stagnation and decline in industrial progress in the preceding decades. This period constituted the second phase of African industrialization and a return to what Raphael Kaplinsky describes as revised orthodoxy. Revised orthodoxy was a strategy that favored industrial growth, but doing so through foreign
actors (Kaplinsky, 2008). The approach swept away the state as a direct participant in production and as a facilitator and a regulator of productive activities (Hagmann & Peclard, 2010).

Revised orthodoxy had anti-statist undertones, which were fully unleashed in the third phase of African industrialization starting in the 1980s and promoted ever since (Cf. Harvey, 2005). The World Bank’s anti-statist initiatives were introduced in 1981 via the Berg Report\(^2\). This report made many claims. First, it stated that inadequate domestic policies overprotected African industries. Second, it suggested that bias against agriculture exacerbated Africa’s industrial crisis. Consequently, the Bank proposed agricultural-based export-oriented strategy as the prelude to African industrialization (Owusu & Samatar, 1997). These claims suggested that African countries should not force the pace of industrialization. But the Bank’s assault on African industrialization did not stop with the Berg Report. In 1984, the Bank released another report describing African industrialization as lethargic. The report stated that while industrial sector was being supported with public funds, growth was marginal. This position changed slightly as the Bank against all odds decided to accord African industrial efforts a modicum of recognition in its 1989 report. Here, the Bank curiously stated that the focus on agriculture was not to render industrialization unimportant. This claim coincided with

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\(^2\) This report was so-called because of its author, Elliot Berg. The report is also dubbed “Accelerated Development in Sub-Saharan Africa: A Plan for Action”. The report was written in response to African governors at the World Bank to analyze development in Africa. It also responded to the 1979 Lagos Plan of Action which proposed an inward-looking development agenda on the continent. Instead, the report suggested an outward development strategy based on market factors.
mounting evidence of the Asian Miracle under dirigiste states (Glassman & Samatar, 1997; Silvey, 2010; Opoku, 2010).

Despite this realization the Bank did not follow through with any plans to ensure public investment in manufacturing. Instead, a minimalist state approach was proposed. The approach which has been in existence since the 1980s were to be promoted to intensify the influence of market forces at the expense of the state. Thus, this approach heightened calls for deregulation, trade liberalization, and public-sector reform (CF. Stiglitz, 2002). These structural adjustment programs (SAPs) relegated the African state to a mid-night watchdog, which was expected to provide essential services such as infrastructure and education to enable market forces prosper (Arthur, 2002; Evans, 1995).

Even though the Bank struggled to explain the impact of SAPs on African industrialization, it called for increased promotion of the initiatives started in the previous decade. The revised SAP and its predecessors have had devastating impact on the African state. Studies show that SAP reduced the reach of the African state in economic planning (Hagmann & Peclard, 2010; Laird, 2007); an observation that contrasts sharply with the East Asian experience (Glassman & Choi, 2014). East Asia’s exceptional transformation demonstrated the inevitable cardinality of the state in development. Further, it emphasized that state dirigisme requires autonomy and capacity to steer the market in a way that fulfills its vision (Amsden, 1989; Opoku, 2010). But external forces have dealt the African state a devastating blow and whittle away its institutional foundations, autonomy, and capacity, thus reducing the effectiveness of its role in economic affairs of
the continent, a situation from Africa has yet to recover (Goldsmith, 2000; Mkandawire, 2001, 2005).

While SAP jettisoned the influence of the state in economic development, the promise of industrial growth took a spiral nosedive. Progress made under ISI was swept away in the 1980s. Ever since, the continent has struggled to make any headway with manufacturing. Instead of progress, Africa has massively stagnated and de-industrialized (Mkandawire, 2005; Owusu & Samatar, 1997). African manufacturing decreased on average 5.68% per year from 1980 to 2009 (Gui-Diby & Renard, 2015). Over the same period, however, Southeast Asian economies registered 8% growth in manufacturing (ibid). Similarly, the African continent failed to diversify as its economy continued to be dominated by the export of unprocessed raw materials. Although it is hard to establish full causality, the coincidences are too strong to ignore (Whitfield et al., 2015).

Studies by the World Bank struggled to convince skeptics about any positive impact of SAP on the continent’s industrialization. Countries such as Ghana, which were touted as model adjusters were praised for their macro-economic stability improvements, but the claims belied reality (Lall & Stewart, 1998). According to Arthur (2002), prior to implementing SAPs in 1983, Ghana had vibrant soap, rice mills, garment, and textile factories. However, with the inception of SAPs, most of these factories collapsed, or were divested when the state’s support was cut overhauling the limited monopoly these industries enjoyed (Addae-mensah, 2011). Now Ghana imports rice and other household essentials for domestic consumption. The marked difference between what the World Bank and its allies consider progress was questioned by Agnes Apugisah (2012).
Comparing micro-economic indicators, such as rent, transport fares, and food price index (street evidence) with macroeconomic elements, such as inflation, GDP growth, and interest rates (technical evidence), Apugisah (2012) shows that the lived conditions of Ghanaians have declined with increasing neoliberalization of the economy. This comparative analysis of the ‘technical evidence’ and ‘street evidence’ is the closest we have come in attempts to establish between what is considered good adjustment and false promises of neoliberal policies. What is certain, however, is that the evidences underscore the importance of the state in development, and the dearth of this is adversely hampering development on the continent.

Even though little has changed by way of enhancing the capacity of the African state as a critical agent of development, external actors have multiplied on the continent since the start of the 21st century. The Bretton Woods institutions—World Bank and International Monetary Fund (IMF)—which actively promoted the Washington Consensus that shaped socio-economic and political dynamics on the continent have now been joined by the United Nations (UN). During the decades when the Washington Consensus was in full vogue, the UN’s influence was limited to a few conferences with grand propositions (Sampath & Oyelaran-Oyeyinka, 2016). We can pinpoint the 1992 Earth Summit, Gender Mainstreaming, and Women in Development policy programs among others. While the UN policies have churned mixed outcomes, the organization became more active in African affairs at the beginning of the 21st century.

The active presence of the UN in African development began with the launch of the Millennium Development Goals (MDGs). These MDGs essentially harmonized
previous UN policies and programs into an eight-point blueprint that was agreed to by world leaders at the dawn of the 21st century. The overarching goal of the UN MDGs was poverty eradication through increased social services and opportunities, such as universal health care and education for the underprivileged, water and sanitation, reducing HIV/AIDS infection rate, and curtailing maternal death (Woods, 2008). This agenda was well-supported by the international development community (Apugisah, 2012). Donors provided support via aid packages directly to countries, or through Non-Governmental Organizations (NGOs) in delivering these goals. The support the MDGs received gave them legitimacy while the actions of aid donors in tying target delivery with financial packages underwrote its hegemonic status.

While the UN MDGs were applauded by many analysts, the gains were minimal. The agenda was donor-driven, which implies that whenever a recipient country accepted aid donation from a donor or institution, they had to comply with the interest of those actors (see Brautigam, 2009). This issue shortchanged the gains that could have been made. Similarly, the MDGs such as poverty reduction were being promoted without examining its structural causes. Poverty is an endemic and systemic issue. Addressing it requires serious attention to the political economy of power dynamics and relations. Failure to adequately account for these issues led to the mixed results churned by the MDGs. Moreover, promoting social services requires attention to how they could be sustained. One way of ensuring the gains were not ephemeral was to tie them to productivity through industrialization and manufacturing. It less surprising that the ideas
were repackaged in 2015 as the Sustainable Development Goals (SDGs) (Sampath & Oyelaran-Oyeyinka, 2016).

Ensuring success with social services and SAPs requires addressing the underlying economic structures in Africa. This entailed focusing on economic dynamism and diversification supported by an enhanced African state, which is autonomous and has capacity (Whitfield et al., 2015). This is necessary in changing the continent’s reliance on raw material export into a dynamic economy that is diversified with the potential for industrial upgrade (Kaplinsky, 2008). Attempts to promote economic diversification in Africa by emphasizing export of raw material, as was the case with SAPs, is concerning. Carmody (2010) considers the approach as a paradox. Because it on one hand makes African countries feel important yet they are deepening their conditions and doing less different from what they have been doing for centuries.

As has been discussed thus far, Africa’s underlying institutions and structures are weak and even nonexistent. In such environments, promoting export may generate temporal reprieve in growth. Yet such gains cannot be sustained or translated into development. It is within this context that China’s increasing presence in Africa is concerning. China’s foray into Africa is driven primarily by the pursuit of raw materials. This relationship has been built on trade, aid, and investment, and ties into what I call a growth dilemma—a situation that produces growth but not development because of institutional dearth. However, how China’s interventions enable Africa in overcoming its growth dilemma or disable it from doing so remains largely understudied. Likewise, how China’s deepening African presence intertwines with Africa’s productive capacity and
the role of the state are underexplored. The following section examines the specific channels of China-Africa interactions and the ways in which these channels shape African industrialization.

2.3 Political Economy of African Industrialization in the Context of China’s Interventions

For well over three decades, the world has experienced considerable changes. Some analysts cite the fall of the Berlin Wall and the so-called Cold War truce as some of the key changes (Nye, 2004; Harvey, 2005). Meanwhile, other scholars examine events such as China’s increased global prominence (Taylor, 2006; Mohan & Power, 2008). China’s economic rise has been complemented by a similar upsurge in India (Schmitz, 2006). Although similar events had previously occurred with the rise of the East Asian Tigers, China’s and India’s transformation are distinctive in various ways (Urban et al., 2011).

First, the two countries have big-size effects. China and India were not merely recording astronomical GDP and export rates, they account for over 35% of the world population. Compare this to East and Southeast Asia countries, such as South Korea and Japan which constituted just over 4% of world population when they became economic powerhouses in the 1950s and 1960s respectively (Kaplinsky & Messner, 2008). Second, China and India were characterized by the distinctive nature of their social, economic, and political actors. While China developed an integrated outward-oriented regional economy involving considerable division of labor, India maintained a ‘standalone’ posture (Mohan, 2012). Based on these dynamics, scholars perceived China and India to engender an economic process that would radically transform regional and global
economic, political, and social interactions, and have a major impact on the environment (Kaplinsky & Messner, 2008). Scholars consider these changes as critical disruptions to the established global economic orthodoxy that has prevailed for much of the 20\textsuperscript{th} century (Humphrey & Messner, 2006; Schmitz, 2006). As such, China and India were jointly described as Asian Drivers (ADs) (Kaplinsky & Messner, 2008).

Analyzing the impact of the ADs on the global economy has not been straightforward. For the most part, analysts tended to focus on their implications for developed economies. This approach was justified by the claim that developed countries control the levers of global economic power and politics; hence it is to this group of countries that the ADs would radically reconfigure especially with respect to the spheres of production, finance, and trade. Despite this assumption, the ADs pose serious challenges to developing countries as well. They present threats and opportunities (Urban et al., 2011). As a result, a systematic analysis of these challenges is crucial in understanding how the ADs shape industrialization in the Third World, including Africa.

The Asian Drivers framework is useful in analyzing the impact of China and India on African development. However, analysts tend to distinguish between the influence of China and India on the continent’s development (Kaplinsky & Morris, 2009; Kaplinsky et al., 2010). This schism is based on the understanding that China wields disproportionate impact on African development than India (Urban et al., 2011). China has an aggressive presence in Africa. With the exception of Burkina Faso, São Tomé and Príncipe, and Swaziland (now Eswatini), China has strong diplomatic and bilateral
relationships with all African countries. In other words, the African continent is fully enveloped with a *thick* Sino cloth (Klaver & Trebilcock, 2011).

China’s aggressive presence in Africa, the nature of its relationships and how they are mediated are important conduit for analyzing their implications on African development. With respect to industrialization, Raphael Kaplinsky’s (2009) research offers a lucid foundation to build on. Kaplinksy examined whether China’s rise constrains African export-oriented industrialization. For him, adequately explaining how China’s African presence shapes the continent’s industrial policies and development require understanding the channels through which the relationship is conducted. Experts of international political economy argue that countries interact with each other in their regions or elsewhere through various channels (Humphrey & Messner, 2006; Schmitz, 2006; Klaver & Trebilcock, 2011; Moyo, 2012). Regarding China-Africa relationship, six channels are identified as cardinal to the evolving interactions (Kaplinsky, 2008; Kaplinsky & Messner, 2008; Mohan, 2012). They include:

- Trade
- Aid (finance)
- Investment
- Migration
- Environmental spillover
- Global institutional governance

These channels are contingent. They vary in significance over time. Further, they are determined by resources, geostrategic locations, or value. According to Kaplinsky
(2008), even though these channels are not new, analyzing them provide a window in understanding the competitive and complementary, as well as the direct and indirect ways in which they shape African industrial policies and development. In other words, each of these channels embodies competitive and complementary, as well direct and indirect effects that can only be ascertained through a careful and systematic assessment.

Starting with trade, Kaplinsky observed that China’s trade with the world has grown astronomically since the 1970s. In 1973, China’s global trade was pegged around 1%. This jumped to 7.5% by 2005 and has since been on the ascendancy. The upsurge was triggered by increased manufacturing. Interestingly, as China’s manufacturing power surged, countries such as the US experienced declines due to industrial relocations (Chandra, 1992; Steger, 2003). A similar tale of China’s increased trade links prevails in Africa. In 1978, China-Africa trade was estimated to be around $800 million (Prah, 2007). This jumped to over $100 million in 2005, and it now exceeds $300 billion (Fernando, 2014; Chipaike & Bischoff, 2018). Increasing China-Africa trade link distinctively features export of unprocessed raw materials from Africa to China. Furthermore, trade between China and Africa involved a disproportionate import of consumer goods from China to Africa.

These dynamics present manifold implications for industrial policies in Africa. First, China’s acquisitive thirst for raw materials to feed its industries offers African countries a ready market. Countries such as Sudan, Angola, and Gabon have utilized this opportunity in exporting commodities, such as oil (Fijalkowski, 2011). In fact, some experts even attribute the minimal impact the Great Depression had on most African
economies in 2007/08 to China’s demand (Busse et al., 2016). Second, China’s cheap exports comprising consumer goods and input doubly cater to Africa’s indigent class while serving as cheap input for manufacturers. In contrast to the foregoing positives, China-Africa trade tends to displace domestic manufacturers and create serious trade imbalances for African countries (Tull, 2006). One crucial area that these issues have been recorded in recent time is clothing and textile (Kaplinsky & Morris, 2008). The influx of cheap Chinese textiles into Africa after 2000 has devastated several countries. The incident which is termed the Textile Tsunami, did not only displace domestic manufacturers, jobs were also lost in the process (Busse et al., 2016; Klaver & Trebilcock, 2011). In Lesotho, textiles and clothing constitute 99.14% volume of exportList; however, more than 10 factories shutdown in 2005, with a loss of 10,000 jobs (Carmody & Owusu, 2008). Similarly, research estimates that between 2004 and 2008, 17 Nigerian firms were forced to close down due to Chinese textile influx (Bräutigam & Tang, 2014). Meanwhile, studies indicate that about 350,000 jobs were lost in Nigeria from 2000 to 2010 while over 1,000 were lost in Ethiopia and Zambia (Kaplinsky et al., 2010).

Another adverse impact China-Africa trade has on industrial policies in Africa is limited diversification. The Economic Commission on Africa indicates that Africa has the least diversified economy in the world. Limited diversification is partly due to the huge and continuing export of raw materials from the continent fueled by China’s vociferous resource appetite (Table 2.1).
Table 2.1 The Impacts of Trade on African Industrialization

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Chinese interest. This is evident in the geographic concentration of Chinese aid in resource-endowed countries (Chipaike & Bischoff, 2018). Moreover, Chinese assistance hardly improve African productive capacity as such infrastructure projects are not only outsourced to Chinese contractors, they also favor purchasing Chinese goods and the employment of Chinese labor. Such projects are also erected in places to enhance China’s image and provide opportunities to exploit more resources (Sall, 2016). Take for instance, Sudan, where the Merowe Dam only piqued China’s interest because it was challenging to exploit oil without adequate electricity (Cf. Carmody, 2010). From this perspective, Chinese aid does not promote sustained industrial development in Africa but erect structures that deepen the continent’s outward orientation and resource dependency, similar to how SAP has shaped the continent (Andreasson, 2005).

**Table 2.2 The Impact of FDI and Aid on African Industrialization**

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<td><strong>Complementary</strong></td>
<td>Sources of finance and technical resources; loans from China to African governments and private actors.</td>
<td>US and Western clothing investors relocate factories from Africa to China</td>
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<tr>
<td><strong>Competitive</strong></td>
<td>Compete with Africa for FDI from other countries, such as the US and Europe; SEZ creates enclaves; investment in unproductive ventures; low-cost finance displaces local financial sectors and intermediaries; tied and conditional loans</td>
<td>China led realignment of currencies forces up the value of African currencies and undermines profitability of investment and business on the continent</td>
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Chinese aid is linked to investment, which constitutes yet another conduit of interaction. China’s rise is reconfiguring the global investment landscape. On one hand, China is a major destination for global investment. The country attracts about 40% of
global outward investment (Breslin, 2013). On another note, China represents a major source of investment for Africa countries. This intervention is important as Western assistance nosedives. Even more importantly, countries such as Zimbabwe, Sudan, and Gabon, which has been shunned by Western donors for some so-called human right infringements, China’s investment provides the necessary resources to support key projects.

Experts group investment into four: market seeking, resource seeking, technology leveraging, and cost reducing (Kaplinsky & Messner, 2008; Ngowi, 2001). But China’s interventions only fulfill those for self-interest, including market, technology, and resource seeking. They hardly contribute to cost reduction and promote any meaningful development, such as creating backward and forward linkages that contributes to sustainability in Africa (Wethal, 2018). For instance, Chinese Special Economic Zones (SEZs), which were touted as important to African industrialization have only ended being industrial enclaves that promotes Chinese interests.

The SEZs in Zambia is for copper mining while those in Mauritius and Ethiopia are for technology and garments production (Bräutigam & Tang, 2014). These SEZs encourage Chinese industrial agglomeration with little emphasis on linking up with African entrepreneurs. Furthermore, they casualize African labor hence create job insecurities that are important in creating backward and forward linkages (Baah & Jauch, 2009; Lee, 2009). Table 2.2 shed lights on the impact of aid and investment on African industrialization. In addition to aid, investment, and trade, global governance constitutes yet another important channel of interaction between China and Africa (Figure 2.3).
China’s political influence was enhanced when it unseated Taiwan in 1971 to regain its UN Security Council membership. This situation was bolstered by its economic rise and membership of other key global agencies, such as the World Trade Organization (WTO) (Breslin, 2013; 2015). These global institutions wield profound influence in global affairs, especially with respect to making far-reaching political and economic decisions. Because no African countries has such a high stake in these organizations as China does, China’s presence was interpreted as crucial to championing the voice of the developing world. This consideration is backed by China’s own proclamation that it supports developing countries, a category which it considers itself a part of. These expectations would only come to fruition if China chooses to support policies that provide better leverage for African countries. However, as it turns out, this idea is yet to manifest. China rather uses its position on these organizations to advance its interests.

Concerning trade, China supported the removal of the Multifiber Agreement (MFA) that quashed preferential treatments the US offered African products in its market. This action contributed to increased export of Chinese textile products to US market where they compete with African products. Because of China’s capacity and its firms’ ability to
produce in bulk—an advantage unavailable to Africa’s fledgling firms—the competition favors China. Consequently, African textiles industries collapse, and now the continent represents an extension of Chinese market. Table 2.3 captures details of these dynamics.

In addition to the foregoing, environmental spillover constitutes yet another arena of interaction that has considerable influence on African industrial development. The rapidity and intensity of China’s rise has triggered massive consumption of variety of resources with cross-border impacts. Water, forest, and hard and soft mineral resources are required by China to fuel its industrial advance, as well as meet the demand of local bourgeois. Africa is a pivotal source for the supply of most of these resources. Oil in Angola, copper in Zambia, timber in Liberia and Sierra Leone are just a few of what China source from the continent. However, the ways in which these resources are acquired are central to debates. While the Chinese SOEs have largely operated within set standard, their records have not been particularly encouraging (Lee, 2009). In Zambia, poor safety measure contributed to a massive mine disaster which cost the lives of over 45 miners employed by Chinese firms (Carmody, & Kragelund, 2016). The risks and questionable conditions under which Chinese SOEs operate in Africa have been compounded by the forceful intrusion of private actors. Although private Chinese individuals are indirectly linked to the central government, their operations are always outside the orbits of the state (Aidoo, 2016). These actors operate with wanton disregard for established environmental protocols resulting in environmental externalities. In Ghana, Chinese actors have taken to illegal gold mining under poor environmental conditions, where these activities occur. This has contributed to pollution of rivers and
The spread of diseases in several parts of the country. This challenge has triggered anti-Chinese sentiments which at one point nearly developed into a diplomatic row (Aidoo, 2016).

The pollution created by Chinese firms has considerable impacts. China is at present the second largest emitter of CO₂ behind the US. In the Asian regions, acid rains reported in 2005 were known to have been caused by sulfur dioxide emanating from Chinese sources. The failure to manage this issue suggests that cross-border issues are becoming more dangerous. The concern for African countries relates to the broader dynamics of climate change and concomitant impact on agriculture, fisheries, and human health. This issue threatens labor, raw material sources, food, and industrial performance in Africa. Table 2.4 details out the competitive and complementary as well as indirect and direct ways these factors play out.

Table 2.4 The Impact of Environment on African industrialization

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The final element of China-Africa interaction is migration. Table 2.5 illustrates the complementary-competitive and indirect-direct impacts of China-African interactions on migration. After the launch of China’s Going Out policy, increased migration of
Chinese firms in Africa encourage this through employment. This practice displaces African workers (Kernen & Lam, 2017). Further, the influx of Chinese traders to the African continent creates competition for local jobs. It also causes tension in African retail markets. Industrialization is a value-chain enterprise. When local retailers cannot sell locally produced goods because of competition from Chinese traders, local manufacturers are undermined (Schmitz, 2006).

Table 2.5 The Impact of Migration on African Industrialization

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The AD framework sheds light on how China and Africa are interlinked and the implications of these connections for industrialization on the continent. However, the framework says little about the political system within which the interactions take place. For the most part, the AD framework presumes that African countries lack agency, and therefore willing to take anything China gives them (Carmody, & Kragelund, 2016). The framework further assumes that African states are implicated yet without effects (Lam,
Addressing this weakness in the literature requires assessing the political systems and authority that governs China and Africa interactions.

The literature on China-Africa relation pinpoints politics as a key determinant of how the various channels impact African industrialization. The notion of politics can be discussed based on the governance system prevailing on the continent. Chris Alden’s work is pertinent here. Alden (2008) identifies three regime types that exist in Africa: 1) Pariah regimes; 2) Illiberal democracies with weak economies; 3) Democracies with diversified economies.

Alden’s typology is foregrounded on the depth of democracy, economic strength, and resource endowments. Accordingly, pariah regimes comprise countries, such as Chad, Angola, Zimbabwe, and Sudan. These countries are under external sanctions, and therefore view China’s interventions as a source of stability and support. Chinese investment in these countries is uncritical, uncoordinated, ad hoc, and neo-patrimonial. It is also less productive as long as it contributes to regime consolidation (Kragelund, 2009). In Sudan, studies suggest that auxiliary investments, accompanying China’s decision to build the Merowe Dam, include a small arms factory that supplies Sudan’s government with ammunition to consolidate its hold on power (Carmody 2010). A similar situation exists in Zimbabwe. Mugabe’s administration has signed arms deals worth millions of dollars to allow China to supply the government with weapons in exchange for platinum and diamond concessions (Woods, 2008).

The pariah regimes share similarities with illiberal regimes with weak democracies. This category comprises countries with significant natural resource
endowments, but are democratically weak with economies that are equally less integrated and diversified. The category consists of two kinds of countries. They include those with a long history of conflicts, including, the Democratic of Congo, Sierra Leone, and Liberia, and those with reasonably stable polity, such as Nigeria, Tanzania, and Zambia, but with fragmented interest groups. The nature of these interest group and their activities tend to undermine bourgeoisie capitalist projects. In all these countries, China’s interventions are deep, but they are more exploitative than productive.

While the Chinese interest in pariah and illiberal regimes is deep, its interest in democracies with diversified economies is more complex. On the one hand, China represents a strategic partner and a source of FDI. On the other hand, Chinese activities in these countries compete and threaten local business interest, trade, and civil societies. Alden’s (2008) scenario echoes Abdi Samatar’s (1999) observations in Botswana. In both cases, domestic and external forces were equal in strength. Since internal and external forces determine state autonomy, state autonomy can be limited when internal and external forces have equal strength. This scenario can be a blessing for the state when elite projects align with state projects. Likewise, it can be a blessing when domestic civil societies are united in forging productive alliances. When this type of alignment and unification to further the common good is not present, rampant corruption and fraud prevails. Most of the countries in this category—Botswana, Namibia, and Ghana—have yet to harness China’s interventions to buttress their development. South Africa is the only exception. It has successfully aligned bourgeoisie projects with China’s investments.
The Tembisa Housing projects is a testament of how Chinese investment were successfully linked to create local capacity for the future (Dent, 2010).

Alden’s classification is a vital step in assessing the impact of China’s interventions in the various regime types on the continent. At the same time, this system does not directly address African states’ autonomy and capacity to use Chinese investments to their developmental advantage. Revisiting African states autonomy and capacity to interact with China is crucial. This type of analysis can help determine how African countries can harness the potential that lies within their relationship to China. Is the African state autonomous enough to harmonize the opportunities China present? Does it have the capacity to do so? Marxist and neo-Weberian scholars have long grappled with these questions (Glassman & Choi, 2014). These scholars cite peripheral states’ independence as key to autonomy and the ability to engender development.

