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**THE IMPACT OF ETHIO-CHINA RELATIONS: FOCUS ON
INFRASTRUCTURE DEVELOPMENT IN ADDIS ABABA**

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July, 2019

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Management

THE IMPACT OF ETHIO-CHINA RELATIONS: FOCUS ON
INFRASTRUCTURE DEVELOPMENT IN ADDIS ABABA

A Thesis Submitted to the Department of Public Administration and Management of Addis Ababa University in Partial Fulfillment of the Requirements for the Degree of Masters in Public Policy and Management

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This is to certify that the research title entitles The Impact of Ethio-China Relations: Focus on Infrastructure Development in Addis Ababa, submitted in partial fulfillment of the requirements for the Degree of Masters in public management and policy, complies with the rules and regulations of the university and meets the accepted standards with respect to originality.

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Declaration

I, the undersigned, declare that this thesis entitled “the impact of Ethio-China relations: focus on infrastructure development in Addis Ababa”, is my original work and has not been presented for a degree in any other university or organization, and that all sources of materials used for the thesis have been duly acknowledged.

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Abstract

The research looks one of the growing debate and discussions regarding the relations between China and African state. The focus of the research is on the impact of Ethiopia and China's economic relations, paying attention to infrastructural development projects in Addis Ababa. The motive behind focusing on this area was mainly because of the epistemology gap that exist regarding Chinese synergies with developing countries and also the policy implications of the ever growing infrastructural development projects within Addis Ababa. In this discussion, there three major school of thoughts that have dominated the Sino African synergies that this research used in analyzing the matter. The three schools of thought that the research has used in this analysis have been the Sino pragmatism, Sino pessimism and the Sino optimism. The research has explored previous researches and previous literature that was available, to get some of the arguments surrounding the Chinese infrastructural developments in Ethiopia. The research was not solely based on secondary data, there was also primary data which was gathered in this research through interviews, questionnaires and direct observations. It was more review of the three schools of thought, to determine which one amongst the three schools of thought best describes the infrastructural development project by the Chinese in Ethiopia. The research concluded by identifying the bottlenecks in these infrastructural development project, coming up with recommendations and also identifying areas for further research.

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List of Acronyms

EIC:	Ethiopian Investment commission
ZTE:	Zhong Xing Telecom
NGO:	Non-governmental Organization
EPRDF:	Ethiopian People’s revolutionary Democratic Front
WTO:	World trade organization
AGOA:	African Growth and Opportunity Act
USD:	United States Dollar
GDP:	Gross Domestic Product
EEIZ:	Ethiopian Eastern Industrial Zone
CCCC:	China Communications construction Company Ltd. CCCC

CHAPTER ONE

INTRODUCTION

1.1. Background of the study

In the past two decades, Africa has witnessed a shift in its development and trade partnerships, with China emerging as the new biggest partner on the continent. It shall be recalled that, China's involvement in African affairs dates back to the 1950s, where it was characterized by the former supporting liberation movements that had been in momentous stages leading to independence of most African countries from the colonial masters in the 1960's (Mulugeta, 2013). These relations from the liberation struggle of Africa, have even expanded to the modern African states.

A significant number of African states have entered into partnerships, agreements and relations with China, however Ethiopia appears to be dominating the relations. Regarding the relations between Ethiopia and China, it has been one of the biggest and most successful in this age of the Chinese involvement in Africa. The case of the Chinese involvement in Ethiopia is very interesting, Chakrabarty, (2016) notes that it is a significant departure from the body of literature on China–Africa relations which has held that Chinese interest in Africa is primarily driven by hunger for resources. It is often argued that, China's diplomacy in Africa is "resource-based", however Ethiopia is not a resource rich country, it does not export raw materials to China or even have direct access to the sea ports but still China continues to expand its bilateral ties with Ethiopia (Asayehgn, 2006). Leggett concurs with this viewpoint and argues that, "A poor landlocked nation...Ethiopia lacks the vast natural resources that have drawn China's interest in other countries. It is from this viewpoint that this research is departing from, so as to have a broader understanding of the economic relations between Ethiopia and China particularly focusing on infrastructure development. It is evident that the development cooperation between the two parties are different from the ones with other states in with the Chinese have ventured into, making the case subject to research. To justify this, according to Adem, (2012), it can be noted that, Ethiopia is one of the top four African recipients of China's investment in the infrastructure sector.