Analysis of China-Africa relations and the impact on African industrialization must go beyond regime types. This analysis must address African states’ institutional foundation, relative autonomy, and capacity to influence China-Africa relations. A regime may be democratic, yet have little autonomy and capacity. This may limit its ability to act strategically for development and to build the required structures to instigate transformation. East Asian countries illustrate this contradiction well. Despite their repressive and undemocratic characteristics, they successfully masterminded the Miracles of the Third World. Dassah put this more bluntly:

It must be borne in mind that neither the forms of government a country has nor absence of corruption is a prerequisite for a developmental state. In fact, some of these negative tendencies were present in the
Asian development states...be the cat white or be the cat black, it is the clever cat who will catch the mouse (Dassah, 2011, p.599-600).

This analogy stresses the inadequacy of regime types as an important consideration in how states shape developmental outcomes. Dassah suggests that what matters most is what countries do with their relative autonomy. As the previous paragraphs show, state and private actors fragment Chinese capital. Whether African countries can profit from deepening their relationship with China depends on their ability to translate their autonomy into purposive and dynamic structures. For African countries to profit from their relationships with China, they need quality state leadership with purpose and discipline.

China’s interventions have yet to induce industrialization in Africa. In the main, competitive externalities outweigh the positives. In part, this is due to the continent’s existing institutional dearth and extractive political system. Unlike Southeast Asian states which purposively pursued export-led productive manufacturing, African countries’ engagements with China involve uncritical promotion of Chinese interests. Chinese interventions pose a significant challenge to Africa’s productive sector. To change this dynamic requires a radical shift toward directing Chinese interventions to economic activities with specific pre-determined targets.

2.4 Conclusion
Development and industrialization are deliberate processes that require state involvement. Few countries, including those in East Asia, achieve these targets. In Asia, the state intervened purposively with the objective of effectuating change. The state supported strategic industries while leading the charge to improve factory floor
management to control wages and keep transaction costs competitive. The state incentivized companies with subsidies, which culminated in substantial industrial growth and development. The state reinvested resulting revenues in the economy to keep the positive cycle going and to provide social services for the citizenry.

In contrast, the African continent has failed in its industrialization pursuit. Initial industrialization during the 1960s and 1970s yielded some degree of growth. Various external and internal factors jettisoned these modest gains. As a result, de-industrialization and economic stagnation prevailed. Later, debt crisis, oil-spike, and other factors contributed to the continent’s poor performance. Africa’s lack of capacity to effectively respond to these challenges defines its developmental crisis. Meanwhile, anti-statist policies promoted by such external actors as the WB and the IMF have exacerbated the African states’ dearth in capacity and autonomy. These institutions’ policies, including SAPs, further eroded the state’s influence on the economy and liberalized trade. These external actors’ approach created a binary choice between the state and market forces. Essentially the state appeared as antithetical to the market. These policies dominated policy interventions in the 1990s. The 21st century brought little relief to African countries. Contrary to renewed expectations of development on the continent, the anti-statist policies continued under the aegis of social services and poverty reduction programs spearheaded by the UN. Many analysts lauded the UN’s MDGs as the key to poverty reduction and the promotion of universal health and education. These social service and poverty reduction programs placed little emphasis on production and institutional development. As a result, the goals of these programs became unsustainable.
Given the panoply of actors involved in the continent’s developmental trajectory, it is not surprising that many scholars are apprehensive about China’s deepening stake on the continent. At the heart of this concern is whether China’s interventions would catalyze development on the continent or merely exploit it to further its own interests. This is an important question because China’s interventions in Africa look very much the same as other actors did in the past: debt cancellation, aid, investment, and FDI. While these interventions by themselves are not ominous, African countries’ inability to direct these interventions to productive ventures limits the possible gains. That crucial factor is what is amiss in both external and internal development initiatives on the continent. As the foregoing sections illustrate, China’s interventions have barely altered the structural economic patterns in Africa. Instead, China has pursued its interests with vigor. Africa has not been able to promote any countervailing program to counter the Chinese advance. As a result, the continent has become a competitive other in third country economies. Until Africa can create a development-oriented system and institutions run by disciplined leaders, the issue of how African can use Chinese interventions to further development will remain intact.
Chapter Three
China-Ghana Relations from 1955 to Present

3.0 Overview

Diplomatic ties between China and Ghana started in July 1960, but interactions between the two countries stretched back into the 1950s (Frontani & McCracken, 2012). The 1955 Bandung Conference provided the platform for the pre-independence contact (Taylor, 2000). Subsequent Cold War politics and decolonization shaped the relationship along geopolitical lines (Amoah, 2014). Common anti-colonial and anti-imperial interests expressed by the leaders of the two countries—Kwame Nkrumah and Mao Zedong—reinforced the geopolitical themes, culminating in increased solidarity and cooperation during the 1960s (Chau, 2007). However, Nkrumah’s overthrow in 1966 and Mao’s demise a decade later derailed the relationship. At the same time, Deng Xiaoping’s rise to power in 1978 constrained the relationship, until the 1990s.

Under Deng’s leadership, China pursued economic reform focused on advancing national interests (Lam, 2017). This program ultimately laid the foundation for China’s transformation, but limited engagements with Ghana until the 1990s (Mohan, 2015). China’s economy boomed during the 1990s at an average rate of 10% per annum (Konings, 2007). This trend continued into the 21st century, leading international political economists to describe China’s rise as the most important development over the past half a century (Ampiah & Naidu, 2008). China’s unprecedented economic performance and structural changes coupled with resource and market expansion strategies have reshaped ties with African countries, including Ghana.
Based on the literature and the assessment of evolving China-Ghana relationship, this chapter argues that China’s past and present engagements with Ghana is in fulfillment of its outward foreign policy objectives. The chapter examines the historical contours of China-Ghana relations as a window for understanding the depth and nature of present interactions. Second, the Chapter analyzes China’s recent economic boom and Ghana’s economic liberalization, and the quest for development as the key drivers of 21st century engagements.

The remainder of the chapter proceeds in four parts. Part One explicates China-Ghana relationship from 1955 to 1989. This section discusses pre-and post-independence interactions and examines the forms of cooperation between both countries. Part Two analyses the relationship from the 1990s to the present. Part Three examines the concept of ‘win-win development’ as an approach that undergirds renewed China-Ghana relations. Part Four summarizes the arguments of the chapter.

3.1 China-Ghana Engagements: 1955 to 1989

Even though formal relationship between China and Ghana were established in 1960, interactions started a decade prior. Couched within the framework of South-South Cooperation, the Bandung Conference of 1955 provided the platform for the first contact between China and Ghana. At the time when this initial contacts were made, Ghana was still a British colony (Amoah, 2014). Bandung or the Afro-Asia Conference was convened to foster Third World solidarity and oppose neocolonialism and imperialism (Mawdsley, 2007). As a result, interactions between members were essentially shaped by ideological and geopolitical rationales (Chau, 2014). This vision
dovetailed with the Gold Coast’s\(^{22}\) struggle for independence, and China’s revolutionary and anti-colonial posture (Frimpong, 2012).

In spite of the shared interests, interactions between China and Ghana remained sporadic, intermittent, and minimal, until 1958 (Chau, 2007). Within the framework of South-South Cooperation, China sent an acrobatic troupe to entertain guests attending the first anniversary of Ghana’s independence (Frontani & McCracken, 2012). Reports suggest that the group was more than merely an art troupe (Chau, 2014). The group was essentially emissaries comprising spies and intelligence officers who took advantage of their trip to Ghana to meet top Ghanaian and African politicians, who attended the function. Despite their spy mission, studies suggest that the troupe impressed the audience, hence increased Nkrumah’s interest in considering China as a partner in the anti-colonial struggle and the Pan-Africanist revolution (Chau, 2007).

From this point on, both countries started seeing each other as potential allies. This culminated in sustained interactions (Frontani & McCracken, 2012). In the same year [1958], Nkrumah’s spokesperson, Ako Adjei, addressed the United Nations (UN) urging it to re-admit China back into the organization. China reciprocated the favor and opted to honor Nkrumah’s invitation to participate in the All-African People’s Conference in Accra (Chau, 2014). This conference was premised on mobilizing nationalist sentiments for the advancement of Pan-Africanism (Chau, 2007). The Chinese delegation to the conference was led by Yang Shuo, who reasserted China’s commitment

\(^{22}\) Ghana’s colonial name
to the principles of Pan-Africanism which sought to promote anti-colonial rhetoric throughout the continent (ibid). Yang’s comments encouraged Nkrumah and increased his interest in formalizing diplomatic ties with China (Idun-Arkhurst, 2008).

After the conference, shared interest in forming alliance resulted in direct communications between the two countries. In 1959, a group of Ghanaian government officials addressed Chinese audience in Peking and touted the continuing pursuit of Pan-Africanism (Chau, 2014). The following year [1960], premier, Zhou Enlai, sent a direct message to Nkrumah on Ghana’s third independence anniversary. With the Pan-Africanist ideal still considered important to the continent’s liberation, Nkrumah sought support from China to establish the Bureau of African Affairs (BAA) in Accra (Chau, 2007). BAA was to facilitate Pan-Africanism through research, support for activists and agents of espionage. In this regard, BAA was designed to function like a Non-Governmental Organization (NGO) to coordinate activities of freedom fighters on the continent (Idun-Arkhurst, 2008).

These interactions led to the establishment of formal diplomatic ties between China and Ghana on July 5th, 1960 (Chau, 2007). Thus, Ghana became the first Sub-Saharan African countries after Guinea to recognize China (Frontani & McCracken, 2012). Hereafter, engagements between the two countries proceeded constructively, albeit dominated by ideological and political imperatives (Aidoo, 2010, 2016). After opening diplomatic missions in each other’s country, China and Ghana reasserted their shared struggle against Western hegemony and neo-imperialism. As part of this common goal, China sent military instructors to revitalize the BAA and train freedom fighters
drawn from various African countries. Analysts interpret China’s gesture as a symbolic support for the continent’s growing liberation struggle (cf. Monson, 2009). This mutual exchange continued with Nkrumah dedicating a portion of his first major speech to the UN in December 1960 in support of China. He stated that China must be reinstated back into the Organization to make it realistic, effective, and useful (Chau, 2014).

Although ideological and geopolitical motives continued to drive engagements between the two countries, there was a visible shift towards economic and technical cooperation since 1960s (Davies, 2008). The inclusion of economic and technical considerations in the relationship started when Nkrumah first visited China in August 1961 (Figure 3.0). During the visit, Nkrumah signed three key agreements with the Chinese government (Odoom, 2015). The first of these agreements was called the Sino-Ghana Agreement on Economic and Technical Cooperation. This was an arrangement through which China provided Ghana 7million Ghanaian pounds interest-free loan to help establish factories to boost Ghana’s Import Substitution Industrialization (ISI) program and accelerate future export-oriented production capacity. The second agreement was dubbed the Sino-Ghana Trade and payments Agreement. This pact fixed the annual export volumes of both countries at 4million Ghanaian pounds. The third agreement was called the Cultural Cooperation Agreement. This agreement was all-encompassing. It was focused on technical cooperation in science, education, arts, medicine, and public health. Part of the agreement also mandated that Ghanaians be trained in China to facilitate effective implementation of local development initiatives (Frimpong, 2012; Frimpong & Nubuor, 2013).
Figure 3.0: Kwame Nkrumah’s State visit to China in 1961

Source: Pictures taken from the Nkrumah mausoleum in Accra

A: Arrival
B: Banquet with Chairman Mao Zedong
C: Departure for Ghana

These three agreements sealed Ghana’s first development assistance package from China. Studies estimate that from 1961 to 64, China pledged $43 million to Ghana (Frontani & McCracken, 2012). However, only $19.1 million of these funds was used due to the overthrow of Nkrumah’s government in a joint police-military coup in 1966 (Aidoo, 2016). The succeeding military junta led by General Ankrah sought to purge the country of all socialist leanings. As a result, the National Liberation Council (NLC) regime unilaterally suspended ties with China, and expelled 430 Chinese functionaries, such as military instructors, spies, aid workers, embassy staff, security advisers, and diplomats (Chau, 2014). China responded in an equal measure. Even though the
relationship was restored in 1972, it lacked the fervor and intensity of the previous era. Furthermore, the quality of the relationship was drastically imperiled and reduced to its nadir after Mao’s demise in 1976 and Deng Xiaoping’s rise to power in 1978 (Aidoo, 2016).

Deng Xiaoping\textsuperscript{23}, inspired by Western economic principles, such as neoliberalism, spearheaded China’s economic reform in 1978 (Harvey, 2005). This entailed considerable investment in defense, industry, technology, and agriculture (Lam, 2017). Deng’s reform clashed with China’s previous policies, including Mao’s Great Leap Forward (Amoah, 2014). As a result, ideological and geopolitical rationalities that dominated the foreign policy of the previous era were relegated to the background for the pursuit of an endogenous economic model (Chau, 2007; 2014). This nationalist policy prioritized China’s economic needs, such as growth, inward investments, and trade. These goals were underpinned by economic cooperation with such countries as US and Japan (Lam, 2017).

While the 1970s reform reduced the intensity of China’s engagement with African countries, a few were still considered important in the grand scheme of things. African countries such as Algeria, Egypt, Guinea, Ghana, and Mali were treated favorably within

\textsuperscript{23} Deng studied and work in France in his early years. He returned to China and held various positions within the Communist Party during the 1950s. Despite being a member of the Communist Party, he fell out with the ruling class during the Cultural Revolution and was purged twice. It was from this experience that he developed strong views against Maoism. As such, following Mao’s death he resumed the mantle of leadership and attempted to purge the country of Maoist lineage and installed his own structures. Although he was the known architect of the 1970s reform he was never recognized as president. He was considered vice-chairman of the communist party.
the calculus of the new foreign policy. Brautigam (2009) suggests that the preferential treatments that these countries received during the reform years can be attributed to their previous links and other strategic interests. As with other African countries, Ghana’s interactions with China were equally tenuous. Yet the country received $9.1 million from China between 1972 and 1980 (Aidoo, 2016). These funds were directed towards consolidating and resuscitating some old projects in industry, agriculture, and health sectors, which were abandoned following the coup that toppled Nkrumah’s government. Despite reduced interactions, Ghana’s 1980 economic hardships led to the negotiation of additional $3.1 million assistance from China (Frontani & McCracken, 2012). The facility was directed to helping Ghana through its Economic Recovery Program (ERP) (Opoku, 2010). The package improved the country’s fiscal challenges by reducing inflation to 20% from around 40%; it also supported development of irrigation and manufacturing. The most notable factory that was supported with this new loan facility was the Juapong Textile Limited (JTL) along with Dawenya24 and Afife irrigation schemes. JTL enjoyed tremendous success since its establishment in the 1980s with consistently high performance (Ackah, Adjasi, & Turkson, 2014). It also accounted for 27% of total employment in the textile industry (Frimpong, 2012). Ironically, the company collapsed in 2001 due to the combined effects of SAPs and the influx of cheap Chinese textile products (Frimpong & Nubuor, 2013).

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24 This is suburb in the Accra plains. A geographic location that was to be developed into a plantation as part of the Volta River project.
3.2 China-Ghana Relationship 1990 to present

The tenuous relationship that characterized China-Ghana cooperation in the preceding decades dramatically changed at the beginning of the 1990s. The shift is attributable to two major events: a) the controversial Tiananmen Square incident of 1989; b) China’s economic boom. The Tiananmen Square incident stirred a global uproar and criticism against China’s human right record (Taylor, 2000). The incident led to US and Japan sanctions, such as an arms embargo against China (Tull, 2006). Despite the criticism, Ghana and several African countries remained resolute in their support for China (Odoom, 2015). Idun-Arkhurst (2008) reveals that Ghana’s leader, Jerry Rawlings, was among the first African politicians to reach out and express support for China by congratulating China for successfully quelling the rebellion.

The support shown by Ghana coupled with those by other African countries contributed to China’s reconsidering the continent’s importance to the calculus of its foreign policy (Taylor, 2000). Observing the turnaround in relation to broader Africa, Ian Taylor (2006) noted that the Tiananmen Square incident rebranded China-Africa relations by repositioning Africa as crucial to China’s foreign policy. Further, Taylor interpreted the actions of African leaders as a display of solidarity and discontent for Western policies especially the massive push toward democracy. Other analysts viewed the action by African countries to be induced by fear that any overt criticism of China could trigger reprisal action, including reduced development assistance (Tull, 2006).

The reward for many African countries for their support included increased aid, trade, and visitation. Ghana’s share came in the form of $2.4 million donation to
construct the National Theater in Accra (Amoah, 2014). Sited in the heart of Ghana’s Central Business District (CBD), the edifice is much more than a mere gift. The National Theater was designed by Cheng Taining—a renowned Chinese architect—who describes the project as one of his most important overseas undertakings. For him, projects of these kinds must reflect Chinese culture and be made to ‘speak Mandarin’, and that was exactly what he did by making the National Theater to exude Chinese features and designs (Figure 3.1). Situating the Theater in central Accra with its glamorous Chinese designs and near the Nkrumah Mausoleum symbolizes soft power, which foregrounds current ties.

**Figure 3.1 Ghana National Theater**

![Ghana National Theater](http://www.nationaltheatre.gov.gh/)

Despite the importance of the Tiananmen Square incident, China’s economic boom in the 1990s was the most critical factor in strengthening China-Ghana engagements. Since 1993, China has consistently registered high growth rates that
average 10% per year (Hardus, 2014). This blistering performance has transformed China from an exporter into a net importer of resources, including oil and natural gas (Zweig & Jianhai, 2005). The quest for these resources and the need for expanded markets for industrial products culminated in re-organizing key Chinese state institutions. In a process described by Katy Lam as “keep the large and let the small go” (2017, 16), 112 State-owned Enterprises (SOEs) including policy banks (Export and Import, China Development Bank, and Agricultural Development Bank), construction companies, and oil firms were restructured. These ‘national champions’ or ‘dragons’ were placed under the supervision of the State Assets Supervision and Administration Commission (SASAC) with specific mandates to promote Chinese interests nationally and globally. These SOEs benefitted from preferential access to credit lines provided by the Chinese state. On the other hand, the small firms which were “let go”, were sold, leased, and transferred to the tutelage of provincial governments—thus, subjected to different and diverse corporate transformation processes. Even though most of these are still considered state-owned, their ownership structures resemble those of Western corporations with multi-shareholders (Breslin, 2013).

The operation of these diverse Chinese actors is supported by the policy of Going Out or Going Global. This policy was formulated in 1996, but fully implemented in 2001 as part of the 10th Five-year plan for national and social development (Lam, 2017; Zweig & Jianhai, 2005). The delayed implementation was caused by China’s protracted negotiation for membership of the World Trade Organization (WTO) (Breslin, 2013). As such, once the hurdles were cleared, the Going Out was institutionalized to promote the
competitiveness of Chinese firms by encouraging them to participate in the global economy. In Africa, Going Out adds to the Forum on China-Africa Cooperation (FOCAC), which was launched in 2000 to provide the institutional frameworks, platforms, and guidelines in shaping interactions between China and Africa.

The evolution of China’s policies and institutional structure parallels economic liberalization and the demand for development in Ghana. Under the aegis of the Structural Adjustment Program (SAPs), the Ghanaian economy underwent massive reform that resulted in what Richard Aidoo (2016) calls ‘free-syndrome’. SAP promoted liberalization as the engine for economic transformation (Arthur, 2002). Part of this agenda involves the promotion of foreign direct investments (FDI), retrenchment of public sector employment, and private sector-led investment (Apugisah, 2012). In Ghana, FDI was institutionalized as a key tenet of economic policy-making with the establishment of the Ghana Investment Promotion Center (GIPC) in 1994 (Interview with Ministry of Finance, 2016). GIPC was mandated to orchestrate FDI flows to Ghana (Interview with GIPC, 2016). The Center’s work has been bolstered by the UN’s conference on development in Monterey in 2002, which called for increased investment as the deal-maker in the development of Third World countries (Haglund, 2008). In an interview, GIPC representatives told me that the scope of their work has expanded. One person said: “we now actively seek investors, and China is one of these prime target countries (Interview with GIPC, 2016)”.

The combination of China’s economic outreach supported by state policies and structures, and Ghana’s liberalized economy, as well as the quest for external investment
provided the tonic for intensified bilateral cooperation. These factors combine in creating a complex relationship between both countries involving diverse actors (public and private), institutions, and policies. The engagement has also been characterized by a flurry of diplomatic and high-profile political visits. Since 2000, key Chinese political and business figures including President Hu Jintao, Premier Wen Jiabao, the president of China Development Bank have visited Ghana, and Chief Executive Officers (CEOs) of various Chinese SOEs like national oil corporations (CNOCs) have visited Ghana (Hardus, 2014). This gesture has been reciprocated by Ghana. All of Ghana’s presidents and senior government officials, including John Kuffour, John Mills, John Mahama, and Nana Addo Dankwah Akuffo-Addo25 have all visited China since the start of the new millennium.

These interactions have resulted in increased bilateral trade deals, investments, and development assistance arrangements. At present China is Ghana’s leading trading partner with an estimated trade value of about $6 billion (Odoom, 2015). China’s is also the only country that has registered about 793 companies in Ghana with total investment values of about $2 billion (Interview with GIPC, 2017). Meanwhile, China’s development assistance has increased with overwhelming emphasis on the provision of infrastructure, such as roads, government buildings, military barracks, schools, dams, and gas and energy infrastructure (see Table 3.0).

25 Nana Addo Dankwah Akuffo-Addo is the latest Ghanaian president to visit China. The visit which occurred on September 1, 2018 preceded the 7th FOCAC Summit in Beijing. The Ghanaian president was treated to the renditions of some of his favorite songs before signing a $2 billion agreement with China. The loan which will support infrastructural projects in Ghana will be repaid using Ghana’s bauxite. This is the latest installment of China’s resource for infrastructure arrangements with Ghana.
Table 3.0 Selected Chinese Investments and Development Projects in Ghana

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>Grant for the construction of Burma Hall Complex</td>
<td>1.2million</td>
</tr>
<tr>
<td>2003</td>
<td>Interest-free loan for the construction Ofankor-Kumasi road</td>
<td>$28million</td>
</tr>
<tr>
<td>2003</td>
<td>Grant for the restoration of National Theater</td>
<td>$2million</td>
</tr>
<tr>
<td>2003</td>
<td>Grant for the construction of military barracks in Accra</td>
<td>$3.9million</td>
</tr>
<tr>
<td>2003</td>
<td>Debt cancellation</td>
<td>$66million</td>
</tr>
<tr>
<td>2005</td>
<td>Loan and telecommunication equipment</td>
<td>$75million</td>
</tr>
<tr>
<td>2006</td>
<td>Expansion and upgrading of telecommunication network</td>
<td>$66million</td>
</tr>
<tr>
<td>2006</td>
<td>Loans and construction of two sport stadia</td>
<td>$275million</td>
</tr>
<tr>
<td>2007</td>
<td>Financial support for Bui hydropower dam</td>
<td>$562million</td>
</tr>
<tr>
<td>2007</td>
<td>Second loan agreement for the communication equipment</td>
<td>$30million</td>
</tr>
<tr>
<td>2007</td>
<td>Debt cancellation</td>
<td>$66million</td>
</tr>
<tr>
<td>2013</td>
<td>Gas pipeline infrastructure</td>
<td>$3billion</td>
</tr>
<tr>
<td>2018</td>
<td>Inner City Infrastructure Support Agreement</td>
<td>$2 billion</td>
</tr>
</tbody>
</table>

Source: Davies et al., (2008) and update by author

While it seems easy to tease out the various channels of interaction as trade, development assistance, and investment in theory, this is not so straightforward in practice as far as relations with China are concerned. The various vectors are bundled together as though they are one under the umbrella of win-win partnership (Woods, 2008). China’s so-called win-win development tactic is not an isolated policy peculiar to interactions with Ghana. It has a continental scope. The nature, content, and forms these
take require contextualization with regards to China’s deepening presence in Ghana and Africa. This is the focus of analysis in the next section

3.3 China’s Win-Win Development Strategy in Africa and Ghana

China’s interaction with African countries like Ghana is similar to how Western actors engage the continent. However, China relies on different tools and strategies in achieving its goals. China has recognized a complementary link between its resource insecurity and Africa’s natural resource endowments and needs, as well as China’s capacity to meet these needs (Odoom, 2015). Most African countries are resource-rich, but with poor infrastructure that undermine development (Foster et al., 2010). Meanwhile, China needs African raw materials to support its economy. It has also developed a competitive construction industry (Shen & Power, 2016). This complementarity shapes the dynamics of China-Africa cooperation (Corkin, 2011; Zweig & Jianhai, 2005). Based on this complementary principle, China offers African countries, including Ghana an integrated development assistance which bundles investment and trade as opposed to offering foreign aid (Moyo, 2010). This system of financing provides Chinese SOEs with export credits secured by access to African resources through agreements with African governments within a framework that is called the Angola Model (or ‘resource-backed loans’ or resource for infrastructure (R4I)) (Brautigam, 2009; Corkin, 2011).

This strategy is embedded within China’s policy of engagement with resource-rich African countries. Described as a win-win partnership, the strategy permits Chinese SOEs to provide infrastructure to African countries at relatively cheaper prices while
fulfilling Chinese resource needs. With the support of China’s Export and Import Bank (EXIM Bank) state insurance companies, these infrastructure projects are delivered at concessional rates involving long-term repayment periods (Corkin, 2014). This approach is widely embraced by African countries, who view it as flexible and bankable.

In describing negotiations with China concerning the Bui hydropower dam, an official of Ghana’s Ministry of Finance and Economic Planning alluded to the perceived flexible feature of the win-win strategy. In an interview, he stated, “…they [Chinese] are always willing to meet us…and when they promise they deliver (Interview with Ministry of Finance, 2016)”. Asked whether the Ministry has had any proposal rejected before, the same official added “…hardly. No. We work with them [Chinese] so, that by the time we are ready to meet the counselor [Economic Counselor], they are ready for us. We work in the same manner with the OECD countries, but they sometime turn us down over petty issues (ibid)”. 

Despite the suggestion that China’s African strategies are free of conditionalities, such claims are not entirely accurate. China does require respect for the “one China principle”. Chinese aid-projects are also tied. Although these are not pursued in similar manner as Western conditionalities, they are certainly the basis for cooperation. Lucy Corkin (2013) explicates the conundrum in arguing that Chinese aid projects are supposedly selfless, yet, somehow Chinese companies must make money while helping their African counterparts. The Figure 3.2 highlights this contradiction. It shows that within the framework of the Angola Model, funds earmarked for a given project are not directly given to the recipient country. Instead, the money is paid into the account of a
Chinese contractor chosen by the Chinese government to execute the project. The loan is usually repaid through raw materials, such as oil or other such commodities as cocoa. This strategy characterized China’s development cooperation in Africa that has been extensively used in countries, such as Zimbabwe, Congo Brazzaville, Angola, Nigeria, and Ghana. Through this approach, China has become the top financier of infrastructural projects in Africa, a position it has assumed since 2008 (Hensengerth, 2011).

Figure 3.2 The Structure of Angola Model

Source: Foster et al., 2009

Although the operation of the strategy differs in detail based on content and the available resources, as well as the geopolitical importance of the country in question, the format of operation is similar throughout (see Chapter 2). A brief discussion on the Ghanaian case would provide some insight and explain the focus of infrastructure as the locus of China’s African interventions.
As with other African countries, Ghana has considerable infrastructural deficit that requires about $2.5 billion annual investments (Idun-Arkhurst, 2008). This challenge has been recognized by the Ghanaian government, but attempts to address the situation through external support, particularly through World Bank supports have yielded minimal results. The neglect of African infrastructure by the World Bank and other donors is well documented in the literature (Brautigam, 2009). In Ghana, the financial predicaments were exacerbated by the country’s economic re-basing in 2010. Odoom (2015) suggests that the re-basing exercise changed Ghana’s status in the international system. The exercise transformed the country from a developing into a low-middle income economy, with a GDP per capita of $1,363 compared to the previous $800.

Ghana’s new status category reconfigured the country’s position with respect to external donors, such as the World Bank. As a developing country, Ghana could benefit from soft and concessional loans with long-term repayment periods with interest rate sealing of 0.75%. Most of such funds are directed towards infrastructural projects. However, with a sudden change in status, these options are now foreclosed. This subjected the country to a precarious financial stress.

The fiscal constraints resulted in underinvestment in infrastructure comprising power systems, schools, water systems, hospitals, and telecommunications. With a power deficit that ranges from 300 megawatts to 600 megawatts per year, Ghana’s energy sector has suffered severely with the financial shortfalls (Interview with Ministry of Finance, 2016). In an interview, an official of the Ministry of Energy noted that insufficient energy production led to frequent power cuts and resultant economic consequences (Interview
with Ministry of Energy, 2016). A representative of the Energy Commission, however, observed that the country’s present predicaments were not exceptional. For him, Ghana has had power supply shortages in the past, perhaps, what is novel about the recent experience is the intensity and persistence (Interview with Energy Commission, 2016).

The energy supply deficit has resulted in power rationing with cascading effect on economic growth and employment (Rupp, 2015). The World Bank estimated that without the energy challenges, Ghana’s economy would have registered a growth rate of 6-8% in 2015 (Idun-Arkhurst, 2008). Instead, the economy contracted—growing only 4% per annum. The situation has forced various companies to retrench, relocate, and halt expansions. The Volta Aluminium Company\(^\text{26}\) (VALCO) for instance, was forced to shut-down in 2011—for the 11\(^{th}\) time in its 40-year history (Idun-Arkhurst, 2008). Meanwhile, the Coca-Cola Bottling Company has reportedly lost $4,000 each day without power.

The precarious fiscal conditions forced Ghana to turn to China for help. This explains the concentration of Chinese investment in several infrastructural projects in Ghana (Rupp, 2013). For instance, the Shenzhen Energy Group partnered Togbe Afede XIV—chief of Asogli traditional area—to build a gas fired thermal plant that produces 200 megawatts to supplement existing sources (Lam, 2017). Likewise, UNIPEC, a subsidiary of Sinoec—one of China’s NOCs—facilitated the construction of the Atuabo

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\(^{26}\) VALCO was established as part of the Akosombo dam project to process Ghana’s bauxite into alumina. The company for a long time, remained one of Ghana’s prestigious establishment. But it the recurrent energy issues facing the country has not spared its functioning—more on this in Chapter Four.
gas pipeline in the Western region of Ghana (Odoom, 2015). However, over the past two decades one of the key investments that China has made in Ghana is financing the construction of the Bui hydropower dam.

The Bui hydropower dam which has been part of the Ghana’s energy development strategy since 1915 remained dormant because of financial constraints. With China’s support, however, the project was realized in 2013 as a means to shore up the country’s energy supply and boost socio-economic development. The accompanying jobs to be created from the dam project provided an additional impetus to implement the project (Interview with Ministry of Finance, 2016). Given the challenges and the expected contribution of the Bui project to national development, officials of the Ministry of Finance view the project as the best thing to have happened to China-Ghana engagements.

However, six years after the Bui hydropower dam was commissioned, Ghana’s energy sector continues to struggle casting doubts over the viability of the project. This notwithstanding, the broad issues of the developmental outcomes of the dam remain peripheral on discourses of the dam. These issues would be examined in the next two chapters as a way of highlighting the developmental implications of the project and demonstrating how the Ghanaian state collectively or through its actors fashioned such outcomes.

3.4 Conclusion
Since China re-emerged in 1949 it has formed a complex and multifaceted relationship with African countries. This was expressed through South-South cooperation
which was premised on promoting ideological and geopolitical counterweight to the vision of the Cold War. With ideological struggle directed at the US and the Soviet Union, China found a friend in Ghana, whose pre-independence struggle against British colonial rule has shaped its anti-imperial politics. Ghana’s anti-imperialism and China’s revolutionary Maoism formed the basis for solidarity between the two countries in the 1950s and 1960s.

Ideological and geopolitical rationales dominated the interactions between the two countries until Deng Xiaoping rose to power in 1978. Deng’s economic reform undermined the geopolitical engagements that characterized China-Ghana relations in the preceding decades. Deng’s program of economic nationalism re-oriented China’s foreign policies along the lines of inward investments and cooperation with countries, such as the US and Japan. This switch jettisoned the relationship between China and Ghana.

Ironically, while China’s economic reform of the 1978 constrained relationship between the two countries, it laid the foundation for intensified interactions in the 1990s, and the 21st century. China’s economy grew at a remarkable rate in the 1990s. This led to increased quest for raw materials, markets, and outward investments. The Chinese government re-organized its state institutions including banks, construction, mining companies to help address its needs. The Chinese dynamics paralleled Ghana’s quest for development through investment promotion. These factors combined in strengthening and deepening relationship between the two countries.

The renewed relationship which is described as a win-win affair has seen a tremendous investment by Chinese SOEs in Ghana’s infrastructural sector. The
involvement of Chinese SOEs in Ghana’s infrastructural sector help China to further its symbolic diplomacy in the country, acquire resources such as cocoa and other minerals, and access Ghana’s market. Similarly, the construction industry has become the entry point for several Chinese companies into Ghana.

The above discussion explicates the Bui hydropower dam as one of the key projects China has built in Ghana over the past two decades. As a major developmental assemblage, the Bui hydropower dam fulfills China’s interest in acquiring raw materials and promoting soft power diplomacy. Even though the Bui hydropower dam was to generate 400 megawatts of power this expectation is yet to be realized since the dam was commissioned in 2013. The dam complex has also yet to trigger other material benefits in and beyond the project area. This raises concerns about the viability of the project. However, the key question relates to the role the Ghanaian state played in the project by way of shaping the outcomes of the dam. The story of the Bui hydropower dam and how its intersects with China’s strategic interest in Africa is discussed in Chapter Four, while Chapter Five examines the developmental outcomes of the project.
Chapter 4  
The Bui Hydropower Dam and China’s Soft Power  
4.0 Overview  
Plans to build the Bui hydropower dam are deeply rooted in Ghana’s colonial legacy. Originally, Britain designed Bui as part of the colonial regime’s Volta River Project (VRP). This plan entailed building two other dams—Akosombo and Kpong—to supply cheap electricity to support the operation of a proposed bauxite processing factory in the Gold Coast. The colonial administration painstakingly studied the VRP but did not build the dams before the Gold Coast attained independence on March 6, 1957. Upon becoming independent, the postcolonial administration inherited the plan. Mid-20th century was an era of infrastructural-driven development. As such, after rounds of negotiation, the Ghanaian government secured support of the World Bank, US and UK governments to proceed with the VRP. The consortium, however, agreed to a reappraisal of the initial VRP plan. This re-evaluation led to the construction of the Akosombo and Kpong while Bui laid dormant (Hart, 1980).

For decades, Akosombo and Kpong produced Ghana’s required energy. The electricity generated by the two facilities even exceeded national demands. The surplus power was exported to Benin and Togo. This energy sufficiency was, however, short-lived as population increase and poor rainfall in the 1990s caused demand to outstrip supply. The resulting energy shortfall culminated in a national crisis which triggered reactivating the Bui plan.

Despite the urgent need to build the dam, successive governments struggled to mobilize the required funds to build the Bui hydropower dam. The challenge lasted until
2005, when the Ghanaian government announced that is has reached an agreement with China to finance and implement the dam. The government celebrated this offer as a major step in addressing the country’s energy crisis. At the cost of $790 million, the Bui hydropower dam, would then become China’s biggest investment in Ghana.

China’s intervention in the Bui hydropower dam was key in moving the project beyond planning and design to the construction phase. However, China’s decision to help implement the project seems far less altruistic. The Chinese intervention coincided with the institutionalization of the Going Out policy and the need to increase global competitiveness of Chinese firms (Lam, 2017). Going Out is a key component of China’s aggressive post-Cold War soft power strategy. The strategy involves state support for state-owned enterprises (SOEs), including construction companies to operate overseas and to advance the country’s interests in acquiring resources and facilitating long-term engagements (Fijalkowski, 2011; Mingjiang, 2008). China’s investment in the Bui hydropower project thus brought several SOEs, such as the Export and Import Bank (EXIM) and the Sinohydro Corporation to Ghana. The project has since catalyzed strong ties between both countries and facilitated entry for private sector actors as well.

The foregoing asserts the centrality of China’s soft power in deepening relationship with African countries including Ghana. As such, this chapter argues that the Bui hydropower dam is both a source and an outcome of China’s soft power policy which was institutionalized in the 1990s to help China acquire resources and deepen connections with African countries. The chapter analyzes China’s involvement in the Bui project, including finance and construction arrangements to demonstrate how China
operationalized soft power to fulfill its interests in Ghana. In addition, the analysis identifies and assesses the actors involved in the project and their respective roles.

The remainder of the chapter consists of six parts. Part One explains the concept of soft power and how China uses it to advance its interests in Africa. Part Two analyzes the Bui hydropower dam’s history and the project’s revival after almost a century of neglect. Part Three examines the contract and the financial arrangements that was signed between China and Ghana to make the project possible. Part Four focuses on the technical details and the construction of the dam. Part Five assesses the impacts of the Bui hydropower dam on China-Ghana relations. Part Six summarizes the chapter’s arguments.

4.1 Soft or Co-optive Power
In the social sciences, the notion of power is highly contested. It can be thought of as Janus-face, sometimes contradictory force. For Richard Cox (1993), power is a centaur, part man, part beast, a combination of force and consent. As a social dynamic, power has considerable impact on various aspects of social, political, and cultural interactions (Clegg & Haugaard, 2009). In the arena of interstate relationships, many experts view power as the way a state uses its material resources to compel other countries to do things they would not otherwise do (Nye & Jisi, 2009). Other social scientists view power as the ability to make or resist change (Fijalkowski, 2011). According to Joseph Nye (1990), states use two forms of power when dealing with each other. The first he calls hard, or command power involves using military force to coerce other states into complying with
certain demands (ibid). During the two World Wars, many states deployed hard power tactics (Nye, 2004).

Since the end of WWII, many international relations scholars have questioned the utility of hard power (Nye, 2004). The debate over the effectiveness of hard power intensified in the post-Cold War era. Some scholars claim that it is hard to distinguish hard power from other forms of power, including behavioral power (Li, 2009). For others, the world has become so complex with the proliferation of myriads of non-state actors, such as multinational corporations (MNC), which wield considerable influence in the global system (Corkin, 2014). Likewise, advances in technology and telecommunication tend to render the use of hard power more costly and ineffective in shaping interstate affairs (Thompson, 2005). These concerns and concomitant dynamics have contributed to the decline in the use of hard power.

The waning influence of hard power has given way to greater emphasis on soft power. Unlike hard power, which involves ordering, soft power occurs when a country gets other countries to want what it wants, primarily using attraction (Nye, 1990). The importance of attraction to an idea in shaping preferences and choices is echoed by psychologists, who suggest that parents who try to influence their children by shaping their ideas, preferences, and beliefs have more enduring control over them than those parents who prefer to use more active controls (Shambaugh, 2015). Similarly, politicians and philosophers have long understood the power of attractive ideas in shaping others' preferences.
Although soft power hinges on intangible sources, such as culture, ideology, and institutions is it just as effective as hard power (Li, 2008). The effectiveness of soft power is achieved by legitimizing it in ways that appeals to the wishes of others (Li, 2009). Legitimizing soft power makes it irresistible and effective in the conduct of interstate affairs. According to Nye (2004), countries can legitimize their soft power attractiveness in three ways: culture (when it is pleasing to others); political values or ideology (when it lives up to them at home and abroad); foreign policies (when they are inclusive, legitimate, and having moral authority). This notion of soft of power implies liberal understanding of interstate interactions promoted through cooperation.

These sources of soft power have been augmented with the addition of economic development as a vital origin of a country’s soft power (Fijałkowski, 2011). Economic development plays two fundamental roles in shaping preferences. First, it provides direct means through which a country supports its agencies to promote its culture, values and explain its foreign policies. Second, good economic performance by a country can become a source of inspiration and an aspiration for those wishing to develop themselves.

The Soviet Union and America used soft power extensively during the Cold War, but it is China which is now profitably deploying it in its engagements with African countries (Corkin, 2014; Wagner, 2012). China-Africa engagements were tumultuous during the Cold War. In fact, many scholars described the relationship between China and African countries as geopolitically tenuous (Mawdsley, 2007; Mcferson, 2010). Over the past two decades, however, interactions between the two parties have shifted markedly from geopolitics to geo-economics (Naidu, 2007). China is now the continent’s
leading source of FDI, principal financier of infrastructure, and Africa’s primary trade partner with a value over $300 billion (Chipaike & Bischoff, 2018).

**Figure 4.0 Chinese leaders African Visits 1995 to 2009s**

The momentum toward this renewed engagement started in 1989 following the Tiananmen Square incident. The Tiananmen Square incident triggered Western criticism and an arms embargo being imposed on China. Amidst the impasse, China relied on soft power to rebuild its relationship with Africa after decades of neglect. Massive elites’
visitations, aid program, and crafty slogans were used to promote China-Africa relation. As Figure 4.0 illustrates, except for a dozen countries, Chinese leaders made Africa target for soft power with their visit from 1995 to 2009 (see Brautigam, 2009).

China’s use of soft power took an aggressive turn after the country’s economic boom in the 1990s. The remarkable growth in China’s economy during this time periods created acute resource insecurities, need for new markets and outward investment. This economic boom is both a source of legitimacy and aspiration for African countries. As a result, many African countries consider China’s development trajectory—especially coming in the wake of a short period of time and a difficult past—as inspirational. Although there is no clear-cut description of the Chinese development model that could be emulated by African countries, it is essentially characterized by gradual reform, constant experimentation, and selective cultural borrowing (Zhang, 2006).

The apparent lack of a coherent policy underlining the model led most Western scholars to view it in different ways, including characterizing it as the Beijing Consensus (BC) (Ramo, 2004). Apart from being an inspiration, the operation of the Beijing Consensus differs from the Washington Consensus (WC)27. The Washington Consensus as promoted by the Bretton Woods institutions—World Bank and the International Monetary Fund (IMF)—favors policies on rule of law, good governance practices, trade liberalization, and democracy. Carmody (2010) sees views these policies as ways of normalizing neoliberal strategies on the continent. The neoliberal agenda also seeks to

27 The triangular relationship between the World Bank, IMF, and US Treasury in influencing the policies of other countries.
foster Eurocentric and Pax Americana ideals. Yet, the Washington Consensus remains the defining framework for extending assistance to African countries over three decades. African countries view the WC as an upfront to their sovereignty and constrictive to their development. In this regard, African countries see the BC as an optimistic and realistic path to self-determination and development.

To promote its interests, China capitalized on the apathy and tension the Washington Consensus has generated in Africa and intensified its relationship with Africa by rebranding its engagement with Africa as a win-win partnership. At the same time, China sees its engagement with Africa to be guided by principles of peaceful co-existence including: 1) mutual respect for sovereignty and territorial integrity; 2) mutual non-aggression; 3) non-interference in each other’s affairs; 4) equality and mutual benefit; 5) peaceful co-existence (Ampiah & Naiudi, 2008; Corkin, 2014). China backs these statements with concrete bilateral and continent-level arrangements and actions. Some of these arrangements and actions included increased, aid, trade, investment programs, and peacekeeping operations (Fijałkowski, 2011; Suzuki, 2009). China has also created agencies and policies to facilitate its agenda (Woods, 2008). These included restructuring state-owned enterprises (SOEs), the launch of the Going out policy, and organizing the China-Africa summit (FOCAC) (Lam, 2017). The structures provide the institutional support and the framework to further China’s interest in Africa. In other words, China’s support for African countries are fused with its interest facilitated by SOEs and supported by its aggressive soft power policies.
China’s soft power strategies delineated above have been profoundly successful in shaping China-Africa relations in various ways. High trade values and increased interaction are evidence of the impact of China’s soft power tactics in Africa. The strategy is also helping swing the pendulum of influence from West to East. As was observed by Zimbabwe’s former president Robert Mugabe, Africa is turning its back to the West and now facing East, where the sun rises (Hidze, Hartwell, & Jager, 2012).

China’s involvement in Africa holds great appeal for many African governments which believe that increased interaction with China will help them overcome their developmental lags. Many African leaders believe increased Africa-China interactions will enable African countries to become self-reliant to the point where they would no longer need the West. This believe was what influenced Ghana’s decision to fall on China for help with the Bui hydropower dam as was underscored by an interviewee of the Ministry of Finance:

…we have been working with OECD and World Bank to raise money for the dam [Bui] for several years. They always promised and failed. Meanwhile, they always bring new rules but no dam. But with China, things go smoothly. Their counsellor shows [Economic Counsellor28] us what to do. We work together following the rules to get what we want.

The frustration with Western donors and China’s apparent ease and flexibility are some of the reasons why their charm offensive is gaining considerable attractions in

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28 This is Chinese state representative at the consulate responsible for coordinating interactions with host governments. The activities of the economic counsellor also include feeding prospective Chinese investors about opportunities that exists in the host country. All Chinese investors are required to register with Economic counselor, who then give contracts base the principle of first-come-first save.
Africa (Eisenman & Kurlantzick, 2006). The next section explains how China’s interest in the Bui hydropower dam project served immediate pragmatic and long-term purposes.

4.2: Planning the Bui Hydropower Dam

Ghana’s experience with large dam development started with the Akosombo and Kpong dams’ construction in 1966 and 1982. Even though built in the post-independence era, both dams’ plans predated the modern nation-state. The British colonial administration designed the plan, called the Volta River Project (VRP), to build three dams. This plan was premised on producing cheap electricity to exploit the country’s resources (Miescher & Tsikata, 2009). Britain’s interest in the VRP hinged on its intentions to profit from high global aluminum prices in the interwar era and during WWII (Miescher, 2014). After WWII, however, aluminum prices plummeted resulting in Britain’s diminished interest in the project. Even though experts had ascertained the VRP’s feasibility, no dam was erected before the Gold Coast attained independence in 1957.

Upon becoming independent, the postcolonial government spearheaded by President Kwame Nkrumah, inherited the VRP. While the government saw the VRP as key in building a modern nation based on industrialization, it first had to contend with mobilizing funds for the project. It struggled to find sponsors until the US government intervened in 1958 (Hart, 1980). Under President Dwight Eisenhower, the US teamed up with the World Bank, the Kaiser group of companies, and Britain’s government to

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29 The International Commission on Large Dams (ICOLD) defines a large dam as one with a height of 15 m or greater from the dam’s foundation to its crest. Alternately, it defines as a large dam as one between 5 m to 15 m, impounding more than 3 million m$^3$. 

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finance the project (Tsikata, 2012). The US’s interest in halting communism’s sprawl in Africa influenced its decision, especially after the US\textsuperscript{30} saw the Soviet Union take over Egypt’s Aswan High Dam’s construction (cf. Mitchell, 2002).

The consortium’s intervention brought some relief to the Ghanaian government, but the VRP had to pass yet another assessment by Kaiser Engineers from Oakland, California (Tsikata, 2012). Kaiser’s reassessment proposed major changes to the VRP (Hart, 1980). First, the Kaiser report suggested a sequential approach to the VRP, starting with Akosombo, which has a capacity of 512 megawatts. Second, the report recommended that it would be cost effective for the proposed smelter, Volta Aluminum Company (VALCO), to refine imported bauxite rather than one focused on processing locally-mined bauxite. The smelter was then to consume 65\% of the electricity to be generated from the dam at a discounted price for 30 years. This was important to the Kaiser Group because its Caribbean operations needed a cheaper energy source to process procured raw materials into aluminum ingots.

Despite the proposal being markedly scaled-down from what the government originally intended, the administration surprisingly accepted it. Some scholars consider that the difficulties the Ghanaian government faced in mobilizing funds for the project partly influenced its acceptance of the proposal (Gyau-Boakye, 2001; Tsikata, 2006). After approving the new proposal, the government signed a contract with Italy’s

\footnote{It is interesting to note that US assistance to African countries is still embedded on security issues. This became more pronounced since the 9/11 attack.}
construction firm, Impregilo\textsuperscript{31} to become the project’s builder while Kaiser provided engineering support (Hart, 1980).

The Akosombo dam’s implementation was a paradox. In tandem with the prevailing logic of development during the 1960s, large-dam projects like Akosombo were supposed to provide the impetus for national transformation and modernization (Cooper, 1997; McCully, 2001). This is important because before Akosombo, Ghana relied on diesel-powered generators for electricity. The energy these sources provided was barely enough for domestic consumption let alone embark on any meaningful industrialization. With the Akosombo dam coming on stream, Ghana could then envision ways to diversify its economy. It could balance reliance on agriculture and raw material exports, such as gold and cocoa, with industrial development. The modernization thesis that underpinned the implementation was deployed both as justification and counter-critique for the project as put forth by Kwame Nkrumah:

Newer nations [like ours], which are determined by every possible means to catch up in industrial strength, must select a large-scale industrial advance. Electricity is the basis for industrialization. That basically is the justification for the Volta River Project (Tsikata, 2012, p. 43).

Despite the centrality of the Akosombo dam to Ghana’s subsequent energy sufficiency, the project wreaked the worst environmental and social havoc in modern Ghanaian history. Akosombo devastated the livelihoods of people downstream and upstream of the project (Tsikata, 2004, 2005). The project also displaced over 80,000

\textsuperscript{31} Impregilo was the same company that built Zambia’s and Zimbabwe’s Kariba dam back in 1959. The Company merged with Salini in 2014 to become the Salini Impregilo or Impresit.
people, who the state subsequently inadequately resettled and compensated (Miescher, 2012, 2014; Tsikata, 2006). At the same time, the project’s implementation also created the largest man-made lake in the world, which coincidentally became one of the largest freshwater fish sources in Africa.

In spite of the issues emanating from the implementation of the Akosombo dam, the government again demonstrated its unflinching support for the development of large-dams as a panacea for modernization and industrialization with the construction of the Kpong dam. The Kpong dam which was built in 1982 has a total of 160 megawatts installed capacity. Together with Akosombo, the two dams were supposed to generate electricity to drive Ghana’s transformation. This target was initially exceeded with the surplus electricity then exported to Benin and Togo (Miescher & Tsikata, 2009).

Despite initial success, Ghana’s energy sufficiency was short-lived. A year after the Kpong dam’s commissioning, the country suffered a major drought that lasted over a year. The drought resulted in poor rainfall, hence insufficient water to power the Akosombo and Kpong turbines (cf. Boadi & Owusu, 2017). Because of the crisis, the government adopted a series of measures intended to manage the situation. One such measure was to renegotiate the 30-year discounted power purchase agreement with the Volta Aluminum Company (VALCO), which was consuming over 65% of the energy generated from Akosombo (Miescher & Tsikata, 2009).

The government succeeded in its negotiations with the management of VALCO, but the victory was ephemeral. The poor rainfalls of the 1980s recurred in 1992 to a much more devastating effect. In addition, rapid urban population growth and the government’s
ambitious rural electrification program compounded the devastation brought on by the drought. These three factors led the Ghanaian government to adopt measures that included reactivating Bui’s plan (Hensengerth, 2011).

Although the Bui hydropower dam plan was reassessed in 1965 and 1976, it was the 1990 crisis that provided the impetus for its implementation (Interview with BPA, 2016, 2017). The return to the Bui hydropower dam project coincided with debates over the adverse impacts of large dams. This debate focuses on issues of environmental sustainability (Hensengerth, 2014). Given the prevailing debates, proponents of the Bui hydropower project suggested taking adequate steps to ensure compliance with international protocols aimed at minimizing the project’s impact on human society and the environment (Osafo-Kissi & Akosa, 2009).