Previous studies on the matter shows that, Ethiopia–China relations have grown strongly in the areas of road construction, supply of manufactured goods from China, telecommunication and installation of electric power stations by Chinese companies (Chakrabarty, 2016). The area of infrastructure development has been one area in which the Chinese investments in Ethiopia have been dominant in. China by no doubt has made its presents felt in Ethiopia’s infrastructure development, by the year 2006, the share of telecommunications infrastructure by China’s investment in Ethiopia stood at \$1.5 billion, and it was said that, when the project by Zhong Xing Telecom Corporation (ZTE) is completed, it is expected that the mobile network in Ethiopia will expand significantly (Adem, 2012). The infrastructure developments by the Chinese in Ethiopia are not only confined to telecommunications alone, Ademe (2012) further argues that, by 2009 all new construction and 66.6 percent of rehabilitation, upgrading, and maintenance of roads in Ethiopia were being done by Chinese companies. This indicates the magnitude of Chinese investments in Ethiopia’s infrastructure. There has been a general consensus among scholars, as highlighted in Thakur’s study of 2009 on Ethiopia–China relations that, China’s contribution to Ethiopia’s economic development is quite significant in infrastructure, information and communication technology and hydroelectricity projects (Chakrabarty, 2016). Despite all these previous studies and information, what remains not clear and has not been addressed much by scholars is the impacts of the infrastructure developments to the general population of Ethiopia and the question of sustainability to the country. This research seeks to take it from here as a departure point, to investigate on how and who is really benefiting from these infrastructure development project.

The discussion on Ethiopia China infrastructure development has had serious contestations and has prompted mixed feelings as indicated by previous. In this infrastructure sector, with regards to issues pertaining knowledge transfer and capacity building to the locals, it has been argued by local observers that there is an influx of Chinese technicians coming in to Ethiopia but not much is being done in terms of knowledge transfer and capacity building to the local population in this field. It has been argued further that the Chinese bring both skilled and semi-skilled workers in these projects even for low paying jobs (Adem, 2012). However, on the contrary, Adem (2012) points out that, in 2008 China launched Africa's largest vocational training school in Ethiopia and planned to open another communications training center capable of enrolling up to three thousand Ethiopians for skills training. These are some of the issues that are around China’s

infrastructure development projects in Ethiopia, and this evidently show that indeed there are different stories to tell with regards to this matter. This research seeks to establish an academic argument which shows the reality on the ground.

So far it is not yet clear on how Ethiopia benefiting from these projects, at what cost are these infrastructure development projects being done to Ethiopia, what are the implications of these infrastructure development to Ethiopia's future. According to Dollar (2016), it is usually difficult to find good and comprehensive data on low-income countries that are involved with the Chinese. Basing this argument by Dollar's, it is difficult to have secondary data on the ties between China and developing countries, thereby showing a research gap on the matter. In light of the foregoing, this research seeks to explore this matter and to contribute to the identified epistemology gap, by focusing on Ethiopia and China's economic relations, paying attention to infrastructure development.

1.2. Problem statement

The discussion on Sino-Africa relations remains of greater contestation as highlighted by the three major schools of thoughts that dominate this discussion, thus the Sino-optimism, Sino-pragmatism, and Sino-pessimism schools of thought. In this regard, Ethiopia has been one of the biggest destinations of Chinese investments in Africa and at the same time, in Ethiopia Chinese companies have been heavily investing in infrastructure development. Against this background, this research seeks to give empirical evidence on the state of economic relations between Ethiopia and China by focusing on the infrastructure development programmes by the Chinese in Ethiopia, while paying attention to the three major arguments on Sino-Africa development cooperation, regarding the applicability to the case of Ethiopia.

1.3. Objectives of the study

1.3.1. General objectives

The research aims to examine the Ethiopia and China economic relations with particular focus on to the infrastructure development relations.

1.3.2. Specific objectives

The specific objectives of the study are:

- To assess the scope of Ethiopia-China's economic engagements.
- To examine infrastructure development relations between Ethiopia and China.
- To identify the bottlenecks of infrastructure development relations between Ethiopia and China and thereby analyze the implications.
- To come up with recommendations on ways to improve the infrastructure development relationship between Ethiopia-China, and beyond

1.4. Research questions

- i. What is the state of Ethiopia and China's Economic engagements and the motive behind these engagements?
- ii. Why are the Chinese investing in Ethiopia infrastructure development?
- iii. What are the implications of the infrastructure development by China to Ethiopia?

Which areas have bottle necks in these infrastructure development synergies and how they can be improved?