The revival of the Bui plan was triggered by the 1990s energy crisis. Since the 1990s, Ghanaian actors with outside support have handled the plan to build the Bui hydropower dam (Figure 4.1). The Volta River Authority (VRA) was the project’s chief architect in its early years, as illustrated in Figure 4.1. The VRA was formed in 1961 to manage and operate the Akosombo. This mandate was expanded to cover the Kpong dam in the 1980s. VRA’s leadership initiated plans to build Bui by contracting French consultancy, Coyne et Bellier (Bellier), to update the previous feasibility studies on Bui (Osafo-Kissi & Akosa, 2009). Bellier started work in 1994 and completed it in 1995 (Hensengerth, 2011). Bellier’s report call for the construction of the Bui dam. Further, the report highlighted the need for the project due to increasing energy demands, which it
estimated could reach 11,953 Gigawatts per hour (GWh) by 2020, up from the 1995 baseline of 7,235 GWh (Fink, 2005; Hensengerth, 2011).

Despite Bellier’s recommendation, work on the Bui hydropower dam did not start until 1997 when another poor rainfall cycle struck, resulting in decreased energy output from Akosombo and Kpong (Interview with Ministry of Energy, 2016). The deepening crisis triggered nationwide protests across the spectrum of consumers (Rupp, 2013). The mounting pressure forced the government to opt for a quick fix by adding thermal sources to the country’s energy mix (Interview with Energy Commission, 2016). The thermal plants’ construction at Aboadze began in 1997 and was completed in 1998. This plant added 550 megawatts to the national grid. The government also imported electricity from Côte d'Ivoire to augment local supply (Interview with Ministry of Energy, 2017).

In 2001, the Ghanaian government announced it had received a bid from Halliburton and Roots to implement the Bui hydropower dam (Hensengerth, 2011). However, the contract was abruptly abrogated for reasons that remain unknown, and the BDS and BDC were disbanded (Fink, 2005). Stakeholders reconsidered returning to thermal sources, but high petroleum prices quashed that intent. In the stalemate, amidst the deepening energy crisis, the government formed a new BDC with a renewed mandate. In 2004, the Energy Commission (EC) published its strategic energy policy (SNEP), re-asserting Bellier’s 1995 report and insisting on the urgent need to increase domestic energy supply (Habia, 2009).
Figure 4.1 Planning Processes and Actors

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<tr>
<th>Ghanaian actors</th>
<th>Activity</th>
<th>External actors</th>
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<td>Volta river authority</td>
<td>Commissioned</td>
<td>Coyne et Bellier: first feasibility study</td>
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<td>Ministry of finance and economic planning</td>
<td>Negotiated</td>
<td>EXIM Bank; China’s Ministry of commerce</td>
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<td>Ministry of energy</td>
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<td>Bui development committee</td>
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<td>Environmental Resources Management: ESIA and resettlement planning framework</td>
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Source: Hensengeth (2011) updated by Author

According to the EC, Ghana needed extra 100 megawatts of power every two years to cope with demand and to help the country attain its developmental goals (Interview with Energy Commission, 2016). Further, the EC recommended that the government invested $2 to $3 million in feasibility studies on Bui and provided funds for immediate implementation. EC’s suggestions pushed the Ghanaian government to directly appeal to China for support with Bui.

Early in 2005, the Ghanaian government announced it had received a bid from China’s Sinohydro Corporation, expressing interest in the Bui hydropower dam (Hwang, Brautigam, & Wang, 2015). Subsequently, China’s President Hu Jintao described the Bui hydropower dam during the 2006 FOCAC summit as a major project the country planned to undertake in Africa as part of its win-win partnership with Ghana (Tan-Mullins et al., 2010). The 2006 FOCAC was attended by all African countries with diplomatic relation with China. Choosing to announce the decision on the Bui hydropower dam at this gathering constituted a strategic display of soft power which was intended to: 1)
communicate to the people and governments of African countries about China’s beneficence and fraternity; 2) showcase China’s power and influence to its geostrategic competitors that is a force to reckon with.

Beyond the pageantry and to facilitate the process, the government commissioned Bellier to update its 1995 study. Additionally, the government also initiated a contract for an environmental and social impact assessment (ESIA) with a British firm, Environmental Resources Management (ERM). These studies were required to ensure the Bui hydropower dam’s implementation aligned with international dam construction protocols (Interview with BPA, 2016).

Finished in 2006, the ESIA was swiftly followed by the Bui Power Authority’s (BPA) establishment to coordinate dam implementation efforts. The BPA was established by an Act of Parliament (BPA Act 740) to execute, manage, and operate the Bui project. BPA’s formation led to the BDC’s and BDS’s disbandment. The formation of the BPA also led to VRA shifting focus back to managing the Akosombo and Kpong dams (Osafo-Kissi & Akosa, 2009).

BPA’s first task involved solving the project’s administrative and regulatory hurdles. This entailed working with the National Development Planning Commission (NDPC) to insert the Bui project agenda into nation’s overall development plan (Figure 4.2). This process was completed following series of consultations with Parliament and the office of the President. A senior planning officer with the Commission observed that the process that the Bui agenda was subjected to was not exceptional. For him, that is how all development plans in the country are conducted—due to the centralized system
in place. He stated “…. any proposed development plan in Ghana is subject to a similar process. We [NDPC] must ensure it fits the nation’s objectives, then send it to Parliament for debate. They [Parliament] brings it to us when they finish, and we then take it to the presidency for endorsement. Without these steps, the project cannot be funded (Interview with NDPC, 2014; 2017).

Next, the BPA had to acquire an environmental clearance permit from the Environmental Protection Agency (EPA). According to the EPA, its license is part of several needed by any developer concerning projects that relates to the environment and have the potential of causing short and long-term harm to society. The permit is granted after a scoping study. EPA experts describes scoping as a process that involves proponents publishing their intentions in national newspapers continuously for a period of 21 days and engaging affected communities about compensation and mitigation strategies (Interview with EPA, 2015).

Our GIs discussants within the project’s area challenged the community consultations as being fraught with issues. Discussants noted that the meetings within the project area were not open to all. Likewise, most of the people who attended were not in any ways adversely affected by the dam. Furthermore, venues for the meetings were mostly in Accra with no arrangements to transport affected community members and leaders there. These shortcomings were also confirmed by other scholars (see Sutcliffe, 200). Despite these inadequacies, the EPA interviewees stated that they were satisfied with the scoping exercise.
Another element that the EPA considered before issuing BPA the required permit is a license from the Water Resources Commission (WRC). WRC must issue BPA three licenses including water use, diversion, and construction clearance. These permits are the first to be sought by the BPA. But consultation with the EPA was well in advance before contact with the WRC was made by the BPA. Hensengerth (2011) described this as ‘process jumping’. This process jumping undermines the very processes the dam’s proponents tried to adhere to. WRC interviewees confirmed this process jumping phenomenon, and asserted that although their certificates were important, the history and political interest in the Bui project seem to have undermined due process. Additionally, the BPA had to acquire siting and generation certificates from the EC (Figure 4.2). As the foregoing suggests, the issuance of these permits is a mere formality, nonetheless, the permits were necessary if Ghana was to sign a contract with Chinese actors to move the
project beyond the design and planning phase. Whether these permits in anyway influenced the decisions of Chinese financiers remains debatable.

Ghana’s government appeal to China and the swiftness with which Sinohydro expressed interest in the project were not coincidences. They were calculated levers of soft powers to taunt rivals and emphasize China’s credentials. The rejection the Ghanaian government suffered from the World Bank and other donors partially swayed the government’s action. At the same time, Ghanaian government officials recognized China’s capacity and understood that its appeal to China for assistance on the Bui hydropower dam was likely to yield a favorable response. Ghana’s appeal followed by China’s response relate directly to China’s win-win philosophy toward engagement with African countries. But as negotiation between the two countries continued, it became clear that China’s SOEs have commercial and long-term agenda in financing the project.

4.3: The Bui hydropower dam Contract

Ghana’s Ministry of Finance and Economic Planning (MoFEP) signed a financial undertaking with China’s Export and Import Bank (EXIM) to enable the Bui hydropower dam’s construction (Figure 4.1). The agreement, signed in 2007, occurred after extensive negotiations. Many experts considered this financial undertaking as the mother instrument which paved the way for two more agreements to begin building the Bui hydrodam project. First, the Ministry of Energy (MoE) signed an engineering, procurement, and construction agreement (EPC) with Sinohydro (Figure 4.1). This agreement made Sinohydro the project’s contractor. The EPC contract stipulates that not less than 50% of inputs, including labor, equipment, and materials, could be sourced from China. These are essential aspects of China’s Going Out policy (Bräutigam & Gallagher,
Second, the BPA signed a construction agreement with Sinohydro in which BPA became Bui’s client while Coyne et Bellier provided the technical supervision. By these agreements, the Bui hydropower dam is a turn-key facility.

4.3.1 The Financial Details
The Bui hydropower dam was originally estimated to cost $622 million. Of this, China provided a total of $562 million split into $270 million concessional loans and $292 million buyer’s credit. The remaining $60 million was borne by the Ghanaian government (Table 4.0). However, construction experienced a cost overrun in 2009, hence the need for extra $168 million to enable the project’s completion. BPA’s relationship manager—Salifu Wumbila—in an interview with me attributed the cost increase to unforeseen economic upheavals precipitated by the 2008 recession. Further, he observed that the recession shot prices of materials up. As such, project’s components such as water diversions, reservoir clearing, and development of fishing harbors were adversely impacted, hence the need for additional funds. The additional cost increased the project’s total to $790 million.

The two financial instruments by which China financed the Bui project had varied interest rates. First, the concessional loans attracted a 2% interest rate with a 5-year grace period, and a 20-year repayment schedule. Second, the buyer’s credit rate was 2% more than the prevailing commercial interest reference rate (CIRR) with a grace period of 5 years and a repayment schedule of 20 years (Kirchherr, et al., 2016).

32 A concept in which Chinese contractors sign agreements with African countries to build facilities but have limited interactions with host governments. The key to the project is literally handed over to the host after completion.
### Table 4.0 Bui’s Financial Breakdown

<table>
<thead>
<tr>
<th>Credit Type</th>
<th>Amount in Million ($)</th>
<th>Interest Rate</th>
<th>Amortization Period</th>
<th>Grace Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buyer’s Credit</td>
<td>292</td>
<td>2% over CIRR</td>
<td>20 years</td>
<td>5 years</td>
</tr>
<tr>
<td>1st Concessional Loan</td>
<td>270</td>
<td>2%</td>
<td>20 years</td>
<td>5 years</td>
</tr>
<tr>
<td>2nd Concessional Loan</td>
<td>168</td>
<td>2%</td>
<td>20 years</td>
<td>5 years</td>
</tr>
<tr>
<td>Ghanaian Government</td>
<td>60</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>790</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

Source: Author’s construct

EXIM Bank provided China’s loans for the project. EXIM Bank was among the 112 SOEs restructured in the 1990s as part of China’s Going Out policy. EXIM’s main responsibility include providing SOEs involved in large overseas infrastructure projects financial support (Bosshard, 2009). Though operating on a commercial basis, the Bank’s activities are subsidized by the Chinese government. This is being done with the view of cutting cost and making Chinese construction firms competitive against their Western counterparts. At present, most of the Bank’s operations are in Africa, including Sudan’s Merowe Dam, Zambia’s Kafue Dam, and the Democratic Republic of Congo’s (DRC) Grand Inga Dam (Gottschalk, 2016; McDonald et al., 2009). Sinosure, another SOE, insures EXIM’s operational risks (Chen & Landry, 2018). These features highlight the bank’s risk sensitivity as opposed to what the literature commonly reports. Further, the bank’s long-term stratagem emphasizes commercial interest contrary to China’s perceived altruism (Tan-Mullins, Urban, & Mang, 2017).

While many experts see China’s dealings with African countries to be friendly, this was not necessarily the case, as this study indicates. Interviewees of the Ministry of
Finance notes that their negotiations concerning the Bui hydropower dam were tough. Hensengerth’s work corroborate this claim as he suggests that the principal Chinese actors, mainly EXIM Bank, proposed a 50-50 split on Bui hydropower dam construction (Hensengerth, 2011). The Ghanaian negotiators represented by MoFEP countered with a 70-30 split on costs. Differences such as these caused disagreements (Interview with Ministry of Finance, 2016). Other, studies reveal that discussions on the buyer’s credit were no different. Disagreement frequently occurred regarding interest rates and repayment schedules. Participants in Hensengerth’s (2011) work revealed that the MoFEP proposed a 90-10 buyer’s credit. The Chinese rejected the MoFEP’s proposal. MoFEP’s officials confirmed that negotiations occasionally stalled due to the varied concerns. Eventually the parties agreed on a 2% interest rate for a period of 20 years for the concessional loan. In terms of the buyer’s credit, the Chinese government originally offered a 1.1% higher interest rate than the prevailing CIRR, with a 12-year repayment schedule and a 5-year grace period. The MoFEP countered with an interest rate that was 1.05% higher than the CIRR with a 15-year repayment schedule (Interview with Ministry of Finance, 2016). According to MoFEP interviewees, the counter offers caused delays but after extensive negotiations, EXIM and MoFEP agreed on 2% over the CIRR and a 20-year repayment schedule with a 5-year grace period (ibid).

Kirchher et al., (2016) contend that the payment schedule China offered for the Bui hydropower dam is typical of most large infrastructure projects. These scholars

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33 Concessional loans offer much lower interest rates than non-concessional loans which offer full interest rates.
further suggest that the World Bank and members of the Organization for Economic Cooperation and Development (OECD) usually offer 20 to 30-year repayment schedules and a lower interest rate of 0.8% to 1.5%. Although the World Bank originally opposed the Bui hydropower dam project, Kirchher et al., claimed Ghana could have received a lower rate had it been willing to address the concerns the World Bank raised regarding the dam.

Brautigam et al., (2016) suggest that Chinese financing support for power projects do not include tying African countries into resource deals. This was not the case with the Bui hydropower dam project. Interviews with the representatives of the Ministry of Finance underscored the full use of the approach. According to the financial undertaking, China secured its loan contributions toward the Bui hydropower dam with the annual export of 40,000 metric tons of cocoa to China (Odoom, 2015). This aspect of the contract remained in force until the dam became operational in 2013. Ghana used the sale of the cocoa to China to pay off the interest that accrued on the loans while construction proceeded. Inserting this clause into the contract was crucial to China for two reasons. First, the growing Chinese urban population triggered high demands for confectioneries, such as chocolates. Fluctuations in the world market created supply uncertainties. As a result, China’s Genertec Corporation deemed it prudent to make a deal with Ghana, the world’s second largest producer of cocoa to ensure an uninterrupted flow of the commodity for its operations. Second, the Chinese insistence on locking the cocoa sale agreement into the transaction highlights the risk Chinese actors perceive in their African investments. For instance, if the unforeseen circumstance delayed the project’s timeline

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that would impact how much cocoa Ghana could sell in the open market. As such, it had to ensure construction proceeded seamlessly.

Once the dam started producing electricity, however, the power purchase agreement (PPA) kicked in (Habia, 2009). PPA requires that the BPA lodges 85% of sales tariffs into an escrow account at the EXIM Bank to be used in servicing the loan until full cost is recovered. If at the end of the payment, there is any surplus in the account, it reverts to Ghana’s government with possible interests (Hwang et al., 2015). The PPA fixed tariffs tentatively at US$0.035 to 0.055 cents per kWh. The World Bank records show that the average tariff for Africa is US$0.13 cents per kWh (Hwang et al., 2015). Making power from Bui relatively cheaper. However, Ghana’s charge now runs at GhS0.28 cedis per kWh (US$ 0.057 cents per kWh). This suggests that the cost of electricity produced at Bui is costly than those from other sources.

### 4.4 Technical Details and Construction

The Bui hydropower dam’s history shows that its design predated the construction agreement between BPA and Sinohydro. Bellier, which conducted the geological and technical feasibility studies on Bui in 1995 and 2006, proposed that Bui be roller compacted concrete gravity dam (RCC\(^{34}\)). Bui’s design was to be different from the Akosombo and Kpong dams which were earth-filled.

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\(^{34}\) There are three types of dam designs. These include: 1) embankment; 2) gravity; 3) arch. Design preference is determined by the topography and geology of the setting. Gravity dams are constructed of concrete and/ or masonry. They comprise thick walls which rely on their own internal weight and strength for stability. Gravity dams are normally preferred for narrow valleys with firm bedrocks.
The Bui hydropower dam’s construction involved blocking the river channel with compacted concrete slabs. Engineers deemed the Banda Gorge on the Black Volta River as the most ideal location for the 400-megawatt facility. At its present location in the Banda Gorge, the Bui hydropower dam sits on the boundary between the Brong Ahafo and Northern regions. This position is 150 kilometers upstream from the Akosombo Dam (Figure 4.4). The project includes: one main dam; two saddle dams; a switch yard; a reservoir covering 440 square kilometers surface area extending 40 kilometers upstream; a powerhouse; and a 161-kilovolts (KV) transmission line from the dam site to substations in Sunyani (Figure 4.3). These features make the Bui hydropower dam China’s largest investment in Ghana. In addition, it’s also the single most important civil engineering project after Akosombo. Table 4.1 summarizes the Bui hydropower dam’s details.

**Figure 4.3 Bui Hydropower dam complex**

Source: Author’s construct
Table 4.1 The Bui hydropower dam’s Physical and Technical Details

<table>
<thead>
<tr>
<th>Project Facility</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main Dam</strong></td>
<td></td>
</tr>
<tr>
<td>Dam Type</td>
<td>Roller compacted concrete gravity dam</td>
</tr>
<tr>
<td>Location</td>
<td>Banda Gorge, 150 kilometers upstream from Lake Volta</td>
</tr>
<tr>
<td>Crest Height</td>
<td>185 meters National Level Datum (NLD); 186.1 NLD with flashboard and parapet wall</td>
</tr>
<tr>
<td>Crest Length</td>
<td>492.5 meters</td>
</tr>
<tr>
<td>Dam Height</td>
<td>90 meters Above Ground Level (AGL) (108 meters total)</td>
</tr>
<tr>
<td><strong>Saddle Dam I</strong></td>
<td></td>
</tr>
<tr>
<td>Dam Type</td>
<td>Rock fill</td>
</tr>
<tr>
<td>Location</td>
<td>Right bank of river, 500 meters from main dam</td>
</tr>
<tr>
<td>Crest Height</td>
<td>187 meters NLD</td>
</tr>
<tr>
<td>Crest Length</td>
<td>300 meters NLD</td>
</tr>
<tr>
<td><strong>Saddle Dam II</strong></td>
<td></td>
</tr>
<tr>
<td>Dam Type</td>
<td>Zones, earth filled</td>
</tr>
<tr>
<td>Location</td>
<td>North of Bui Camp along the right bank of the river, approximately 1 kilometer from the main dam</td>
</tr>
<tr>
<td>Crest Height</td>
<td>187 NLD</td>
</tr>
<tr>
<td>Crest Length</td>
<td>580 meters NLD</td>
</tr>
<tr>
<td>Dam Height AGL</td>
<td>7 NLD</td>
</tr>
<tr>
<td><strong>Reservoir</strong></td>
<td></td>
</tr>
<tr>
<td>Full Supply Level (max level)</td>
<td>183 NLD</td>
</tr>
<tr>
<td>Reservoir area and Dimension at FSL</td>
<td>440 square Kilometers</td>
</tr>
<tr>
<td>Storage Volume at FSL</td>
<td>12,350 million cubic meters</td>
</tr>
<tr>
<td>Minimum Operating Level</td>
<td>167.2 meters</td>
</tr>
</tbody>
</table>

Source: Author’s construct
The construction agreement the MoE (EPC) and BPA entered with Sinohydro ceded the project’s construction to the Chinese construction giant. Unlike Build Operate
and Transfer (BOT), construction contracts are limited to delivering a specific project (Kirchherr et al., 2016). Studies show that Chinese investors consider construction contracts are commercially more viable than BOT. An official of Sinohydro explained to me during interview that in a BOT agreement, the contractor owns the project for a given period (Interview with Sinohydro, 2017). The contractor is also responsible for almost everything, including unforeseen risks (ibid). Urban et. al (2013) reveal that BOT is a common feature of Chinese hydrodam investments in countries, such as Myanmar, Thailand, and Vietnam. BOT is deemed profitable as it often involves selling the electricity produced to China (ibid). However, in Africa where distance limits such arrangements, construction contracts are preferred to BOTs.

Construction contracts are important in fulfilling Chinese interests with respect to its Going Out policy. First, construction contracts allow construction companies to operate as commercial entities. Second, construction companies use international projects to provide markets for Chinese products, using EPC arrangements which stipulate that not less than 50% of inputs and materials can be imported from China. It is arrangements like these that have made the sale of electrical and hydropower equipment and supplies China’s second largest export commodities (Bosshard, 2009). EPC contracts also help in reducing urban unemployment in China (Tan-Mullins et al., 2017). The Bui hydropower dam project employed 1650 locals and 500 Chinese workers (Chapter Five).

The Bui project, which started in 2007, was commissioned in 2013. Sinohydro’s mandate was to implement the construction management plan (CMP) for the project (Barrett, 2007; Yankson et al., 2017). The CMP included:
1. Workforce and local residents’ health and safety.
2. Good housekeeping and site management practices.
3. Managing river flow regimes during construction
4. Responding to emergencies, accidents, and pollution incidents.
5. Creating site accessibility.
6. Setting up temporary structures/ work and location/ materials sourcing.
7. Employment and labor-related issues

To ensure timely delivery, the project was phased into two schedules (Table 4.2).

The first phase included field investigation by the contractor to determine the project’s feasibility. This phase spanned 14 months—October 2007 to December 2008 (Table 4.2).

The second phase covered 2008 to 2013. This phase involved actual construction work, including excavating the riverbed, relocation of affected communities, and building power generation systems.

### Table 4. 2 Bui Project Schedule

<table>
<thead>
<tr>
<th>Phase I</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Activities</td>
</tr>
<tr>
<td>October 2007</td>
<td>Field work began</td>
</tr>
<tr>
<td>January 2008</td>
<td>Preparatory work</td>
</tr>
<tr>
<td>December 2008</td>
<td>River Diversion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Phase II</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>January-November 2009</td>
<td>Riverbed excavation and foundation work</td>
</tr>
<tr>
<td>December 2009</td>
<td>Work on main dam started</td>
</tr>
<tr>
<td>June 2011</td>
<td>Reservoir filling</td>
</tr>
<tr>
<td>2013</td>
<td>Project completed; power generation began</td>
</tr>
</tbody>
</table>

Source: Constructed based on BPA Website  
([https://www.buipower.com/node/140](https://www.buipower.com/node/140))
4.5 The Bui Hydropower Dam’s Impact on China-Ghana Relations

Ghana was the first Sub-Saharan country to establish diplomatic ties with China in 1960 after Guinea (Chau 2014). The relationship has been marked by some key moments, including, Nkrumah’s Speech to the UN General Assembly in 1960 to reinstate China back into organization to make it realistic and effective (Aidoo 2016). Similar overtures, such as diplomatic visits of leaders in the 1960s and the signing of key agreements followed (Frontani & McCracken, 2012). In 1989, after the global uproar against China’s crackdown on dissent at Tiananmen Square, Ghana’s Jerry Rawlings was among the first African heads of state to send solidarity message to China (Chau, 2007). China reciprocated in 1992 by financing the national theater (Davies, 2008; Idun-Arkhurst, 2008). Despite these overtures, the Bui hydropower dam is a project that has revolutionized engagements between the two countries. In 2007, when the sod was being cut for the project to begin, Bui Bam was China’s largest investment in the West African country. Similarly, Bui was also Ghana’s second largest foreign direct investment after Akosombo—which was built in the 1960s. Yet Bui Dam embodies far more. The project came to symbolize for Ghana, and for that matter the African continent’s changing relationship with traditional financiers, such as the IMF and the World Bank, as well as the pivot of deepening engagements between both countries (Odoom, 2015).

China’s decision to assist with the Bui dam is inscribed and linked to the policy of Going Out which seeks to increase the competitiveness of Chinese firms by encouraging their participation in the global economy (Breslin, 2013). Although Katy Lam (2016) claims that most Chinese companies that operate in Africa are not as big as those in developed markets, it is hard to delink current activities from policies established in the
1990s. Regarding the Bui dam, two important Chinese state-owned enterprises were involved—Sinohydro and EXIM. Sinohydro (water resource and hydropower construction group) is a state-owned construction company with a capital base of $4.2 billion, according to the Engineering News Record (Bräutigam et al. 2015). The corporation ranks 25 globally. Likewise, EXIM is among three Chinese policy banks with direct support of the state. During the restructuring in the 1990s, both firms along with others were promised state support and tasked to venture overseas. In fulfillment of this objective, Odoom (2015) argues that China’s decision to intervene in the Bui hydropower dam aligns with pragmatic economic and political reasons which entails accessing the Ghanaian market, sending labor, and companies outside.

The involvement of these SOEs in Ghana paved the way for others to enter. Records of the Ghana Investment Promotion Center (GIPC) shows that there are now 793 registered Chinese companies in Ghana. Out of this, 30 are SOEs. This include the Shanghai Corporation which built two brand new stadiums for hosting the 2008 African Cup of National tournament (Baah and Jauch 2009; Otoo et al. 2013). This picture was nonexistent back in 1985. Then, only one Chinese company—an SOE (Gansu Hualong)—operated in the country. Gansu Hualong entered Ghana to build the Chinese embassy but stayed on to prospect for other opportunities (Lam, 2017). The increasing pace of interactions including investment, trade, and aid project that we currently see started in the 21st century especially after the launch of Ghana’s own private sector-led growth initiatives under the John Kuffor’s administration (Arthur, 2006). The so-called
Golden Age of Business agenda triggered considerable interest by private investors, including Chinese in Ghana’s economy.