1.5. Significance of the study

There has been a knowledge gap in the academic realm with regards to relations between China and developing countries. This research seeks to contribute to the body of knowledge around the topic in an effort to contribute to the policy makers and to the academic world by focusing on Ethiopia, which previous researches have not comprehensively investigated empirical evidence on why the Chinese have choose to largely invest in Ethiopia compared to other African and why much of their investments have been centered around infrastructure development. The study will also have some policy implications on how best the economic synergies between Ethiopia and China can be improved in the field of infrastructure development

1.6. Delimitations

The study is going to be on China-Africa's economic engagements, narrowing it down to focus on China and Ethiopia's infrastructure development projects. This will contribute to the discussion around the Sino-Africa synergies which scholars have failed to have general

consensus on the matter and with regards to Ethiopia, provide an explanation to why the Chinese have been massively investing into Ethiopia's infrastructure development.

1.7. Limitations of the study

The thesis may require more time than the one allocated in the timeline, however this can be overcome by dedicating more time to research. The other limitation will be on the budget of the research, it may require more funds to successfully conduct the project than the funds available, lack of cooperation to get information is another barrier and also the lack of experience of the researcher are the main limitations.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

The literature on the Ethiopia and China relations has very little data which has been recorded or researched. To our knowledge there is no study about Ethio-Chinese investment and further notes that two relevant studies have been conducted on this research and these have been done by Asayehgn, 2009 and Tegegen, 2006. Dollar (2016) also concurs to this view, arguing that, China's economic engagement with Africa is a complex issue with numerous facets and it is usually difficult to find good and comprehensive data on low-income countries that are involved with the former. He further argues that; this has been attributed to non-transparency on the part of the Chinese government and China's state-owned enterprises (SOEs). So generally, when conducting a review on Ethiopia and Chinese relations the data is limited, however makes it subject to research so as to make contributions to the body of knowledge.

2.2. Theoretical framework

In general, three strands of thought inform the on-going debate about the long-term impact of China in Africa: Sino-optimism, Sino-pragmatism, and Sino-pessimism (Seifudein 2012). These three schools of thought are the ones which shall be the guiding framework in analyzing the Ethiopia-China economic relations, while paying attention to the infrastructure projects.

The Sino-optimism school of thought sees the synergies between the Chinese and African states as a positive development for the African as it is argued that, they are the ones who are benefiting the most from the relations. Seifudein (2012) argues that, from the perspective of Sino-optimism, China's re-entry into Africa is to be celebrated; Africa stands to gain much from closer Sino-African relations. Looking on some of the developments that have been taking place regarding the relations between the Chinese and African states, indeed African states seem to be benefiting as argued by the Sino optimist school of thought. It shall be recalled that, in 2015 President, XiJinping participated in the China-Africa summit in South Africa, where he pledged US\$60 billion of support for African development (Dollar, 2016). The pledged funds were later released as promised and this gave much hope to African leaders who saw an opportunity to fuel

their countries 'economic growth, thus putting them into a better negotiating position with traditional western donors to amplify Africa's voice in international forums Mulugeta (2013).

It is also important to highlight that this emergency of the Chinese governments coming to work with African states towards development has provided an alternative for Africans from the traditional Western donors. When it comes to partnership or giving aid towards development as asserted by Dollar (2016), Western investment tends to avoid the worst governance environments, while Chinese investment is relatively high in those locations. This generally brings out an element of conditional aid on the part of Western partners while the Chinese aid is unconditional and at times tend to be high in those areas the West are not willing to work with or give conditions. On the other end, China has actually benefited on more than one occasion from the synergies with African states as it has secured strong allies in the UN's voting patterns, strong show of voting unity by the Africans, a good example is that China was awarded the Beijing Olympics because of an "en bloc" vote by Africa during the IOC decision-making process and that Africa has also helped China many times in preventing Taiwan from getting enough UN attention in its bid to gain a UN seat (Bodomo, 2009). Against this background, it then rationalizes the argument put forward by the Sino optimist that, the synergies between African states and the Chinese provides for a win-win situation.