China’s involvement in the Bui dam also triggered massive waves of migration by private Chinese actors into Ghana. The migration of Chinese actors into Africa follows a pattern in which official aid workers, diplomatic staff, and employees of SOEs either stayed on after their assignments. In recent times, this is being paralleled by another stream of private actors who migrate into Africa to seek greener pastures. This trend is more intense in places where there is a critical mass of Chinese population. These private individuals undertake businesses that serve the existing population while some start their own deals. In Ghana, along with influx of Chinese migrant following the Bui dam are individuals who come to provide various services and do their own business. Studies show that Chinese business straddle trade, retail, and restaurants. Meanwhile, Richard Aidoo’s (2016) study reveal growing involvement of Chinese actors in illegal and unregulated artisanal gold mining (popularly called galamsey) in Ghana. This phenomenon was not possible a few years back. Aidoo’s work traces the origins of some of these Chinese migrants to interior provinces where living conditions are still precarious with the majority of people still subsisting. These individuals fancy their chances in countries where they could earn a little more. While it is hard to tell whether these Chinese worked for any of the SOEs, their ability to travel for business in Ghana was enabled by the enhanced goodwill existing between the two countries. This pattern can be linked directly or indirectly to Chinese policies of soft power.
While the activities of individual Chinese actors are notable in retail, restaurant, and wholesale businesses, there is a marked visibility of SOEs operation in high-ends activities including the oil sector. Chinese SOEs do not as yet own any concessions at the Jubilee Field (Hardus, 2014); the field is operated by American, UK, South African, and Ghanaian firms. But in 2011 when Kosmos offered to trade its shares, Chinese firms declared their intention to buy. However, Kosmos aborted its plans to sell based on the advice of the US Department of State. As a result, China’s National Oil Companies (NOCs) including China National Offshore Oil Corporation (CNOOC) and Sinopec are limited to providing supporting infrastructure, such as the gas fracturing plants at Atuabo, roads, and railways within the region (Odoom, 2015). Sinopec along with its subsidiary—Unipec—are actively involved in the region through subcontracting. The participation of Chinese companies in providing infrastructure in the oil-region give them visibility that could be leveraged later. Indeed, analysts believe that it is just a matter of time before the Chinese NOCs begin to fully get involved in the oil sector.

Overall, China’s involvement in the Bui hydropower dam is politically motivated to score a point that it does not only work with the so-called ‘rogue regimes’. China has by and large been accused of dealing with and propping up so-called illiberal regimes on the continent. This charge is often led by Western critics who hardly discuss other aspects of China’ African foray. To counteract such critics, when the opportunity opens for an investor to fill the void created by the World Bank, China did not second-guess. It moved in quickly and deliberately chose the 2006 FOCAC summit to announce the deal and has gone on to devise what is practically seem as a favorable deal with the Ghanaian
government to highlight a relationship of fraternity and benevolence. Given Ghana’s political and economic stature and influence in the West African sub-region and the continent at large, the Chinese interventions can only be considered as a positive factor for its image enhancing agenda as part of the intentional soft power objectives.

4.6 Conclusion
Using soft power as a framework, this chapter argues that China’s involvement in the Bui hydropower dam is less altruistic than perceived. The project which was built in 2013 was made possible after China launched an audacious soft power strategy in the post-Cold era. Buoyed by economic booms in the 1990s, China was confronted with serious resource, market expansion, and outward investment needs. These challenges triggered creating several structures, including SOEs with policy to support their overseas ventures. The operations of these actors have been legitimized in ways that appealed to African countries, including Ghana. The legitimacy accorded the relationship has resulted in increased interactions between China and African countries. The relationship has also been aided by narratives such as win-win partnerships and political non-interference. These stratagems have endeared China to most African countries, including Ghana.

After the idea of the Bui hydropower dam was rejected by the World Bank, the Ghanaian government knew that it could call on China for help within the framework of win-win development. The Ghanaian government’s appeal and the swift response from Sinohydro were made possible within the calculus of soft power which provides the financial and institutional leverage for negotiation to be undertaken. While the Ghanaian government saw Bui as a means to shore up electricity supply, China considered it as
both a means to access resources, mainly cocoa, and to develop long-term engagement with the West African country. This is evident in agreements that have been signed between the two countries since the Bui project started.

The Bui hydropower dam has positively impacted China-Ghana relations. The project’s main legacy includes increased operations of Chinese SOEs and private actors in Ghana. In Katy Lam’s (2017) work, she indicated that between 1978 and 1992, only one Chinese SOEs operated in Ghana while that of private actors was nonexistent. Then, Chinese SOEs could not venture overseas without the approval of the state. However, since 1992, going out has become one of the core mandates for China’s parastatals. These dynamics have contributed to an exponential increase in China’s influence in Africa. These changes and areas of investment cannot be explained away without considering soft power strategies espoused by the Chinese state. This chapter has demonstrated that the Bui hydropower dam is indeed, a direct reflection of this strategy and the source of future soft power.
Chapter Five
The Developmental Outcomes of the Bui Hydropower Dam

5.0 Overview

The Bui hydropower project is Ghana’s most important energy infrastructure established after the Akosombo Dam. The project was designed to generate 400 megawatts of electricity and boost socio-economic development. Proponents touted these goals as the project’s rationale, but also considered Bui capable of providing far more than electricity and water services (Miescher & Tsikata, 2009). They saw Bui as a catalyst for socio-economic transformation involving job creation, agricultural improvement, education, health infrastructure, and transport networks.

Attributing multiple benefits to large dams, such as Bui is not novel (McCully, 2001; Scudder, 2005). However, since the project’s commissioning in 2013, its perceived benefits fall below expectations. Electricity generated by the dam falls below estimated targets. Likewise, the proposed irrigation scheme and related social structures have yet to materialize. These shortcomings have brought the project’s viability and purpose under sharp scrutiny.

While national discourses focus on the limited electricity the dam produces, academic researchers criticize the dam’s negative environmental and livelihood impacts (Miescher & Tsikata, 2009; Obour et al., 2015; Yankson et al., 2017). These concerns are important. Yet, the dam’s specific impacts on economic diversification and transformation as well as its contribution to domestic construction activities along with

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35 Commissioned in 1966, the Akosombo Dam was Ghana’s first hydroelectric infrastructure project. The project, constructed by Italian engineers, was jointly funded by the Kaiser Corporation, the World Bank, and the governments of the UK and USA.
the role the government played in shaping these outcomes has yet to be evaluated.
Deploying structuralists conception of linkage, this chapter assesses the developmental outcomes of the behemoth and shows how the Ghanaian state and its institutions fashioned such gains (or their lack). The analysis derives from data collected using mixed methods including interviews, surveys, and secondary resources (Chapter 1). This chapter asserts that despite numerous promises and expectations, the implementation of Bui hydropower project has created negligible developmental benefits in and beyond the project area. The chapter contributes to the evolving debate on China-Africa engagements and the role of the African state in ensuring that infrastructure projects that the continent’s resources buy from China inure to the developmental agenda of recipients.

The chapter proceeds in six parts. Part One re-states and discusses the concept of linkages. Part Two examines Ghana’s construction industry and how Foreign Direct Investments (FDIs) can stimulate its competitiveness. Part Three analyzes the empirics of backward and forward linkages generated by the dam within the construction sector. Part Four assesses the dam’s lateral linkages within the project area and beyond. Part Five discusses the social ramifications of the dam. Part Six summarizes the chapter’s findings.

5.1 Dams and the Concept of Linkages
Mega infrastructure projects like dams have dominated development discourse since the middle of the 20th century. Riding the wave of modernization thesis coupled with financial backing of several international agencies including the World Bank, United Nations Development Programs (UNDP), and Food and Agriculture Organization (FAO), the world’s rivers were dammed at an astronomical pace (Sneddon, 2015). The World
Commission on Dams (WCD) concludes that, since 1945, humans have built one dam per hour resulting in the construction of over 50,000 dams by the year 2000 as opposed to the meagre 5,000 that existed in 1945 (Asmal et al., 2000). While scholars have questioned the massive erection of dams in the latter stages of the 20th century, construction continues unabated as typified by the Three Gorges dams (see Isaacman & Isaacman, 2015).

The unprecedented damming of the world’s rivers has caused the submergence of fertile lands, displacement of people, fauna, and flora (Scudder, 2005). At the same time, large-dam failures are major sources of fatalities (McCully, 2001). In contrast, proponents of large-dams justify them as quintessential emblems of modernity and strategic investments underpinned by multiple purposes (Nüsser, 2003). In this regard, proponents consider dams as sources of cheap electricity, means of irrigation and flood controls. Proponents also see hydropower dams as clean sources of energy as opposed to coal, thermal, and natural gas (Moran et al., 2018)—a vital discourse in climate change mitigation.

Despite the transformative advantages accorded large-dams, there is little discussions on the ways in which their benefits can be harnessed in promoting articulated value-chain industrial process on which they are justified. Albert Hirschman’s post-war development work on linkages provides a means to advance conversation on the transformative benefits of dams. Hirschman developed his theory after observing limited economic growth that often characterize resource-endowed economies (Hirschman, 1958). The lack of economic development that plague such economies led Hirschman to
describe them as enclaved. An enclaved economy, according to Hirschman, is one characterized by limited productive linkages between the various productive sectors. Despite the backwardness associated with enclaved economies, Hirschman believed that these challenges can be remedied through investment in economic activities that generate strong input-output synergies to promote growth and build capacity for development.

Hirschman’s (1958; 1981) initial works identified three kinds of linkages: consumption, fiscal, and production linkages (see Chapter 1). Even though all three categories are crucial, Hirschman considered production linkages as more generative and necessary in forging structural change and economic diversification. Based on Hirschman’s analysis of natural resources, he subdivided production linkage into backward and forward linkages.

Backward and forward linkages are integral elements of vertical integration, which focus on one economic activity. In this case, backward linkages symbolize interindustry synergy for the supply of inputs. In the case of gold exploration, for instance, backward linkages include all inputs necessary to mine a given quantity of gold, such as materials, equipment, skills, and expertise. In other words, backward linkages are connections for stimulating and deepening input supply sources or production (Morris et al., 2011, 2012). Forward linkages, on the other hand, denote upscaling process(es) or investments that lead to creating higher-order goods (Bloch & Owusu, 2012). In construction, forward linkages may simply comprise the outputs (final delivery) of a given construction process (Mehmet & Yorucu, 2010). Within this context, Hirschman conceptualized an array of synergistic linkages through which an economic activity
induces growth in other sectors. This understanding also underscores his view of
development as the record of how one thing leads to another.

Even though Hirschman was attentive to the notion of interindustry linkages, he
limited his analysis to backward and forward linkages. Advances in research, including
works by Amin (1974), Morris et al., (2011, 2012), Bloch and Owusu (2012), and
(Kaplan (2016), seek to broaden the scope of linkage beyond Hirschman’s thesis. Morris
et al., (2012) argue that although specific economic activities have inherently strong
backward and forward linkages that can be isolated, analyzed, and deepened, such
activities inevitably create spatial and horizontal economic linkages. Kaplan
conceptualized these spatial and horizontal linkages as lateral linkages.

According to Kaplan (2016), lateral linkages involve the diffusion of skills,
technology capacities and other benefits from the point economic activity to other sectors
of the economy. For Wethal (2018), lateral linkages are stronger where local firms exist
to absorb the spillovers. Lateral linkages have similar effect like that of backward
including triggering the emergence of new ventures and stimulating existing ones. For
instance, the mining industry needs transport infrastructure and other allied services to
support mine operations. These types of indirect activities related to mining are lateral
linkages of the mine. Bloch’s and Owusu’s (2012) research on Ghana’s mining sector
revealed that although mining activities take place in other regions, support services, such
as freight, insurance, specialized excavations, and geotechnical surveys, are in Accra.
These examples reinforce the horizontal and spatial scope lateral linkages often take. In
this case, gold exploration provides multiplier effects in inducing growth in other sectors, which may be near or far from the point economic activity.

With the advent of the Sustainable Development Goals (SDGs), Kaplan (2016) has proposed lateral linkages as a primary *sine qua non* in fostering inclusive and articulated development in developing and resource-endowed societies. He argues that lateral linkages complement backward and forward linkages in forging economic diversification and structural change resulting in the movement of labor from low to high productive economic activities.

Kaplan’s thesis advances Hirschman’s theory of linkages. This new understanding of linkages must be embraced by policymakers and researchers because of its centrality to economic diversification and capacity building. This notwithstanding, linkages do not occur randomly. Kaplan (2016) postulated that although linkages are inherent in any given economic activity, they can be deliberately induced and enhanced through targeted government actions, policies, and instruments. Geographers and structural theorists believe that governments can use their industrial policies to trigger and sustain linkages (Shapiro & Taylor, 1990; Whitfield et al., 2015). Similarly, Schmitz (2007) and Wade (2009) urge governments of low-income countries, such as Africa to pursue industrial policies that create and nurture linkages in ways that are consistent with their economic plans.

Based on the concept of linkages, the Bui hydropower dam, the single most important civil engineering facility established in Ghana after Akosombo, can be viewed as a case of an economic activity with considerable backward and forward linkages for
the construction industry. The project also has lateral linkages of considerable implications for development within and beyond the project area. These linkages redefine the project as a major developmental assemblage with far reaching importance beyond mere electricity generation. Accounting for the possible range of developmental linkages is key in appreciating the project’s value. This assessment considers the role state actors played (or otherwise) to induce developmental outcomes related to Bui.

5.2 Ghana’s Construction Industry

Like any other country, Ghana’s construction sector is crucial to its socio-economic development and the built environment (Masino, 2016). While providing the country’s public and private infrastructure, including roads, utilities, schools, and hospitals, construction activities also contribute immensely to the country’s Gross Domestic Product (GDP) (Sutton & Kpentey, 2012). For instance, the construction industry contributed 13.2% to Ghana’s total GDP in 2015. This represents 7.6% increase from 1996 (Boakye-Gyasi & Li, 2016). With a current growth rate of 7% to 8% per year, Ghana’s Statistical Service estimates the industry’s share of GDP to reach 27% by the end of 2019. The industry also contributes significantly to revenue and employment generation (Darko & Lowe, 2016). Likewise, the industry has strong linkages with such sectors as water, electricity, and quarry. These features make the construction industry a vital backbone of the Ghanaian economy.

Despite the construction sector’s importance, it is plagued by numerous challenges (Assibey-Mensah, 2009). The sector faces poor coordination (Darko & Lowe, 2016). Interview with a representative of the Ministry of Works and Housing reveals that
responsibility regarding policy and standards is shared by five government agencies. According to this official, the Ministry of Works and Housing supervises structural development and classification of contractors. Additionally, the Ministry of Roads and Highways, and the Ministry of Transport oversees transport and telecommunication infrastructure. Meanwhile, labor comes under the mandate of the Ministry of Employment and Labor Relations. Likewise, the Ministry of Education partially shoulders the research and innovation aspects of the nation’s construction sector (Interview with Ministry of Works and Housing, 2016). Darko and Lowe (2016) assert that this disparate structure of the sector along with political dynamics breed policy inconsistencies hence ad hoc industrial strategy. In addition to the policy deficit, stakeholders including the Ghana Real Estates Developers Association (GREDA) suggest during interactions that construction in Ghana faces technical and professional weaknesses, financial constraints, payment delays, limited transparency, and technology issues.

The aforementioned issues stymie domestic construction firms’ operations and predispose them to unfavorable competition against their foreign counterparts (Osei, 2013). For domestic contractors, the identified obstacles render them secondary players in their own country to foreign firm. As a result of this, the majority of domestic contractors who participated in this study assert that they are limited to basic maintenance works and building small houses/structures (Interview with GREDA, 2015). Consequently, government agencies outsource big-ticket projects, such as roads, stadia, and dams, to foreigners. These government practices further undermine domestic
contractors’ confidence and capacity. About 67% of a completed, regular house’s inputs, such as materials and expertise, in a prime area like Accra are foreign. Facts such as these highlight domestic contractors’ capacity dearth and challenges (Osabutey et al., 2014).

Despite the challenges foreign participation poses to domestic contractors, studies demonstrate that this trend is not new. Assibey-Mensah’s (2009) work shows that American and British companies dominated Ghana’s construction industry until the establishment of the State Construction Company (SCC) in 1961. These foreign firms served as the primary undertakers of government projects and other developments (ibid). These companies’ influence waned, as the SCC began to assert its statutory responsibilities. SCC played an influential role in forging public-private engagements through subcontracting. SCC operations were highly successful until Structural Adjustment Programs (SAPs) in the 1980s forced the government to divest it, as part of the enforced Economic Recovery Program (ERP) (Hutchful, 2002).

Forged through liberal economic policies, ERP initiated a new economic paradigm, which prioritized foreign direct investments (FDI) as a growth model (Apugisah, 2012). This policy intensified globalization and economic liberalism which resulted in American, Asian, and European contractors’ increased infiltration into the local construction industry amidst minimal state protection. This process has deepened over the past two decades, culminating in intense and unequal competition between

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36 The IMF broadly defines FDI as a cross-border investment made by a direct investor from Country A with the objective of establishing a lasting interest in an incorporated enterprise in Country B.
foreign and Ghanaian contractors (Cf. Opoku, 2010). Although many local firms have been crowded out due to the ensuing competition, the government continues to tout FDI positively. In fact, the government perceives FDI as key in improving the industry’s competitiveness (Boakye-Gyasi & Li, 2016).

China is at the forefront of this new globalism and competition (Tan-Mullins, Urban, & Mang, 2017; Yankson et al., 2017). According to the Ghana Investment Promotion Center (GIPC), China’s investment flow to Ghana has increased appreciably over the past two decades. Most of these investments have been directed at construction, service, and small-scale manufacturing sectors (Interview with GIPC, 2016; 2017). With just 21 projects in 1995, Chinese construction companies have completed an aggregate of 793 projects in Ghana in 2019. In the process, China has become Ghana’s leading financier of infrastructure since 2009 (Tsikata et al., 2008; Hensengerth, 2011). Some projects completed by Chinese firms are of immense national importance. These include the ministries of Foreign Affairs and Defense, the National Gas Pipeline, and the Bui hydropower dam (Amoah, 2014; Odoom, 2015). According to the Engineering News-Record (ENR), China’s global dominance is not an isolated phenomenon. The ENR claims that two out of the top ten general construction companies in the world are Chinese (Hwang et al., 2015). Chinese contractors, however, control more than 50% share of the specialized construction industry, such as hydrodams (Kirchherr et al., 2016).

Chinese contractors’ competitiveness is due partly to their ability to bid cheaply and rely on political support of Beijing to undercut their competitors (Chen et al., 2009;
Chen & Orr, 2009; Kernen & Lam, 2017). Further, Chinese contractors have amassed tremendous assets, technology, and capital, which enable them to undertake challenging projects and operate in hostile environments (Hensengerth, 2011). Additionally, Chinese construction firms can mobilize capital and complete projects on time. These intrinsic and contextual factors enable Chinese contractors to even outcompete Western firms in Africa (Masino, 2016). Many experts argue that the presence of Chinese contractors in Ghana can improve the efficiency and performance of the domestic construction industry (Chen & Orr, 2009). This view was supported by some Ghanaian government officials involved in this study. A representative of the Ministry of Works and Housing state: “…the involvement of Chinese in our [Ghanaian] construction sector helps in building local capacity. This [capacity] can make local contractors competitive and innovative in the future.” Similarly, the GIPC views China’s FDI in Ghana positively. The GIPC team we interviewed stated categorically “…these FDI from China are sources for technology transfer and skills development.”

Construction management scholars adduce subcontracting arrangements (SCAs); joint ventures (JVs); strategic alliances (SAs) or Consortium; and research and development (R&D) as the four main mechanisms through which FDI can enhance the construction industry’s competitiveness. SCAs involve subletting part or a whole contract to another entity to enhance efficiency. SCAs are usually short-term, project-level collaborations that cease after the main contract ends. The model is effective for skills, knowledge, and technology transfer (T&K), depending on the level and extent of interaction between the involved entities. In contrast, JVs and SAs are long-term, equity
ownership arrangements. With these types of arrangements, the partners share risks and dividends. Usually entities engage in JVs and SAs because they hope to gain advantage when bidding for or executing projects. Through the JV and SA models, partners acquire specific skills or operational techniques. Competing firms hardly engage in JV and SA models. In addition to SCAs, SAs, and JVs, scholars recognize R&D as a major conduit for enhancing construction industry innovation. R & D’s success is contingent on it being centralized or decentralized. Centralized R&D limits diffusion because of control; decentralized R&D, however, promotes competitiveness and innovation.

These mechanisms’ ability to increase innovation and uptake in the construction industry is widely recognized. But the practicality of achieving such goals remains cumbersome. Osabuety et al., (2014) attribute this challenge to the lack of a targeted policy to address the construction industry’s multi-sector nature. Construction, they argue, comprises five main subsectors:

1. Design and consultancy.
2. Contracting.
3. Equipment, construction products, and material procurement.
4. Labor.
5. Facility management.

Because of its multi-sectoral nature and the dynamics of supply and demand which drive interdependence between the various subunits, care must be taken to ensure an articulated vision to improve construction industry’s competitiveness. Policies of that kind must consider each of the industry’s subunits to be successful. The industry’s
inherent properties, defined by its synergy, suggest that FDI can contribute positively toward its efficiency via technology, skills, and knowledge transfer (T&K) (Osabutey et al., 2012). The concept of linkage lends credence to the idea that FDI can positively impact the construction industry. Structural theory which stresses capability building and linkage formation underpinned by clear government industrial policy seek the possibility of overcoming the issues of an enclave economy and reliance on foreign investors, also supports the capability of FDI positively impacting the construction industry (Masino, 2016).

In this context, experts consider the Bui hydropower dam as a short-term project with considerable project-level collaborative opportunities. This is in part due to the dam’s aggressive timeline and the potential of involving the various subunits of the industry. These factors explicate SCA as an ideal channel of collaboration with the domestic construction sector. In addition, there are numerous opportunities for procurements, such as materials and equipment, and skill development through employment. The Bui project was also presumed to enable lateral linkages, including ecotourism, irrigation, agriculture, and fisheries. Further, the project has the potential to open up the project’s region and generate social infrastructure, such as schools, health care, and sanitation. These expectations are not far-fetched. In fact, they were central to the government’s proclamations during the project’s launch in 2007:

The 622-million-dollar project would generate 400 MW of electricity to address shortage across Ghana, improve the security of electricity supplies to Northern Ghana and enable the country to supply electricity to Burkina and Côte d'Ivoire within the framework of the West African Power Pool (WAPP). Economic activities in the Bui area would receive
a major boost with construction activities creating employment for 3,400 skilled, semi-skilled, and unskilled workers. There would be subcontracting works and supplies of materials in road building, the construction camp, and other construction. The dam would allow for irrigation of about 30,000 hectares, thus modernizing agriculture in its catchment areas. There would be improvement in fisheries and ecotourism, as well (Tsikata, 2012, p. 420).

This statement shows that the Ghanaian government viewed the Bui hydropower dam as a multi-purpose project with several linkages. This view of the Bui dam was captured by a signage (Figure 5.0) featuring high-rise building, a university, a hospital, a modern city (Bui City), agribusinesses, and ecotourism as the project’s key benefits in and beyond the project area.

**Figure 5.0 One of the Billboards Advertising the dam**

![Image of billboard advertising the Bui Dam Project](image)

Source: Miescher & Tsikata, 2009
The billboard was erected along the over 350-mile road stretching from Accra to the dam site to whip up national interest and dissuade dissent. Some participants in our Group Interviews (GIs) in the project area suggest that the image as painted by the government seemed like “…heaven on earth.” Another discussant noted that “…although we were aware of the issues with Akosombo and Kpong dams, what the government has shown as the potential benefits we stand to reap from the Bui project was too tempting to resist.” Similarly, an elder in Resettlement Camp A observed that “…initially some of the youth were skeptical of the project, but based on the pictures we have seen and promises the government has made, we had to mobilize and convince them [youth] to take a chance on the project.”

The government’s claim and myriad of potential linkages expected from the dam’s construction served as the impetus for this research conducted in Ghana between October 2015 and September 2017. The next section examines the accomplishment (or otherwise) of these objectives using linkage as a heuristic device.

5.3 Backward and Forward Linkages
Ghanaian construction experts expected the construction sector to be the Bui hydropower dam’s biggest beneficiaries. Subcontracting arrangements, skills and technology transfers, and the procurement of materials and equipment resulting from the project were among the major benefits the construction industry was expected to enjoy. Since the project’s 2013 commissioning no assessment has been conducted to determine whether these benefits actually occurred. This section evaluates the extent and levels of SCAs, labor, and procurement resulting from the project’s implementation.
**Subcontracting Arrangements.** The literature on linkages in the construction industry identifies subcontracting and other forms of collaboration, such as joint ventures and strategic alliances, as aspects of backward linkages (Polenske & Sivitanides, 1990; Devapriya & Ganesan, 2002). These partnerships facilitate technology and skills transfers, as well as knowledge development (T&K) (Mehmet & Yorucu, 2010). They also transfer the knowledge that is necessary to build local capacity and enhance the industry’s competitiveness. Studies in Sri Lanka (Devapriya & Ganesan, 2002) and Singapore (Ofori, 2000) show that FDI represent a key modality for forging such linkages through partnership with Japanese contractors.

The Bui hydropower dam is a huge edifice with several components offering considerable collaborative opportunities between the contractor (Sinohydro) and local contractors. Because Bui’s design varies from the Akosombo Dam and the Kpong Dams, the need for collaboration was apparent. The Akosombo and Kpong dams are earth-filled\(^{37}\) while Bui is a roller compacted concrete gravity dam. Because there is no other dam in Ghana with a similar design, a capacity gap exists. Filling this void is crucial as Ghana has earmarked other locations—Hemand and Juale, and Pwalugu—for future dam development (Chipaike & Bischoff, 2018; Hensengerth, 2018).

Despite these considerations, the contractor offered no subcontracts during the construction of the dam. The Bui Power Authority (BPA) stated that it had a construction contract with Sinohydro and a timeline for the project. To ensure successful and on-time

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\(^{37}\) Earth-fill dam is a kind of embankment design, which involved blocking a river channel with earth materials such as boulders and rocks.
project completion, the contractor had to determine whether it wanted to subcontract part or all the project to hasten completion (Interview with BPA, 2017). Sinohyrdro confirmed BPA’s claim. Officials of the company [Sinohydro] stated during our interviews that their contract with BPA was a construction arrangement with no subcontracting requirements. Asked whether they would have considered subcontracting if required, Sinohydro officials said: “Yes…an agreement is an agreement (Interview with Sinohydro, 2016).” While the literature on Chinese construction firms’ operations in Africa supports subcontracting to other Chinese firms, there is no strong evidence of subcontracting to local contractors, particularly without an explicit obligation to do so (Chen et al., 2009; Chen & Orr, 2009). This means that enforcing subcontracting with local contractors must originate from the project’s contract in which all the modalities are clearly stated.