The Sino Pessimist school of thought is very critical on the relations between African States and the Chinese, it argues that it has a negative impact to African states. According to the Sino-pessimist paradigm, Africa's engagement with China will perpetuate the structure of dependency and underdevelopment that is already in place and, moreover, inhibit or block Africa's efforts to overcome it Seifudein (2012). However, it is very important to note that, the Sino pessimist school of thought is largely shaped by Western media and scholars. Over the past years the world has witnessed headlines from Western media, which have heavily criticized the Sino-Africa synergies such as, "*Into Africa: China's wild rush, China in Africa: Investment or exploitation? Clinton's wars against new colonialism in Africa*" (Brautigam, 2015). The media creates a discourse which portrays a negative image to these relations. This has resultantly, prompted scholars like Deborah Brautigam to draw the line on China-Africa relations by noting the myths that are created on these relations. Brautigam (2015) argues that there are five myths that persist in the West regarding Chinese involvement in Africa which are: China is in Africa only to

extract natural resources; the scale of China's investment is enormous; Chinese companies only employ Chinese workers; China's Aid is a vehicle for securing oil and mining rights; and China has its eyes on African land and perhaps even a plan to send Chinese peasants to Africa to grow food and ship it back to China. These myths put into context part of the arguments that are given by scholars with regard to China-Africa relations.

It is also important to note that these arguments are also largely shaped by geopolitics. To this end, US global power is in decline, and US politicians' have explicitly named China as its "biggest threat" for now and in the coming years (Zhoa, 2018). However, the Sino pessimist school of thought cannot be generally argued to be an argument which has Western influence, there is an element of truth in this argument, and it has even seen non-Western scholars sharing similar views. Emmanuel Hevi, a Ghanaian who studied in China and wrote both from the perspective of 'Africa in Peking' and 'Peking in Africa'. Dedicating his book *An African Student in China 'To Mother Africa'*, he sought 'to tell Africa what China is really like'. He argues that, the Chinese involvement and massive projects in Africa was a second wave of imperialism, this time with different imperial masters (Large, 2008). Also important to note is that, the scholarly and media studies that proliferated in the late 2000s were in large part a response to China's renewed and expanding interests and activities in Africa this explains why the bulk of this literature positioned the issue as "China in Africa" or "China-Africa" rather than the other way around (Monson and Rupp, 2013).

It is a well-known fact that, China as a fast developing economy has realized that it needs a lot of raw materials such as oil, gold, diamonds and iron ore of which Africa has vast reserves, Africa on the other hand realizes that it needs to seek new partnerships for development beyond the Western economies that it has relied on over a long period of time (Bodomo, 2009). So basically, despite the Sino pessimist school of thought being largely influenced by the West, it has generally evolved to question the Chinese expansion in Africa and it bares history in mind that not so long ago, the Western colonialist entered, colonized and exploited Africa in the same manner the Chinese are doing.

The Sino-pragmatism school of thought, proceeds with caution in analyzing the synergies between the China and African states. From the perspective of Sino-pragmatism, China's greater involvement in Africa may be neocolonial in consequence, if not in intent, since the logic of

capital is the same whether those in the driving seat are Europeans, Americans, or Chinese. But it is nevertheless too early, pragmatists say, to make a sweeping judgment on whether the disadvantages of a deeper Afro-Chinese economic engagement will outweigh the advantages for Africa, and China should be given the benefit of the doubt (Seifudein, 2012). Unlike the Sino optimism or the Sino pessimistic school of thought, the Sino pragmatism does not give a one-sided conclusive argument, rather it is depending on the outcomes of the synergies to determine whether they are positive or negative for Africa. It is from this Sino pragmatism school of thought, that the scramble by Western governments, international organizations, and NGOs to assess the implications of China's rise in Africa and how to 'engage' China over Africa, and Africa over China, continues (Large, 2008). It seeks to set the right precedents on the relationship between the two parties to avoid an exploitative relationship or one-way engagements in terms of benefiting.

2.3. Ethio-China economic relations: Historical Developments

The bilateral relations and cooperation between China and Ethiopia started in 1956, however over the period 1974-1992, when Ethiopia was under socialist system, which was the Soviet Union version of socialism, Ethiopia's interaction with China did not see much change (Monson and Rupp, 2013). For the purposes of analysis, this research is focus shall be mainly on the literature from 1991 as it has been highlighted that before not much took place between the two and as argued by Seifudein (2012), to understand contemporary Chinese involvement in Ethiopia, much focus must be on the reign of the EPRDF.