Further to the nonexistent subcontracting arrangements, key stakeholders including Ghana Institution of Engineers (GhIE), the Building and Road Research Institute of the Council of Scientific and Industrial Research (CSIR-BRRI), the Ghana Real Estate Developers Association (GREDA), and private construction firms decried their marginal involvement in the project. They also deny any prior consultation and knowledge of the dam. The GhIE interviewee stated: “We just woke up one day and heard that the Chinese have come to build the Bui hydropower dam. This is a government project, and we are not saying the government has to consult us at all course, but as the official mouthpiece of Ghanaian engineers, we could have been consulted for suggestions relating to materials and suitable structures. We know they were using foreign consultants. But we could have benefitted by being involved in the project as well. Some
of our members spend a lot money going overseas to upgrade themselves. Partnering the contractor could have provided opportunities for our members to do so right here without incurring cost traveling overseas (Interview with GhIE President, 2017).” Similarly, a member of GREDA state: If we [as a country] are really serious about local capacity, these are projects government needs to involve us in (Interview with GREDA, 2015).

This lack of support for the local construction industry is not limited to local stakeholder involvement in externally-funded projects. Local research to improve the sector also has been marginal. BRRI, which was established in 1952 to spearhead research on all aspects of Ghanaian construction, has struggled to make any serious progress. The institute suffers from state neglect. Although the government pays staff members’ salaries, no performance contract exists to gauge the institute’s output. One respondent stated: “Our building was put up by the government, but they have neglected to provide the necessary equipment and laboratory resources to help us function well…We rely on private contracts to pay utilities. Whenever we develop something new, the government does not show any support (Interview with BRRI, 2016).” The institute has developed what it considered to be an affordable alternative cement—Pozzolana. Pozzolana is of a higher quality than the ordinary cement in the market. Structures built with Pozzolana require less energy to cool during summer months. Such structures also last longer. Center experts described the product as one suited to the local market and climatic conditions. Yet Pozzolana has not been supported to offer any competition to the products in the market (ibid). What is even more worrisome is that, at its expense, foreign cements have been allowed to flood the local market.
Even though Sinohydro did not offer any subcontract to local contractors, they did so with other structural works. For instance, a local contractor built a 15-kilometer access road within the project area. Furthermore, local contractors constructed the two resettlement camps for the displaced. These involved building facilities, such as: housing units, sanitation systems, schools, and markets. Local contractors also built a clinic, BPA’s permanent staff village, and transmission lines (comprising pylons) linking the powerhouse to substations in Sunyani.

Local contractors who benefitted from these SCAs highlighted the positive impact the project had on their operations, especially finance. One contractor stated, “Even though this is a government project, we don’t have to mobilize funds for it like we often do with other government projects. Sinohydro paid us directly. So instead of moving from bank to bank soliciting mobilization, we just borrow or use what we have and get reimbursed...there is no delays in payment (Interview with a local contractor, 2015).”

Despite the positive feeling some subcontractors had about being involved with such a large project, other subcontractors bemoaned the limited interactions they had with the Chinese contractor during their partnership. According to one respondent, “…we borrow their equipment, but we don’t talk much.” Another local contractor who was involved in Bui said in an interview “…they [Chinese] come to site, but they don’t teach anything. I wished we could talk more but they claim they don’t understand English.”

According to the literature on FDI and technology transfer, ensuring T&K requires close and strong interaction between the source and intended target. Likewise, interactions must be purposive and deliberate (Darko & Lowe, 2016). Chris Alden’s
(2010) work on the South Africa’s Tembisa Housing project is a classic illustration of this idea. China gave South Africa $28 million in 1998 for switching its allegiance from Taipei to Beijing. The South African government decided to use this money to provide affordable housing in a deprived part of the country. The government relied on Chinese expertise but insisted that the project must employ only local contractors. Chinese experts were employed as project supervisors to guide and train local people on how to go about the job. On their parts, local contractors were required to include in their proposal for considerations how their involvements in the project would benefit their business. They were also to explain their theoretical models and concepts of construction and marketing during after-work seminars. Alden (2010) argued that through this approach, people acquired relevant skills and knowledge to transform their operations. Such an approach was purposive, deliberate, and political. It was also tailored toward achieving a specific goal.

Regarding the Bui hydropower dam, experts in local construction industry recognized a significant dearth of capacity existed in the industry. The Ghanaian policy makers, however, made no deliberate attempt to use local subcontractors to fill the void. Even when Sinohydro offered subcontracts, they did so on an ad hoc basis. They were not conscious about offering subcontracting work to local firms. BPA officials attribute this shortcoming to the nature of the contract. They explained their agreement with Sinohydro was not a Build Operate and Transfer (BOT) (Chapter 4). The Sinohydro contract only specified that Sinohydro had to develop a given project. Most contracts for major building projects, such as the Bui hydropower dam, did not give the contractor any
responsibility beyond merely building the dam. The lack of specificity in the original contract before the project even began stymied the gains the Bui hydropower dam could have produced for the local economy.

**Materials and Equipment Procurement.** The Bui hydropower dam is a complex project that comprised one main dam, two saddle dams, transmission lines, and a powerhouse (Chapter 4). Delivering on these components required procuring substantial quantities of materials, such as cement, turbines, steel, and aggregates. The project also required myriads of equipment, such as vehicles, trucks, bulldozers, and forklifts. Ascertaining the depth of backward linkages requires analysis to determine the sources of equipment and materials. Likewise, analysts need to consider the process used to select the sources of materials and equipment.

Interviews with the BPA project managers and Sinohydro confirm that heavy equipment, such as bulldozers, copper wire, turbines, and steel for the project were sourced from China and Russia. A BPA respondent argued, “It is economically sensible to procure such equipment from overseas because there is no local supplier (Interview with BPA, 2015).” Another BPA official stated: “There was a 15-year gap between the Akosombo and Kpong Dams, and a 40-year gap between the Akosombo and Bui hydropower dams. A company that specializes in the production of specialized dam materials runs the risks of loses.” In addition to the economic concerns, some experts questioned the quality of local supplies. A management member of Sinohydro stressed: “We wanted to buy locally, but this was not possible because no acceptable local producer existed.” The frustration of contractors regarding product quality was also
echoed by some domestic contractors. One respondent noted: “Sometimes we buy from abroad because the local standard is bad. When we take samples of products to the Ghana Standards Authority, they always reject them. We buy equipment and materials from countries, such as South Africa, although it is expensive, you can trust the quality.” These views underscore poor local standards and specifications. At the same time, they emphasize an opportunity for the government to intervene to help bridge such gaps. Bosshard (2009) argues China’s construction industry is now competitive because of the reforms it underwent during the 1990s. Chinese contractors spent years studying their Western counterparts while the government took time to identify the deficiencies, and enacted aggressive industrial policies to tackle the issues. This type of industrial reorganization catapulted China into becoming a global hydropam developer.

Even though Sinohydro sourced electrical materials and heavy equipment from overseas, it procured materials, such as aggregates and cement, locally. Aggregate sand was produced locally through blasting rocks near the Banda Gorge. These chippings were used by the contractor to fill valleys, pour foundations for houses, and to complete other construction works. Quantity surveyors who participated in this study revealed the Bui hydropower dam’s cost would have been much higher if the chippings had to be brought in from elsewhere.

In addition to the aggregate, Sinohydro procured cement for the project from a local manufacturer, Ghacem\textsuperscript{38}. Ghacem was established in 1967 to produce cement in

\textsuperscript{38} The Ghanaian government and Norcem AS of Norway jointly established Ghacem in 1967. Ghana held 75% of the shares; AS Norcem held 25%. At present, the Ghanaian government’s
building the Tema Motorway, Tema Harbor, and Akosombo Dam (Sutton & Kpentey, 2012). The company is now the market leader in the production of construction cements. It produces two kinds of cement—Cem I (42.5 Normal) and Cem II (32.5 R). Cem I is used for heavy duty construction works, such as dams and bridges; Cem II is used for regular construction works, such as building houses. Despite its experience, Ghacem had to compete with companies, such as Diamond Cement of Ghana and Dangote Cement of Nigeria, to supply the cements for Bui. In addition to these local competitors, Sinohydro also considered foreign suppliers. A Ghacem official stated: “We won the bid to supply Sinohydro with cement, but the process was not easy. We had to compete with Diamond and Dangote. Our samples were also pitted against Chinese suppliers.”

After winning the bid, Ghacem signed a sales or purchase agreement with Sinohydro to be the cement supplier for the project over the five years. During those five years, Ghacem supplied 38,000 tons of cement annually to Sinohydro to enable the Bui hydropower dam’s construction (Interview with commercial manager, 2016). Overall, Ghacem supplied 190,000 tons of CemI Normal Bulk cement to Sinohydro. Although the commercial manager of Ghacem officials would not disclose their prior baseline operation figures for comparison, he recounted the impact the contract had on their business as he observed: “Our contract with Sinohydro helped us to expand and employ extra personnel to honor the agreement. The expansion and structural changes induced by the contract provided us the edge in the market (ibid).” This statement underscores the share is 5%. AS Norcem, now Scancem has 93.1% of the shares. A local investor holds 1.9% of Ghacem’s shares. Ghacem is headquartered in Tema—the main industrial enclave in Accra.
fact that Ghacem’s contract with Sinohydro enhanced its structural capacity. Ghacem was able to leverage this situation to its advantage.

Honoring the Sinohydro contract, however, came with some logistical challenges for Ghacem. These logistical challenges could have overwhelmed the inexperienced competitor. One Ghacem official stated: “Tema to Bui is about 400 kilometers or about 350 miles. Transporting a bulky material like cement over this distance was not an easy task. Sometimes lumps developed in the materials on arrival due to ambience, chemistry, and the conditions of the tankers during transportation (Interview with Ghacem, 2016).” The commercial manager of the company noted that: “We have supplied cement for various national projects in Ghana, but this tops them all. Our involvement in this iconic national facility is one that we are truly proud of.”

Despite their pride in fulfilling the contract and surmounting the challenges that came with it, Ghacem’s management revealed that the government did not facilitate their efforts. One senior Ghacem manager emphasized: “We have a special history and link with the government. But our contract with Sinohydro was not aided by any politician. We were on our own. You would think they [government] would help us. No. We received no special considerations from them [government]. We had to do it ourselves.” This revelation highlights the limited consideration for local content in procurement regarding the Bui hydropower dam.

**Labor and Employment.** In addition to procurement and subcontracting, the Ghanaian government actors touted employment of local people as one of the most important benefits to be derived from the Bui hydropower dam. According to the government’s
statement during the 2007 sod cutting ceremony, the Bui hydropower dam was expected to employ 3,400 skilled and unskilled workers. Construction labor experts view employment as a means of earning a livelihood and a way of developing people’s skills (Ngowi, 2001). This is why employment in construction activities remains a critical conduit for linkages. The backward linkage involves upgrading workers’ expertise. Forward linkages relate to the acquisition of new ideas and skills that will benefit workers in other endeavors.

Despite the huge expectation, the Ghana Trade Union Congress (TUC), BPA, and Sinohydro records indicate the Bui hydropower dam project employed only 1,836 people during peak construction (Baah & Jauch, 2009; Otoo, et al., 2013). Of this number, 1,676, or 91% were Ghanaians, who were employed as artisans, such as masons, carpenters, and electrician. Others were employed as casual laborers, including security guards, drivers, and manual daily wage workers (Hensengerth, 2011; Kirchherr et al., 2016). The remaining 9% constituted the expatriate quota allotted to the contractor. Chinese and Pakistanis engaged as engineers, welders, and steel benders, made up this remaining 9%.

Ghanaian employees on the Bui project were remunerated above the prevailing national minimum wage of the time (Figure 5.1). But there were concerns regarding conditions of work focusing on unions, inadequate safety gears, housing, transportation, overtime, and sick leaves (Chipaike & Bischoff, 2018).
At its onset, the Bui project suffered from workers’ unrest. Sinohydro’s opposition to unionization sparked the agitations. Unions are alien concepts in China. As such, when workers on the Bui hydropower dam mooted the idea, Sinohydro managers attempted to intimidate and victimize the proponents. Construction was temporarily halted until TUC intervened and forced Sinohydro to yield to the workers’ demand. The arbitrators in the impasse were in the stronger position as they invoked Ghanaian labor laws to buttress their case. These laws made it compulsory for employers to allow workers to unionize. Unions are crucial for collective bargaining power and seeking worker’s welfare. Accordingly, I argue that Bui’s workers union was instrumental in the higher wages the workers enjoyed. Despite the success of the union in negotiating higher pay, other issues persisted. Workers raised questions about the policy whereby 14 people
occupied one room without proper ventilation. On-site sanitations were also
differentiated based on nationality (Figure 5.2).

**Figure 5.2 Different On-site Toilet Facilities**

Source: Field work 2017

Local workers accused Sinohydro management of discrimination because their
counterparts from China were each given a room that was equipped with air-conditioners.
Workers also raised concerns over poor safety conditions on site, including the lack of
steel-toe shoes. Further, they also challenged management about working overtime
without pay. Ghanaian labor laws specify an eight-hour work per day schedule. Anything
over that is considered overtime. The employer and employee must then negotiate the
amount of the overtime payment. Bui workers said they were required to work nine hours
a day, seven days a week without overtime payment. Workers also claim that if they
complained about the lack of payment for overtime work, they risked dismissal. There were also complaints about the lack of paid sick and annual leaves. Additionally, workers complain about wanton disregard for national holidays by the employers. One interviewee stated “...they [Chinese employers] always want us here, even on holidays. They increase the pay to attract us to stay here and work instead of visiting our families”. Figure 5.3 reveals some of the issue being contested by the workers. These types of labor disputes typify Chinese firms’ operations in Africa, which is symptomatic of labor casualization.\(^{39}\)

**Figure 5.3 Sinohydro’s Letter to Workers on a Holiday**

![Letter to Workers on a Holiday](image)

Source: field work 2015

\(^{39}\) A process whereby employees are employed in casual and temporary capacity instead of being permanent stuff.
Casualization is one legacy of the structural adjustment policy programs implemented on the continent during the 1980s and 1990s (Lee, 2009). It is a capitalist accumulation strategy that the Chinese are taking advantage of. The process involves the offer of day jobs and fixed contracts without pension or long-term security. The practice was widely used by Chinese firms and investors in Zambia and Tanzania (Lee, 2009). Although the practice is not uniquely Chinese, casualization has been adopted by Chinese firms operating on other parts of Africa.

Carmody, (2011) considers labor casualization phenomenon engaged in by Chinese investors in Africa as a feature of feudalism. Carmody sees labor casualization as typical of China’s industrialization level. According to this view, China is at a development stage in which casualization seems tolerable. Carmody also indicates that today’s industrialized countries engaged in similar behaviors in their early development stages. This view is echoed by the African Labor Research Network (ALRN). The Network considers casualization as exploitative and criticizes African governments’ seemingly unconcerned attitude toward it. ALRN observes that African governments’ supine attitude stems from their fear of being viewed as less business-oriented and investor-friendly. Further, it states that African governments actively promote investment uncritically. The open-door approach to investment has deepened casualization of African labor in Chinese firms in Africa. Casualization creates job insecurity and enervates collective bargaining aimed at improving working conditions. Casualization undercuts people’s ability to upgrade their skills and seek better jobs.
Ghanaian labor laws stipulate that a person’s casual employment status needs to be regularized after six months of continuous work (Baah & Jauch, 2009; Otoo et al., 2013). However, 97% of former employees stated they had no long-term contract with Sinohydro. One interviewee stated: “When I was employed, I was not told for how long. Even though I worked for two years, my mandate had to be renewed every 90 days. I was never considered as a full-time worker. I was anxious always (Interview with Workers, 2016).” Similarly, 67% of current employees stated they have no long-term contracts with Sinohydro. These statements indicate that Bui workers faced and continue to face serious casualization. African governments that want to use FDI to buttress their development must carefully consider the exploitative effect of these arrangements on African workers.

Key determinants of T&K are educational background and experience. Osabutey et al. (2012), however, see education as much more crucial to T&K and innovation. They asserted that higher or tertiary education is fundamental to skill development, innovation, and competitiveness. Using the Global Competitiveness Index (GCI), these scholars concluded that a higher tertiary education index is associated with high levels of innovation. The biographical profiles of current onsite Bui hydropower dam employees indicate that most have previous on-the-job experience. Many, however, lacked formal educational qualifications. Participants in this study confirmed that many of them never attended school. Most learned their trade through apprenticeship. In Ghana, apprenticeship is a common way through which artisans learn their trade. Although some
of these people are highly skilled, they lack basic business education for effective uptake of ideas to become successful partners.

The labor issues that bedeviled the implementation of the Bui hydropower dam mirrored the ills of Ghana’s educational system and policy deficit. Sinohydro fully took advantage of the situation in attempts to cut cost. A quota system based on a relatively disproportionate employment of more skilled workers could have been more productive. Although such a system may be unpopular, it could produce more lasting impact, and be more generative than what was implemented. Most former employees confirmed they did not learn nor were they taught anything new while employed on the Bui hydropower dam project. Some have had to return to their former works including farming and fishing.

5.5 The Bui hydropower dam’s Lateral Linkages
Ghanaian officials also believed the Bui hydropower dam’s implementation would create lateral linkages beyond those connected to construction. First, the project was to create and enhance ecotourism and irrigation. Second, the project was to improve locals’ livelihoods, such as fishing and farming. Likewise, the project was supposed to benefit the project’s area through the provision of infrastructure, such as schools, clinics, and transportation networks. Each of these themes are important lateral linkages of the project.

Irrigation. One major benefit Ghanaian government officials also touted was the development of a 30,000-hectare capacity irrigation scheme. This scheme was to be sited 32 kilometers, or about 20 miles, northeast from the main dam (Figure 5.4). The 30,000-hectare capacity scheme would irrigate an area equivalent to 7.3% within the project’s
The Food and Agriculture organization (FAO) estimates that such a scheme would support the cultivation of 5.75 tons/ hectare of rice per year. With this projection, the Bui irrigation scheme would produce rice to feed about 62,000 people (Kirchherr et al., 2016). This is a significant benefit given that only 11,400 square kilometers of Ghana’s 100,000 square kilometers of cultivable land is actually cultivated.

Officials of the Ghana Irrigation Authority (GIDA) confirmed the prospect and capacity of the proposed Bui irrigation scheme. Interviewees of the Authority indicated that the scheme was originally proposed to be implemented in the 1950s. Figure 5.4 was the map made in the 1950s when the scheme was first mooted. But financial constraints undermined the project from being implemented. It was in this context that the Authority was optimistic that the revival of the Bui hydropower dam plans would simultaneously lead to realizing the facility. Since the revival of the Bui hydropower dam, GIDA has liaised with the Ministry of Food and Agriculture (MoFA) and the BPA to implement the irrigation scheme. GIDA officials confirmed that they took the lead by conducting feasibility studies, with the view of coupling the scheme with the dam. But all their efforts came to naught when the Bui hydropower dam took off.

The BPA management acknowledged the role played by GIDA but attribute the delay in implementing the Bui irrigation system to the phased approach adopted in implementing the Bui hydropower dam. According to the BPA, the ‘Bui complex’ including the dam is being done in phases. As such, other aspects of the ‘complex’ which are yet to materialize would follow in due course. This view leaves room for optimism. Yet it has been six years since the main dam was handed over to government and there
are no concrete plans of developing the irrigation facility. If built, the scheme would be an important lateral linkage that would help improve agricultural activities and assist farmers in the area to produce year-round as opposed to the present system of shifting cultivation.

GIDA’s inability to push BPA to develop the irrigation project underlines its limited capacity. Besides area residents claim that the government’s inability to push the BPA to develop the irrigation system is an injustice to them. Some community members who participated in our GIs claim: “…we have been tricked by the government because the irrigation project was one of the key promises they used in convincing us to relocate\(^{40}\). Now we have moved, but there is no irrigation project.” BPA’s neglect of the irrigation project is consistent with studies on the subject. Obour et al., (2015) state that support for agriculture, including inputs and irrigation, would help struggling farmers in the project area.

\(^{40}\) The sacrifices made by various communities without getting much from the Bui hydropower dam project falls squarely within emerging intellectual research on energy justice.
**Ecotourism.** Tourism is another important benefit that was to be derived from the Bui project’s implementation. Prior to the Bui project, a long tradition of community-based tourist activities existed within the area. The Bui National Park’s (BNP) presence shaped tourism activities that existed before the dam’s construction (Figure 5.5). BNP,

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41 A digitized 1950s map showing the irrigation system’s potential sites throughout Ghana. Bui is #18.
established in 1971, is a protected area that covers 1,821 square kilometers. Currently, BNP is the single largest protected area in Ghana. BNP’s uniqueness stems from it being bisected by the Black Volta. As shown by Figure 5.5, the Park is famous for tourists being able to sight black hippopotamus and other species, such as black and white colobus monkeys and a variety of antelope and birds (Interview with BNP, 2016).

Since the Park’s establishment, officials have nurtured a cordial relationship with surrounding communities to protect the Park’s pristine quality and the animals living in it. BNP officials said they rely on area residents’ expertise to learn more about some of the animal species’ lifestyles. They also rely on the surrounding communities’ cultures for help in maintaining the park. Through these interactions, BNP officials were able to form strategic bonds with members of the surrounding communities. These bonds have resulted in community-based tourism. For example, residents provide canoe services to visitors on the Black Volta, so they can view the hippopotamus (Figure 5.5). The communities also add cultural touches to enhance visitors’ experience (ibid). One GI discussant noted that: “The Park was woven into our culture, and our culture into the Park.” The connection between the community, BNP, and tourism was also asserted by studies exploring cultural practices of the local communities in the project’s area (Apoh & Gavua, 2016). Beyond these emotively intricate connections, the park also served as a revenue stream for local residents. Households participating in park services attribute about 40% of their income to tourism (Interview with Local Assembly, 2016).
Ghanaian government officials projected that benefits such as tourism would be enhanced with the dam’s construction. This expectation, however, has yet to materialize. The Bui hydropower dam’s construction resulted in many communities being displaced and resettled far away from park. Further, the reservoir has permanently flooded 21% of the Park land. Flooding caused the death of several animal species in the Park. At the same time, the floods triggered massive species migration. In the process, hippopotamus, which is one of the main attractions in the pre-dam era has rarely been seen since the project’s start. Experts claim the new lacustrine ecosystem offers an expanded habitat for spawning (Interview with BNP, 2017). This impact remains to be seen. Although some people continue to visit the project area, limited tourism activities exist there beyond seeing the dam. As a result, surrounding communities now receive no tourism revenue,
leading to some agitation from community leaders. Figure 5.6 is a letter written by local community members to request government support in reviving tourism in the area.

**Figure 5.6 Community request for tourism improvement**

![Image of letter]

Source: field work, 2017
BPA and the Ghana Tourism Authority (GTA) acknowledge the decline in tourism activities in the Bui area, yet they have taken no measures to remedy the situation. BNP officials attribute tourism’s poor state in the post-dam period to the reservoir. They argue that in three years when the reservoir is fully formed, the park situation will reverse to its pre-dam conditions. Despite this prospect, there is no coordination to realize this potential. BPA authorities claim tourism issues are beyond their mandate. The BNP indicates it does not have the institutional capacity to start anything on its own.

Meanwhile, the GTA, which has the mandate to oversee tourism activities in the region is inactive. Meanwhile, officials of the GTA regional office in Sunyani told us in an interview that the Authority does not have any immediate plans to revive tourism in the project area.

### 5.6 Resettlements and Lateral Linkages

Despite the importance of dams, displacement of people in downstream and upstream locations remains a key issue in the literature on large dams (Isaacman & Isaacman, 2015). The WCD report reveals that 40 to 80 million people have been displaced by the construction of large dams (McCully, 2001). Some scholars suggest this number could even exceed 140 million, if people in downstream locations were included (Scudder, 2005). In this regard, resettlement and compensation strategies have been proposed as ways to minimize the deleterious impact of large dams on communities within project areas. The WCD outlines series of steps that dam proponents need to adopt in mitigating the adverse impact of dams on affected communities (Diop & Diedhiou, 2009). This multi-stakeholder consultative framework comprises the state, affected communities, NGOs, and researchers that have been proposed to help shape the
implementation of resettlement and compensation schemes in dam-affected areas 
(Gordon, 2006).

Table 5.0 Resettlement Protocol

<table>
<thead>
<tr>
<th>Stages</th>
<th>Activities</th>
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</thead>
<tbody>
<tr>
<td>Stage 1: Planning and Recruitment</td>
<td>• Determine who needs resettlement</td>
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<tr>
<td></td>
<td>• Support the host and those who are resettled to ensure project success</td>
</tr>
<tr>
<td>Stage 2: Adjustment/ Coping</td>
<td>• Resettle people to an identified place</td>
</tr>
<tr>
<td>Stage 3: Economic and Social Integration</td>
<td>• Economic and social integration</td>
</tr>
<tr>
<td></td>
<td>• Alternative livelihood training and opportunities</td>
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<tr>
<td>Stage 4: Handing Over and Incorporation</td>
<td>• Drive towards autonomy and maturity of socio-economic institutions in new settlement</td>
</tr>
</tbody>
</table>

Source: Constructed based on Diop & Diedhiou, 2009

In Ghana, the government was highly motivated to ensure the resettlement process at Bui ran smoothly. In large part, this was due to the country’s poor experience with the Akosombo and Kpong dams. The construction of the Akosombo and Kpong dam displaced over 80,000 and 6,000 people respectively (Asiama et al., 2017; Tsikata, 2006). These people were inadequately compensated and poorly resettled (Miescher & Tsikata, 2009). Several communities, especially those in the downstream sections of the Akosombo and Kpong dams, suffered state neglects (Tsikata, 2005). This situation has
impoverished and underpins ongoing litigation against the Ghanaian government (Boadi & Owusu, 2017; Miescher & Tsikata, 2009; Tsikata, 2004). Studies suggest that the poor handling of resettlement and compensation triggered donors, such as the World Bank in objecting to idea of the Bui hydropower dam project (Obour et al., 2015).

Bui hydropower dam proponents outlined a lofty idea of resettlement and compensation in the hope of avoiding a repeat of the previous dam catastrophe. Proponents hoped to use the Bui hydropower dam to restore Ghana’s image, and to ensure the new dam’s construction addressed growing concerns over environmental sustainability and social livelihood enhancement. The dam’s proponents recommended a two-prong approach. First, they planned to address issues related to relocation by resettling communities directly affected by the project into temporary resettlement camps. These communities consisted of villagers who would lose their livelihoods, (e.g., fishing, farming, and hunting). They would also lose their homes and cultural landmarks, such as mosques and churches (Apoh & Gavua, 2016). The Environmental and Social Impact Assessment (ESIA) for the Bui project estimated 859 people scattered in small villages had to be moved. Meanwhile, an additional 7,500 people who were not to be moved would lose land and access to fishing grounds. Table 5.1 and Figure 5.7 group the affected villages in the project area into those that needed relocation and those which would be affected by losing land and other properties.

The second issue to be addressed related to the economic well-being of displaced residents through permanently resettling displaced villagers into an ultra-modern city, Bui City. The modern Bui City was to house 5,000 inhabitants and feature such amenities as
high-rise buildings, agribusinesses, a hospital, a university, well-maintained streets, an ecotourism center, banks, and factories. Officials of the BPA intimated to me during interactions that the Bui City project with all its proposed amenity was to act as an alternative urban center to Accra and Kumasi and help to reduce southward migration.

Table 5.1 Villages Affected by the Bui hydropower dam

<table>
<thead>
<tr>
<th>Villages in the Project Area</th>
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<tbody>
<tr>
<td>Tain District (Brong Ahafo region)</td>
<td>Bole District (Northern region)</td>
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<tr>
<td></td>
<td></td>
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<tr>
<td>Resettled Villages</td>
<td></td>
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<tr>
<td>Battor (Akanyakrom)</td>
<td>Lucene/Loga</td>
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<tr>
<td>Bui</td>
<td>Agbedikro</td>
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<tr>
<td>Dam Site</td>
<td>Brewohodi</td>
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<tr>
<td>Dokokyina</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Villages Losing Land Due to Flooding</td>
<td></td>
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<tr>
<td>Bongase</td>
<td>Jama</td>
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<tr>
<td>Bui Camp</td>
<td>Banda Nkwanta</td>
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<tr>
<td>Banda Ahenkro</td>
<td></td>
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<tr>
<td></td>
<td></td>
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<tr>
<td>Villages Along the Proposed Transmission Line or Along Roads to Be upgraded</td>
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<tr>
<td>New Longoro</td>
<td></td>
</tr>
<tr>
<td>Carpenter</td>
<td></td>
</tr>
<tr>
<td>Teselima</td>
<td></td>
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<tr>
<td>Bamboi</td>
<td></td>
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<tr>
<td>Jama</td>
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</tbody>
</table>

Source: Constructed from Habia, 2009
Figure 5.7 Maps of Affected Communities

Source: Author’s construct
Resettlement and Compensation. The resettlement plan for Bui involved temporarily moving the people directly affected by the dam’s construction into two camps. Next, these people would be permanently resettled in the yet to be constructed Bui City. The resettlement consisted of two phases. Phase one, undertaken in 2008, involved relocating and resettling four communities:

- Lucene
- Brewohodi
- Agbedikrom
- Dam Site

The presence of these four communities was deemed to interfere with the initial construction process hence the need for their relocation. These communities were resettled in Jama in the Northern Region, about 10 kilometers from the main dam (Figure 5.8).

The second resettlement phase, undertaken in 2011, involved the relocating and resettling three communities in Brong Ahafo region. These communities include:

- Bui
- Battor
- Dokokyina

Both resettlements involved providing housing following the principle of plus-one. This implied that households received one extra room than they previously had. These houses were also equipped with sanitation and kitchen and living areas. Further, they
were provided with foundations and extra space for future expansion to accommodate family size increases. In general, the resettlements also had health posts, schools, and boreholes. Once the dam was completed, the communities were connected with electricity. The images below compare the nature of the old and new settlements.

Figure 5.8: Bui Resettlement Camps

Source: Author’s Construct
To aid the resettlement process, the Ghanaian government implemented a three-tier compensation plan. First, every household member regardless of age received a 100 Ghana Cedis (GHS) ~$22.51 (1 GHS = 1.5061 USD) resettlement grant. BPA officials viewed this grant as compensating for the inconvenience of resettlement and to mitigate against incidental costs households might incur. Second, compensation package entailed giving a farming grant of GHS50 (~$11.257) to each household to facilitate land preparation for farming. Third, compensation involved paying a GHS100 (~$22.51) living grant to each household for one year. This grant was to help people settle into their new environment and provide some incomes while waiting for crops to mature. Those
who lost land had their lands replaced while those who lost crops had their crops evaluated by the Lands Valuation Board (LVB) to determine rates for payment.

Bui’s resettlement and compensation programs were viewed by analysts as improvement in what had transpired in Akosombo (Yankson et al., 2017). The compensation program implemented in Akosombo was chaotic and woefully inadequate; in Akosombo, construction even started before resettlement began (Tsikata, 2006). The survey results in the resettlement indicates that 90% of respondents are satisfied with their new homes. However, they took issues with some aspects of the compensation program.

The determination of compensation for land and crop was based on evaluation conducted by the Lands Valuation Board (LVB) of the Lands Commission. According to discussants in our GIs, LVB’s work was done without any legal representations from the affected people or independent valuers. Discussants recounted LVB’s claim that they [LVB] are the only statutory agency mandated with such a responsibility, and so cannot share that task with any other agency or entity. Discussants also accused the LVB for insisting that their findings are to be confidential, hence cannot have representation from the affected community nor an independent valuer (ibid).

Furthermore, Asiama et al. (2017) observes that the process underpinning the rates to be paid to affected community members lacks clarity. Community residents who participated in this study identified three issues: 1) they had no knowledge of how much their crops were worth; 2) they had little knowledge of when to expect payment; 3) they questioned the late start of evaluation by the LVB. Some resettlers remarked: “BPA told
us that our crops were going to be evaluated for compensation, but we had moved here [resettlement] before the evaluation started. In that case, we could not challenge them with whatever figure they proposed to give us. Because inundation had already started by then, so the officers could only evaluate what they saw (GIs, 2016).” Besides the late start of the evaluation process, some also stated LVB and BPA cheated them by implementing flat evaluation rates. For example, some resettlers stated that cashews are life-time crops. These trees produce an annual yield for up to over 80 years. Crop, such as cassava and yam, on the other hand, are annual crops. Both cannot attract the same rate. Instead of differentiating among the various crops, the authorities simply gave us one flat rate (ibid).

In addition to questioning the compensation, some resettlers also questioned the resettlement process in general. Residents claim that the BPA has reneged on its promise to provide alternative livelihoods. Ghanaian government officials made numerous promises, including reskilling resettlers as part of the resettlement process, but none of these promises have been fulfilled yet. The non-adherence to the original promises have shorthchanged people’s lives and predisposed them to poverty. The negative impacts of the project on both resettlement and unmoved settlements were captured in our field surveys. In rating the impacts of the dam as serious, minimal and negligible, 67% of respondents rated the dam’s impact as serious. This is described in terms of loss of livelihood, fishing grounds, and farmland (Chapter 1). Further, resettlers identify the delay in building the Bui City as a major part of their predicaments. For these residents, building the city could have opened up the area for businesses which may provide some livelihood support for residents. While there is no information on when the Bui City
would be built, cost of living in the area continue to escalate. The high cost of living has resulted in residents’ inability to even afford necessities such as food and electricity. At the time of this research, most of the houses in the resettlement were being disconnected for non-payment of bills. Residents contend that if they could afford electricity, they would be able to start businesses such cold-stores and provision stores to help earn incomes.

The inability of the residents to afford electricity is both a function of their relocation and poor integration into the post-dam economy. The construction of the Bui hydropower dam has disrupted resident’s livelihood hence their inability to eke a living (Miescher & Tsikata, 2009). Likewise, poor government interventions geared at integrating residents into the post-dam economy shortchanged plans for alternative living skills. These inadequacies mean that residents live close to where 400 megawatts of electricity are being generated yet they are unable to afford it. While these residents live in darkness, their urban counterparts who by virtue of their locations and economic privileges, enjoy the benefit of the dam. The disproportionate sharing of burden and benefit of large dam projects is fundamental to the literature on energy justice (Fuller & McCauley, 2016; Jenkins et al., 2016). This literature provides another dimension for assessing how the WCD recommendations have been addressed by proponents of large dam, especially in the context of sustainable development goals which are supposed to augments the gains of the Millennium Development Goals (Siciliano et al., 2018).

**The Impact of Resettlement on Fishing and Farming.** Fishing was the main occupation of the people of Battor, Bui and Agbedikrom in the pre-dam era. Table 5.2
portrays the various communities that were directly affected by the project, their estimated population, and occupation. Located about 40 meters from the river, these villages were predominantly fishing settlements. Pre-dam era fishing was seasonal, occurring November through March. The well-stocked river provided plentiful catches for fishermen. Obour et al. (2015) revealed that fishermen, prior to the dam being constructed, made about GHS500 or about $320.00 daily sales. The income generated from fishing supported household needs, such as health care. Some fishermen exchanged their catches with surrounding communities for other foodstuffs. These trading arrangements promoted inter-communal dependencies and conviviality.

**Figure 5.9 Signs Prohibiting Fishing Downstream**

Source: field work, 2017

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The dam’s construction has altered these dynamics. In the pre-dam settlements, communities such as Battor were sited about 150m from the river. These communities are now resettled about 11km from the reservoir. With the absence of any transportation, walking becomes the only available means of accessing the reservoir. This is tedious for both old and young. As a result, the majority of the fisherfolks have now given up on the trade. In addition to the foregoing, to protect the dam’s health, the BPA uses legal instruments and national security operatives (who are housed in resettlement A) to restrict reservoir access. The Authority has decreed that any unauthorized fishing activities near the dam are subject to prosecution. The limit of the decree is so vast that anybody who desire to fish beyond the demarcated boundary may be venturing into the territorial waters of countries, such as Burkina Faso and Côte d’Ivoire.

The restriction on the reservoir access limit fishing to downstream locations. However, this area downstream has become dangerous due to the unpredictable spillage regime the BPA has adopted (Figure 5.9). The shallow and deep net fishing practiced by people in the riparian villages requires that they sometime cast their nets overnight. However, the BPA tend to open the dam’s spillways at night leading to the gushing water washing out nets cast overnight. Because spilling is determined by the level of accumulation behind the dam, the BPA is not in a position to always inform residents about any imminent operation for them to be prepared. Moreover, downstream fishing has also become unprofitable because of the poor nutrient content of the water resulting from the limited biological activities in the post-dam.
These changes have dramatically altered the resettlers’ social, cultural, and economic lives. Resident interviewees reveal that people no longer hold fish festivals to celebrate bumper harvests. Further, residents’ diets are now deprived of fish, and fishmongers are unemployed. These changes have reduced economic activity in the area. The post-dam dynamics have considerable implication for gender and household stability. The limited extraction has a domino effect. For instance, a fishmonger who depends on the spouse would have business being undermined because of limited catch by the husband. The fishmonger, then can no longer service her client, hence reduced income and financial stress. The deplorable situation with the fishing industry could have been minimized or averted if the proposed fishing harbor had been built. Figure 5.10 shows images of the proposed. But the facility is ill-equipped, poorly designed and located over 12kms from the nearest fishing village, hence not patronized by the targeted population.

**Figure 5.10 Images of the proposed harbor in Bui**

Source: Field work
Likewise, the Ghanaian government could have equipped the fishermen with the appropriate gears and provided adequate training on techniques for successful fishing in the reservoir. Research by Yankson et al., (2017) reveals the reservoir is only serving the interests of people from Niger, Mali and Burkina Faso. One Group Interviews discussant observed that: “…the reservoir has been taken over by the strangers”. The so-called strangers they say have superior fishing abilities and possess experience fishing vast bodies of water. This contrasts with resettlers who were used to fishing on rivers. Instead of generating opportunities and improving life within the project area, the dam’s construction has resulted in high unemployment and looming food insecurity.

Table 5.2 Attributes of Displaced Villages

<table>
<thead>
<tr>
<th>Village</th>
<th>Number of Households</th>
<th>Population</th>
<th>Livelihood as Proportion of total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Battor</td>
<td>45</td>
<td>670</td>
<td>Farming: 5</td>
</tr>
<tr>
<td>Bui</td>
<td>40</td>
<td>350</td>
<td>Farming: 75</td>
</tr>
<tr>
<td>Dam Site</td>
<td>5</td>
<td>42</td>
<td>Farming: 10</td>
</tr>
<tr>
<td>Brewohodi</td>
<td>15</td>
<td>64</td>
<td>Farming: 98</td>
</tr>
<tr>
<td>Lucene/Loga</td>
<td>6</td>
<td>44</td>
<td>Farming: 100</td>
</tr>
<tr>
<td>Agbedikrom</td>
<td>16</td>
<td>190</td>
<td>Farming: 16</td>
</tr>
<tr>
<td>Dokokyina</td>
<td>36</td>
<td>165</td>
<td>Farming: 99</td>
</tr>
</tbody>
</table>

Source: ESIA, 2006a, 2007
Beyond fishing, farming is another predominant economic activity, especially for the people of Bui, Dokokyina, Lucene, and Brewohodi (Table 5.2). In these communities, farming is rainfed and involves small farms, ranging in size from 0.4 to 1.4 ha. Unlike fishing which has been completely halted, farming has remained relatively stable following the dam’s construction. The land-for-land and support through farm grants partly account for the relative changes in farming in the post-dam economy.

Despite the minimal changes in farming activities, there are issues regarding land tenure. For the most part, although the land-for-land was identified as a major factor in the relative stability of farming in the area, the security of those land was always in question. Because residents were not issued with any ownership certificates, they feared that their portions could be repossessed later. BPA official countered that assertion as a remote possibility since they acquired the land legally from the owners before distributing to the current occupant, but the fear still lingers. For community members, their fear is more of a trust issue, since the BPA had reneged on most of their prior promises to them. The tenuous tenure affects how farmer use their allocations.

The fear of tenure is compounded by claims that the allocations are small, infertile and far from the resettlements. These conditions undercut farm expansion and the sufficient production of food crops. Some GIs discussants observed: “Our relocation has affected our farming significantly. In the past, we could grow various crops because the land was there. Now we can’t even grow food crops, such as yams, cassava, and corn, because the land is small, and it is unprofitable to cultivate small farms for such crops.” These factors create food insecurity and unemployment due to displacement and new
rules introduced in the post-dam era. A leading opinion leader noted: “Before the dam, were not buying food. But now we do, but we don’t have the money.” The lack of opportunity and struggle in the area resulting from the Bui Dam’s construction has caused massive flight by the youth in the community. Those who remain, have taken to artisanal gold mining nearby in Dollar City. Government is aversed to such kind of clandestine mining activities. As such, participants have militarized the area, which often result in skirmishes. It is behind this ‘wall of security’ that some of the most dangerous illegal mining operations take place in the region. I have been a witness to several shooting incidents in the area during this study. The more important issue is the potential impact the illegal mining activities may have on future dam failure and its concomitant effects on surrounding communities.

5.7 Conclusion

After almost a century in planning, the Bui hydropower dam was finally built in 2013 with China’s support. At its commissioning in 2013, Bui represented China’s flagship investment project in Ghana. Until recently, the Bui behemoth was the second largest foreign investment to be undertaken in Ghana after the Akosombo Dam. While the $790 million project mirrors growing China-Ghana relations, experts also viewed its purpose as two-fold. The 400-megawatts project was to produce energy. At the same time, it was also considered to be a transformative agent capable of unlocking the regions’ development potentials. Many expected the concomitant benefits of the dam’s construction, such as ecotourism, irrigation, social infrastructure, and improvement in livelihoods, to inure to the benefits of residents in and beyond the project area.
Several studies have been conducted on the Bui hydropower dam, including those which investigated the impact of the dam on climate change and emissions (Hensengerth, 2014). Other recent studies have examined how the project has reconfigured power relations in the area (Yankson et al., 2017). Residents’ access to such resources as water and land has been considerably impacted by the dam. Some studies have also focused on dam’s impact on people’s livelihoods within the dam’s downstream and upstream sections (Owusu et al., 2017). Meanwhile, the national discourse on the dam tends to emphasize the dam’s underperformance in delivering its promised 400 megawatts of electricity (Boadi & Owusu, 2017). These studies are crucial, but none evaluates the dam’s actual linkage to the broader issues of the national development and how the Ghanaian state shaped such gains. This chapter used the concept of linkages to analyze the project’s outcomes. The analysis focused on such themes as: subcontracting, technology transfer, procurement, ecotourism, irrigation, and social transformations in the project area.

The analysis reveals that in each of these areas the potential to deepen the gains existed. Primary actors in the project, however, shortchanged their realization either through a lack of will or poor foresight to enact policies that could make these gains possible. For instance, the Chinese contractor never pursued subcontractors to help build the actual dam even though the potential existed. Local contractors did, however, build such auxiliary structures as roads, bridges, resettlement communities, and permanent villages. Domestic contractors enjoyed the opportunities offered them but they bemoaned their limited interactions with their Chinese counterparts. At the same time, procurement
and labor issues produced mixed outcomes. Large numbers of unskilled local people were employed, but they were unable to upgrade their skills in ways to transform their lives and livelihoods. The contractor imported equipment for the project from China and Russia. Cement was locally sourced but only because it was costlier to do otherwise.

Within the project area, existing economic activities, such as fishing, farming, and ecotourism, have been decimated. Dam proponents promised the dam would improve these activities. These promises have yet to be fulfilled more than four years after the dam’s commissioning. What is more worrisome is that the project failed to create better opportunities for people whose livelihoods had been subverted by the project. Roads and schools were built as part of the resettlement process. However, these physical components of the resettlements must be matched with economic integration to generate success. Meanwhile, the Bui hydropower dam’s implementation has inserted a new level of government involvement into people’s lives. These outcomes coincide with most research in political ecology in which development projects tend to institutionalize new forms of governmentality (Peluso & Vandergeest, 2011). James Scott (1998) reminds us that such projects are used to create subjects of legibility for state control. The consternations that these differential governmental structures have created are well documented in the literature (Li, 2007; Scott, 1998). In Bui, the limits placed on surrounding communities by the new structures restrict access to resources, such as the river and land. It has also eliminated or limited their income sources. While promising a lot, the Bui hydropower dam has only delivered so much. Yet still, it has disrupted social dynamics but created limited opportunities for local communities.
Chapter Six
Conclusion
6.0 Overview
After centuries of hiatus, China re-emerged on the world scene in 1949 and has since established strategic bonds with several countries, such as those in Africa. Formal China-Africa relationship started in the wake of the 1955 Bandung Conference. Bandung was an ideological gathering inspired by anticolonial narratives and rhetoric of South-South Cooperation. These mutual ideological connections between China and Africa prompted increased solidarity until the end of the Cold War. End of the Cold War saw China’s 1970’s reform initiated under Deng Xiaoping fructify. This evolution was marked by staggering economic growth that averaged 10% per annum. China’s remarkable economic boom triggered resource insecurities.

Addressing China’s resource vulnerabilities required astute pragmatism. As a result, China adopted measures including re-organizing its state apparatus, devising dynamic foreign policies, and creating structures to enhance its global appeal. Hereafter, China rebranded its relationship with Africa as a win-win affair. This shift from geopolitics to geo-economics was considered by experts as elements of soft power (Chau, 2007; Nye, 2004). With continuing obstructive Western interference coupled with quest by African countries for development during the 1990s, the Chinese strategy yielded great dividends (Fijalkowski, 2011). Aid packages bundled with trade and investment catapulted China into becoming the continent’s leading financier, source of investment, and aid donor by the turn of the century (Prah, 2007).
While celebrated by advocates as a catalyst for progress and development, critics view China-Africa engagements as neocolonial and less altruistic. These views highlight the pros and cons of deepening relationship between China and Africa. However, they overly focus on what China does in Africa. Consequently, the existing literature rarely examines how African countries can form a truly beneficial win-win development partnership with China. Likewise, the present literature scarcely analyzes the ways and strategies African countries can adopt to maximize their engagements with China. Moreover, the literature barely assesses how African political systems shape cooperation with China.

My study fills this missing link. In contrast to the prevailing debates, the research reveals generative impulses in China-Africa relationship, including instigating backward, forward, and lateral linkages through purposive African state interventions. The study is driven by two interlinked arguments. First, China-Africa engagement requires deliberate and purposive African state interventions. State intervention is required to shift the discourse from what China does to how African countries can harness the opportunities their engagements with China provide. Similarly, state intervention is needed to prevent the relationship from being lopsided. Second, China-Africa engagement must involve creating synergistic networks, or linkages as a way of making the current relationship truly and mutually beneficial.

Based on 18 months of an exploratory mixed-method research, comprising interviews, archival and policy studies, surveys, and participatory community mapping, I investigate how Ghana and China engaged each other in the process of building the Bui
hydropower dam. The nature of engagement including financial negotiations, construction contract, local content implementation, and regulatory procedures are key determinants of the project’s outcomes. The research reveals that making the most of China’s African initiatives is much less a concern for China than African countries. By locating the developmental possibilities of China-Africa relations within the context of African state actions, this study reveals the theoretical and political weaknesses of the prevailing debates and policy interventions to Africa’s socio-economic transformation.

The thesis consists of five chapters. This chapter reviews each chapter’s argument and findings. Further, the chapter uses the findings of the various chapters to proffer recommendations to guide future China-Africa engagements. Additionally, the researcher builds on the study’s conclusions in proposing future research plans. This chapter contains four parts. Part One revisits China’s rise and related debates concerning its African interactions. Part Two reviews the previous five chapters of the dissertation. This part recapitulates the arguments and findings of the various chapters. Part Three discusses and outlines the implications of the study. Part Four describes my future research agenda.

6.1 From Isolation to a Global Actor
Britain’s renowned economist, Adam Smith, described China’s economic development during the 18th century as stationary. Many scholars attributed this perceived arrested development to the Ming dynasty’s isolationist tendencies. This theory derived from the conception that the Ming dynasty was disinterested in international trade. Two centuries later, this claim has been turned on its head. China has not only
stood up, but its politics and unprecedented economic performances have made it a prominent global actor with profound influence (Breslin, 2013).

One measure of China’s prominence as a global force is its political influence. China’s re-emergence in 1949 was characterized by struggles to exert influence on world affairs. This initial challenge was caused by the ensuing Cold War politics (Mawdsley, 2007). However, China acquired global decision-making powers and responsibilities after unseating Taiwan in 1971 to regained permanent membership on the United Nations Security Council. In addition to its increased political influence, China also experienced strong economic performance, due in large part, to reforms initiated during the 1970s (Shinn & Eiseman, 2012). These reforms triggered political and economic transformation which undergirded China’s emergence as an Asian Driver (Schmitz, 2006; Urban et al., 2011). China’s transformation gained global significance in 2010 as it became the world’s second largest economy behind the US. With a thriving manufacturing base, China’s industries produced in large quantities, merchandise which subsequently flooded global markets. These achievements reconfigured world arrangements and pushed China to form partnerships with a battery of countries.

Africa constitutes one bloc of countries with which China has formed a strategic and constructive relationship. The strongest relationship China has is with its Asian neighbors. Africa follows second. Shinn and Eisemann (2012) put this more

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42 A term that describes the distinctive and the significance of rising Asian economies. The term was initially attributed to China and later India given their spectacular transformations in the 1970s and 1990s respectively.
emphatically: “Apart from Asia, China’s relationship with Africa is unrivaled in extent, intensity, speed, and impact (p. IX).”

Although China-Africa relationship predates European invasion of the African continent, contemporary engagements only started in the middle of the 20th century. China’s military and economic weaknesses, as well as its ideological battle with the Soviet Union over the leadership of the communist bloc precipitated its outreach to African countries. African decolonization and the quest for development also contributed in forging ties with China. Factors such as these fueled China-Africa engagements which began after the 1955 Bandung conference.

The 1955 Bandung Conference in Indonesia provided a platform for the first contact between China and African countries. After this initial encounter, China established diplomatic ties with Egypt, Algeria, Ghana, Guinea, and Mali (Chau, 2014). China’s Mao Zedong shared these countries’ revolutionary and anticolonial sentiments. Despite China’s meager resources, the common ideological goals it had with African countries were important to China’s interest. As a result, China occasionally sent health workers, engineers, and guerilla warfare instructors to train and advise African revolutionary fighters (Frontani & McCracken, 2012). China also assisted Africa by providing infrastructure, such as roads and railways (Taylor, 2006).

One of the key infrastructure projects constructed by China in Africa during the 1970s was the Freedom Railway, or TAZARA Railway\(^4\) (Monson, 2009). This 1,860-

\(^4\) This railway has various names, including TanZam, Tazara (Tanzania-Zambia railway authority), freedom railway, and the people’s railway. It was constructed by China in the
A kilometer or 1,600-mile railway was constructed to link Tanzania to landlocked Zambia. TAZARA is considered as a project that links China’s goal to African aspiration, such as liberation and anticolonial struggles. But the motif has other important geopolitical implications that is specifically located in its history.

The original plans for TAZARA was proposed by imperial actors, such as Germany and Britain. However, the project was never realized because of the believe that doing so would open the region up, promote trade and undermine colonial stranglehold (Bailey, 1975). Zambia and Tanzania attempted during the decolonization period to resuscitate the project, but such efforts were thwarted by South Africa. South Africa’s opposition to the project was based on maintaining hegemony over Zambia. As a landlocked country, Zambia routed majority of its trade through South Africa. Hence, building TAZARA implies revenue loss and diminished influence and control by South Africa over Zambia. In this context, China’s intervention after several failed attempts to court international support for TAZARA, including World Bank can be interpreted as a way of providing material and political support for African liberation struggles. The project which was completed in 1975 became the model of China’s African interventions and the basis for increased solidarity until Deng Xiaoping’s rise to power in 1978.

Under the leadership of China’s Deng, economic doctrines supplanted Mao’s geopolitical policies. Deng initiated China’s economic reform featuring modernization in four main areas: agriculture; industry; technology; defense (Chen & de’Medici, 2009).

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postcolonial period to connect Tanzania to landlocked Zambia. Its essence was to provide Zambia a way out of the racist South African regime, a country through which Zambia routed its trade.
This nationalist project was predicated on increasing industrial productivity and expanding international trade. Under this new program, China switched the focus of its relationship from Africa to the US and Japan. The reformation took over a decade to fructify. But in the 1990s, China’s economy grew strongly, averaging 10% per annum.

The 1990s economic boom transformed China from a raw material exporter into a net importer (Hardus, 2014). China’s resource vulnerabilities added to the need for expanded markets and outward investments. China reshaped its African relationship from those based on geopolitics into geo-economics. To advance its overseas interests, China formulated its Going Out policy. Likewise, China created structures, such as the Forum on China-Africa Cooperation (FOCAC), and state-owned enterprises (SOEs), such as banks and construction companies to advance its overseas interests (Gonzalez-Vicente, 2011; Ramo, 2004; Woods, 2008).

These structures, policies, and institutions injected urgency into China’s foreign policy which prioritized trade, aid, and investment in exchange for resources and markets (Sall, 2016). Africa, with its natural resource riches, became an active ground for testing these policies (Ampiah & Naidu, 2008). China’s vested interest in these engagements contributed to increased trade, aid, and investment with African countries (Bing & Ceccoli, 2013). During the 1970s for instance, food and light industrial products dominated trade exchanges between China and Africa. The value of this trading activities hovered around a mere $820 million (Prah, 2007). Today, China-Africa trade exceeds $300 billion. The major constituents of the present trade include oil. Africa now supplies China with 25% to 33% of its oil needs (Alden & Alves, 2009). Additionally, minerals
and industrial goods, such as electronics, machinery, and textiles dominate current China-Africa trade arrangements. Sudan, Angola, Nigeria, and Gabon are at the forefront of this trade between China and the African continent. In addition, investment focused on infrastructure, such as roads, dams, stadia, and telecommunication has exponentially increased across the continent (Bräutigam & Gallagher, 2014). Similarly, Chinese aid and debt cancellation programs continue to shape old relationships while cultivating new ones (Woods, 2008).

China’s increased interventions in Africa have sparked great debate. Most scholars acknowledge that China’s presence in Africa primarily hinges on the pursuit of resources and the promotion of concomitant interests. However, no consensus exists regarding the implication of China’s deepening influence on long-term African development. For some Africanists, China’s interventions on the continent intertwine with the robust literature on development. This results in comparing the so-called Beijing Consensus to the Washington Consensus (Ramo, 2004). Even though Chinese state elites have denied the existence of such a consensus, Africanists worry that China’s presence may end up propping illiberal regimes on the continent, hence undermining governmental accountability and development. In contrast to this view, sinologists question claims that China is recolonizing Africa. These scholars assess whether China is a rogue donor or merely attempting to dislodge the West from Africa. Shinn and Eiseman (2012) see this evolving conversation between Africanists and Sinologists as a subset of a broader debate on China-Africa relations, which they structure into two: pessimists, or critics; advocates, or optimists.
Advocates view China’s African intervention as a boon to the continent. Proponents of this viewpoint suggest that Chinese trade, aid, and investment support African progress and development. They view these interventions as different from Western assistance because of their limited diktats. For these scholars, there is no immediate risk concerning China’s African activities. Instead there exist opportunities for prosperity, development, and progress. This proposition is challenged by critics who consider China as an illiberal actor whose endgame is neocolonial and less developmental. Critics center their analysis on China’s interventions, such as trade, aid, and investment. In particular, they express concern about trade agreements which prioritize exporting cheap and shoddy goods to Africa. Critics consider this modality as disproportionately disadvantageous to African industrialists. Further, critics also worry about aid and investment which are tied to importing Chinese products and those focused on plundering African resources. These critics see China’s approach to Africa as self-serving and reminiscent of colonial strategies which are ominous to the continent’s growth and progress.

These views highlight the pros and cons of increasing China-Africa engagements. However, the scholarship rarely considers how African countries can leverage the embedded opportunities of the relationship. Additionally, they fail to examine how African countries and China can foster a mutually beneficial developmental partnership; the existing literature also does not account for what it would take to forge a mutually beneficial relationship, much more the kinds of strategies to adopt in doing so.
Focusing on the Bui hydropower dam as a case of China’s contemporary African interventions, this study investigated the role the Ghanaian state played in planning, designing, and implementing the behemoth. The examination entails unpacking China’s strategy and policies towards Africa. The study reveals that China is not a benevolent actor whose intention entails promoting African development. China’s African intervention is, in fact, far less altruistic. This observation reinforces the need for active, purposive, and decisive African state interventions in China-Africa relationship. African countries need to play active roles in shaping their engagements with China in ways that inure to their advantage. Otherwise, despite the potential of the cooperation to be generative, critics claims of an ominous engagement may, in fact, persist. This argument transcends the five chapters contained in this dissertation. The following section recapitulates this claim as a way of proffering theoretical, empirical, and policy recommendations concerning future China-Africa engagements.

6.2 Chapters’ Reflections

In addition to stating this study’s argument, the first chapter described the dissertation’s conceptual framework—linkages. Linkages stem from Albert Hirschman’s seminal works. Hirschman observed that resource-rich economies often experience limited growth. He used the term enclaved in describing these economies. According to Hirschman, limited synergies can hamper economies growth. However, enclaved economies can engender prosperity by creating linkages between economic activities. Hirschman identified three types of linkages: fiscal, consumptive, and productive. Productive linkages, according to Hirschman, are necessary and generative in breaking the cycle of enclavity. Further, he sub-divided productive linkages into two categories:
backward and forward linkages to denote the process of vertical and horizontal integrations. I adopted backward and forward linkages, but also adapted them by adding lateral linkages. Lateral linkages involve the spatial forms linkages take away from a given economic activity. Linkages are crucial; however, only a purposive state can induce, nurture, and sustain them. This state-centered framework requires active state intervention to shape the outcomes of China-Africa engagements. For African countries to create linkages using Chinese investments requires a change in philosophy. The continent cannot continue to uncritically promote and support Chinese initiatives. The existing open-door policies need to give way to a more productive approach in which African objectives are integrated into proposed China-financed projects. This approach to Chinese investment takes its cue from the developmental state theory and the developmental states of Asia. Asia’s developmental states endured systemic vulnerabilities, such as being backward economies and lacking in substantial mineral wealth. But their determination and disciplined leadership propelled their subsequent economic transformations. The theory of the developmental state emphasizes capable institutions, state capacity, disciplined leadership, and enhanced relative autonomy as the primary *sine qua non* of any development strategy. These attributes of the state existed at the collective or individual entity levels. But they ultimate contributed to maximizing returns. In addition to the theoretical framework described above, Chapter One discusses the methods used in this study. The study is guided by an exploratory mixed-method design involving archival and policy study, surveys, interviews, and community mapping.
The chapter ended by describing the dissertation’s structure, research questions, ethical considerations, and challenges.

Chapter Two examines the question concerning the role of the state in development. Answering this question involves assessing Third World industrialization and the role of state. The chapter presented industrialization as a key vector of development that most Third World countries tried upon attaining independence. To establish the state’s centrality in development, the chapter surveyed the process of Third World industrialization after World War II. This analysis focused on the experiences of selected Asian countries, such as South Korea, Singapore, and Taiwan. The industrial performances of these countries were compared with those of African countries as the basis of the analysis. This comparison was logical given the regions’ similar colonial heritage. Despite this similarity, there is divergence in the industrial developments of the two regions.

The observed differences are attributable to how the states in these two regions managed and intervened in their economies (Amsden, 1989; Lawrence, 2005). Asian countries intervened in their economies with the purpose of effectuating transformation. Most African countries, however, failed to intervene with the same finesse. Even for those which dared to, the outcomes were disappointing. This revelation is important for two interlinked reasons. First, state intervention can be taken as a given. In this context, every state intervenes in its economy. This is done regardless of its purpose and competence. Second, while intervention is a given for every state, it takes more to obtain successful outcomes. Competent, decisive, and disciplined leadership, as well as the
existence of capable institutions that link the state’s vision of capital accumulation to that of the market determine successful state interventions. The quality of intervention as per Peter Evans’ (1995) work, contrasts sharply with the quantity of intervention that became the guiding logic of how external forces, such as the IMF and World Bank have sought to shaped African industrialization. These external actors promote neoliberal Washington Consensus policies as the basis of fostering industrial development on the continent. However, neoliberal policies have produced the opposite effects which reduce the reach of the state in the economy (Laird, 2007; Owusu & Samatar, 1997). These neoliberal policies are being continuously reproduced through post-Washington Consensus initiatives which have created a culture of systemic political ineptitude that are antithetical to African state capacity, autonomy, and development (Apugisah, 2012; Lawrence, 2005).

Incapacitated African state precipitates external interventions. Indeed, the continent has been the focus of a range of policy interventions. Yet none of the interventions addresses the capacity dearth that exist on the continent. This conundrum begs the question: in what ways is China’s aggressive foray into the continent over the past two decades shaping Africa’s development? The chapter then assessed the different channels through which China interacts with the continent including aid, trade, investment, migration, global governance, and environmental spillovers. Each of these channels poses direct and indirect challenges and opportunities for African development. In order to advance the continent’s interests, however, the African state needs to retool and repurpose itself by establishing competent institutions embedded with capacity to
minimize the challenges and maximize the gains associated with industrialization (Hagmann & Peclard, 2010; Mohan, 2012, 2013). In this regard, the chapter argues that African states which were not active in the past must do so today to shape the outcomes of their deepening interactions with China. Failure to do so may give weight to the critics claim of ominous cooperation between China and Africa. The experiences of the Asian tigers, whose unprecedented industrial success underwrote the developmental state’s rise, buttress this claim. The chapter concluded by reinforcing the idea that strengthened state capacity is a prerequisite for African industrial transformation.

Chapter Three analyzes how past encounters influence present engagements. This assessment focuses on China-Ghana relationship. This Chapter assessed the historical contours of China-Ghana engagements as a way of explaining how China interacts with African countries. The country-specific analysis was conducted through two phases of interactions: 1950s to 1989 and 1990 to the present. The chapter assessed the motivations, opportunities, and challenges present in each phase. The analysis showed that during the first phase, China-Ghana relations were shaped by anticolonial philosophies. Leaders of both countries—Kwame Nkrumah and Mao Zedong—personified this philosophy. These compatible goals served as the foundation for geopolitical solidarity that fueled the engagement until a geo-economics principle supplanted it in the 1990s. The 1990s ushered in the second phase of China-Ghana relations. The intensity of the relationship during this phase was triggered by myriad of factors including China’s strong economic growth and the needed resources, new markets, and outward investments. This situation was paralleled by the quest for
development in Ghana. These mutual pull and push factors provided the impetus for intensified engagements between both countries. As it stands, China has emerged as Ghana’s primary investor, financier of key infrastructure, and major aid donor. The Bui hydropower dam is a product of these deepening interactions. This Chapter reveals that countries, such as Ghana and Mali with prior relationship with China tend to have strong ties. On the other hand, countries such as Burkina Faso and Chad which do not have such historical political capital tend to forge a relationship fraught with suspicion. This may evolve, but it requires substantial amount of time and social capital investments.

Chapter Four further analyzed China’s motive in intervening in the Bui hydropower dam. This chapter unpacked the concepts of resource for infrastructure and soft power. Focusing on the Bui hydropower dam, the chapter examined how the dam project which has been ignored for almost a century was made possible through China’s assistance. Understanding this puzzle involves explaining the concept of soft power, which China has productively relied on since the 1990s in expanding its relationships with African countries. With soft power, a country uses attractions to influence other countries to want what it wants (Nye, 1990). China successfully created structures, institutions, and policies to promote its overseas interests and to lure potential allies. China wanted and continues to pursue raw materials, markets for its goods, and productive investment grounds. On the other hand, African countries want development and infrastructure. Soft power also thrives on cultural attractions and seductive rhetoric. As a result, China couched phrases, such as win-win partnership to woo African countries while it established structures and policies to regulate the engagements. These
contributed to swinging the pendulum of influence from West to East. The structures and policies China established in its interactions with African countries was one such factor. Other factors included China’s economic success and the ability to eradicate poverty in Africa as it did with its own people. In addition to these Chinese factors, continuous subversive Western interventions being pursued in Africa have tended to swing the pendulum from West to East. As such, when the World Bank and other Western donors rejected request to help implement the Bui hydropower dam, Ghana then turned its appeal to China. With an existing framework, China seized the opportunity to establish itself in Ghana and advance its long-term commercial interest, using the Bui hydropower dam as a conduit. The major factors that attracted China to the Bui hydro project included: cocoa as a raw material for chocolate producing firms; prospecting from Ghana’s freshly discovered oil; and the opportunity to establish a long-term relationship for political gains. This chapter showed that China’s foray into Ghana was prompted not by altruism, but commercial goals and long-term self-interests. African countries need to take note to ensure they protect their interests. They can do this by investing and rebuilding the state apparatus, so they can accumulate capital and avoid exploitation by the outside world, including China.

To demonstrate the implication of state capacity in shaping China-Ghana relations, I analyzed the developmental outcomes of the Bui hydropower dam in Chapter Five. The Bui hydropower dam can be conceptualized as an example of vested interests. On one hand, Ghanaian authorities sought its implementation to shore up energy supply and boost socio-economic transformation. In addition to these objectives, the dam was
expected to provide employment, irrigation, ecotourism, and socio-economic infrastructure within the project area. With these goals, the Bui hydropower dam can be interpreted as having multiple benefits and linkages for and beyond the project area. On the other hand, however, the project was seen by China as a means to fulfill its goals in Ghana. How these goals were achieved is a function of state capacity. As the analysis revealed, most of the gains for Ghana beyond electricity generation have been patchy. There was no subcontracting for stakeholders in Ghana’s construction sector. Even though some materials were procured locally, it was only done because import seems costlier. The general process of procurement regarding the Bui hydropower dam implementation flouted local procurement laws. The Bui hydropower dam also created a lot of labor uneasiness and anxiety through casualization, which caused workers’ insecurity, hence limited backward and forward linkages. Meanwhile, lateral linkages involving irrigations, ecotourism, and socio-cultural improvement within the project area were never realized. The chapter concluded that instead of providing opportunities for improvement, the Bui hydropower dam ended up devastating local livelihoods and undermining local sustainability. Even more worrying is the fact that residents do not benefit from the electricity generated by the project that displaced them. While the lack of benefits accruing to residents hinges on their inability to afford the electricity, that inability is also a function of how the project was implemented to the extent that it undermined livelihoods and shortchanged any hopes of a better live in the post-dam economy. Despite these local issues, the Chinese have succeeded in using the project to advance their interest including providing employment and market for Chinese products.
Likewise, the Bui project was capitalized on by China in establishing long-term relationship with Ghana. The study has profound policy implications some of which are discussed below.

6.3 Implications and recommendations

China is now a powerful force in Africa, and the Chinese are not going away. Their embrace of the continent is strategic, planned, long-term, and still unfolding…Ultimately, it is up to African governments to shape their encounter in ways that will benefit their people (Brautigam, 2009, p. 311).

State intervention appears as a given, but obtaining successful outcome is not. Some states intervene in their economies with far greater success than others. The degree of success is largely determined by the role, nature, and structure of the state (Evans, 1995). This viewpoint is captured by the theory of the developmental state. Scholars described the developmental state as neither socialist nor free-market, but a plan-rational capitalist developmental state that conjoins private ownership with state guidance (Woo-Cummings, 1999). State’s guidance exemplifies its role, and the ability to do so successfully underlines its capacity (Mkandawire, 2001).

This study locates active African state intervention as a prerequisite for creating linkages and making the relationship between China and Africa truly mutually developmental. Linkages are important because the relationship which has been described as a win-win affair has so far remained lopsided. The limited benefits accruing to African countries derives from approaching China’s African interventions with open-door policies (Kragelund, 2009). Such a philosophy assumes that local benefits would automatically ensue. Thus far, this logic has proved counterproductive.
Despite this limitation, active African state interventions can help in linking Chinese investments to African countries’ aspiration. Such an interaction is necessary in producing mutually beneficial outcomes. This understanding has several theoretical, empirical, and policy implications that can be adopted to govern the conduct of future engagements.

First, serious steps must be taken by African countries to retool and repurpose their institutional structures. As the experiences of the Asian developmental states show, institutional competence is important in formulating policies and ensuring success. At present, most African countries lack that bureaucratic wherewithal. Countries such as Ghana have institutions that are nothing but mere sinecures. They are built on individuals without any clear agenda of linking their functions to attaining a collective vision. I encountered this bureaucracy in my research. With the exception of the Ghana Investment Promotion Center, most of the ministries that participated in this study have questionable professionalism and operate with less coherence. The first steps in my research entail identifying the key government institutions and ministries that were involved in the Bui hydropower dam. I served each agency with letters indicating my intentions. However, there were times when my letters of request could not even be traced, because the individuals who dealt with me previously did not report to work. Issues like these seem trivial, yet they are symptomatic of a deeper canker. They exemplify and raise questions regarding the competencies, effectiveness, and efficiency of the institutions. Furthermore, malfunctional bureaucracies have the tendency to
undermine public confidence thus causing people to form parallel channels which breeds grafts. Bureaucratic effectiveness and quality can be improved through:

- Regular re-training of public sector employees.
- Recruitment of competent and qualified bureaucrats.
- Effective supervision.
- Proper and adequate remuneration for public sector workers.
- Merit-based promotion.
- Resourcing educational institutions to provide the needed human resources for national bureaucracies.
- Establishing performance standard when public sector staff are first employed.

Second, deepening institutional transparency. Much of China’s engagement with African countries is shrouded in secrecy. China guards its dealings with Africa as state secret. This helps China to conceal its activities from the limelight and the gaze of Western competitors, which have often accused China as a rogue actor and a free-rider on the continent. However, such a practice does not augur well for African countries. Transparency insures fact checking to determine whether African countries get value for money. This point is better illustrated with Uganda’s controversial Bujagali Dam. The Bujagali project which was estimated at about $225 million was sanctioned by the World Bank. However, a third-party reassessment before the project took off indicated that project’s cost was inflated by about 13%. At this rate, Uganda would end up paying $2 billion more by 2042 when the loan repayment was scheduled to end. This scandal led to the project being halted in 2002—restarting only in 2007 when the issue was resolved.
(Bosshard, 2009). The Bujagali scandal would not have been uncovered, but for a third-party reassessment occasioned by agitation from civil society and researchers who had access to the original contract.

China’s African projects are not subject to World Bank’s checks and balances. Such onus lies on the recipient countries. In the case of the Bui hydropower dam, Ghanaian and Chinese actors are the key sources for information regarding the contract. Currently, there is no way to verify the information these actors have put forth. This situation is compounded by the lack of regulation governing information sharing.

Ghana’s Right to Information (RTI44) law has been pending in parliament for over a decade (Yawson et al., 2010). The law’s passage could help researchers to access information for studies that can potentially promote national development. Likewise, the law’s passage may force the actors on the Bui project to release some of the contract detail to the public, even if in condensed form. With such information, the public could determine whether the project’s benefits outweighed its costs. The passage of the Right to Information Bill into law is highly recommended in the interest greater of transparency.

Additionally, transparency can be enhanced through:

- Data/ information sharing between government establishments.
- Active civil society culture.
- Independent judiciary.

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44 Pressure from civil society groups and the media has pushed to the government to act on the RTI. All indication points to the fact that the bill would be passed into law this year baring any last minute hitch.
• Independent media.

Third, Africa’s open-door approach to investment is proving ominous. Several African countries operate under the illusion that FDI would generate employment and catalyze economic development. This agenda is synonymous to the Washington Consensus which assumed center stage late in the 20th century. One measure of these was the creation of Free-zone industrial enclaves. Because of limited support given to domestic entrepreneurs to participate in such ventures, most of the actors tended to be foreigners. These expatriates were provided with incentives which included tax exemptions and the liberty to repatriate profits home. The Chinese have taken a cue with the nature of their investment, especially the active establishment of Special Economic Zone projects in countries, such as Mauritius, Ethiopia, and Nigeria (Klaver & Trebilcock, 2011). The free-zone policy did not benefit Africa much; neither is China’s Special Economic Zones (SEZs). For African countries to tap into the opportunities provided by China’s SEZs they must:

• Give tax breaks that are measured by performance whereby only deserving firms benefit from such incentives.

• Insist on rigorous skills development in SEZs.

• Demand that Chinese SEZs outline clear vision and channels for local value addition.

• Require that Chinese SEZs develop measurable and tangible synergy with domestic entrepreneurs.
• Chinese SEZs must also have elaborate plans on how to partner and engage
domestic entrepreneurs.

Fourth, China-financed infrastructure projects must be linked to African
development. Often, advocates deny that China’s African activities are zero-sum games.
They argue China equips African countries with tangible infrastructure which reduces
transactional cost and promote development. However, cost-benefit analyses have shown
that China tends to extract more than African countries (Klaver & Trebilcock, 2011). These infrastructure projects are being exchanged for African resource; they are not gifts.
To engender sustained development through infrastructure development African
countries can consider doing the following:

• Ensuring partnership with local companies.
• Adopting proper labor practices and skills development.
• Adequate capacity in the construction sector can also be built through ensuring
  local content laws are fully enforced

Fifth, specific recommendations about improving Ghana’s construction industry

• Establishing equipment pooling plants where local contractors can rent
equipment.
• Formulate policies to help coordinate the function of construction in the country. The current situation where five ministries control various aspects of the industry
  seems to be enervating specification and standard development.
• Setting up construction banks that cater to the needs of local contractors.
• Specific trade unions must organize seminars and workshop to sensitize their members on new developments in the industry.

• Trade unions must collaborate and have a unified front.

• Trade unions must seek full implementation of law content laws with respect to big-ticket projects implementation.

6.4 Future Research
This study has argued that capacity is critical for effective African state intervention and development. The framework deployed for the analysis was based on the developmental state theory. Most of the developmental states of Asian developed during specific time and based on certain political experiences. Advances in research including works by Abdi Samatar, Ian Taylor, Ellen Hillboom have augmented this literature with insight from countries such as Botswana, Mauritius, and South Africa. Similarities between these African and Asian examples cannot be over-emphasized. Yet there is a misconception in the relationship between democracy and economic transformation. Given Ghana’s peculiarity as a stable polity for over three decades and its relatively strong economic performance, it represents a unique opportunity to study the relationship between the country’s democratic culture and institutional development. This study is necessary because of the existing misconception between democracy and development. My field work in Ghana found a lot of public sector actors claiming that because Ghana is democratic that was enough for sustained economic transformation. The experiences of Asian countries suggest otherwise. Development and transformation require serious and sustained investment with adequate focus on institutions that deliver tangible goals. A careful geographic inquiry is required to push this agenda forward. Tied to these issues of
democracy and development is also the need to study how local institutions may shape and determine the nature and forms of Chinese interventions in Africa. The examples presented in Chapter Five shed some light on this conundrum. But more work is required to clarify the nature of such a relationship.

Energy justice is another area of research for the future. From a state of total neglect of dam displaced communities in the 1950s, the literature on large dam has evolved to where multi-stakeholder involvement is considered a rule. These changes were forged by sustained research in anthropology, geography, and sociology. The World Commission on Dam report released in 2000 has revolutionized how various interest groups can be harmonized in planning large dam projects. The report recommended resettlement for affected population. Later works have added to this suggestion with the inclusion of economic integration. Yet there is limited work on how energy-generating facilities such as dams end up not servicing displaced communities with electricity generated by such structures. In Bui, the displaced residents live in darkness while the electricity generated by the dam is transported to urban settlements. Attending to the disproportionate sharing of burden and benefits resulting from dam construction would extend the literature on large dam and help make the post-dam economic integration for denuded population less onerous. Energy justice therefore remains one the core issues of the Sustainable Development Goals launched by the UN in 2015 (Sampath & Oyelaran-Oyeyinka, 2016).

A third area that requires serious research is adequately governing African resources for development. Resources have been identified as one key factor that attracts
China to Africa. It is a common refrain that Africa has myriad of resources but remains poor. The continuous extraction of these resources amounts to plundering if they cannot generate adequate benefits for Africans. There is need to examine ways beyond linkages that African countries can regulate and govern their resources for development. This is important because the resource sector is a specialized arena which can be limiting with respect to employment. The lack of clear plans to regulate resources beneficially may deepen enclivity. Avoiding such scenarios and ensuring that resources are meaningfully managed for development requires sustained research, which geographers can contribute to.

The fourth area that requires scholarly inquiry concerns how China African interventions are contributing to new forms of state formation in Africa. The Washington Consensus with its neoliberal packages liberalized trade and restructured African economies. The impact of this on most African countries is the lack of strong political institutions to initiate and support development. The advent of Chins has introduced new dynamics that can feed into the process of state formation. Yet how these practices play out in Africa remains unexamined. Pushing this agenda forward by interrogating how China-African interventions shapes and conditions African state building for development is particularly important in understanding how the future of the relationship would look like and the forms it is likely to take. These are important considerations in moving the conversations on China-Africa relations forward to ensure they amount to true win-win engagements.
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