The Chinese involvement in Africa has been in many sectors, in this literature review much attention is on the Chinese in the infrastructure development projects in Ethiopia. It is argued that, when analyzing the Chinese doing business in Africa, Chinese commercial actors can be loosely grouped into three categories: large, state-owned enterprises (SOEs) pursuing infrastructure and resource projects; large-to-medium private interests pursuing a range of markets; and small, private merchants farming or selling within African marketplaces (Thrall,2015). In this study, the focus is on the Chinese state-owned enterprises as they are the one who are pursuing infrastructure and resource projects in Ethiopia and also in terms of value, state-owned firms have been by far the most active in Africa. In terms of geographic

concentration, the majorities of Chinese projects are in the capital (Addis Ababa) and its surrounding (Alemayehu and Atnafu, 2009). This explains why this research is solely focusing on Addis Ababa.

During the early years of the EPRDF not so many developments took place regarding to the relations and cooperation with China. It is argued that, in light of the decline of leftism and the ideological triumph of the West (and considering it was the West, and specifically the U.S, that blessed and even facilitated EPRDF's march to Addis Ababa in May 1991), EPRDF deferred any ideological solidarity with Beijing when it assumed power, but this was all to change in the middle of the decade (Seifudein, 2012). In the early days of the EPRDF, the Chinese were not a favorable ally considering the West and the Americans influence to the rise of the EPRDF. Basically, this background gives a broad understanding to the shift in allies and birth of new relations between Ethiopia and China. It also gives an explanation to why the Sino pessimist school of thought is very critical of these relations as they have emerged to be a threat to American and Western hegemony since the emergency of these synergies.

The years 1995 and 1996 constituted a turning point in the relations between Ethiopia and China. In 1995 for the first time, the Ethiopian Prime Minister Meles Zenawi visited China and the following year, the President Jiang Zemin visited Ethiopia (Seifudein, 2012). This marked the beginning of strong synergies between the two countries. Seifudein (2012), points out that, in 1998 the two countries formed the China-Ethiopia Joint Commission, whose major task was to review and assess the bilateral relations every two years and recommend measures that would contribute to their further consolidation. From this period up to date, the relations and cooperation between Ethiopia and China began to grow. The Sino - Ethiopian bilateral trade sharply rose following the Chinese accession to the WTO in the year 2000 as well as following its firms desire to exploit the AGOA opportunity given to Ethiopia. Alemayehu and Atnafu (2009).

From the beginning of the new millennium, the relations between China and Ethiopia started to expand than anticipated. Alemayehu and Atnafu (2009) notes that, the Chinese investment in Ethiopia have been growing since the year 2000 and takes two modalities of investment: joint venture and wholly Chinese owned investment. In these growing synergies, when it comes to operation of projects in Ethiopia, it either the projects will be partnerships between the

Ethiopians and the Chinese or simply the Chinese solely operating. In Alemayehu and Atnafu research they highlight that, according data obtained from the Ethiopian Investment Agency, the total Chinese owned investment which is already operational and under implementation in Ethiopia was estimated at about 5.33 million birr (about 0.5 million USD) in the year 2001 and the cumulative Chinese owned investment in the year 2007 reached 1,179.017 million birr (about 118 million USD) averaging 147.377 million (15 million USD) per year. In this regard, it clearly shows that when it comes to projects being done by the Chinese in Ethiopia it has been more of the Chinese operating on their own and not in to partnerships. This then raises eyebrows regarding to who is benefiting from these synergies and further questions how Ethiopia is benefiting from these relations if it's a classic win-win as argued by the Sino-Optimists.

It shall be recalled that, Ethiopia experienced high rates of economic growth from 2003 onwards and has outperformed most other African countries. Its GDP grew at a rate of 10.9% from 2003 to 2013 as compared with 4% from 1993 to 2003 (Chakrabarty, 2016). Chakrabarty further argues that, this period of high growth rates in Ethiopia was also marked by an intensification of Ethiopia–China economic relations. Against this background looking from an economic perspective, the Chinese involvement in Ethiopia has produced a positive impact with a gradual increase in the GDP as noted from 2013 and 2013. It is in the beginning of the new millennium that, that has witnessed the intensification of the relations between the two parties.

The relations between China and Africa further intensified with the beginning of the new millennium. Bodo (2009). Is of the view that, with the Forum on China–Africa Co-operation ministerial conference met in October 2000 and was attended by nearly eighty ministers from forty-four African countries. At this pointing time the Chinese has established their influence in Africa, such that in this millennium, everything the Chinese touched in Africa in terms of relations turned to gold. The pace and breadth of China's economic activities in Africa became phenomenal, at one-point China cancelled US\$10 billion of debts that African countries owed it, and in 2003 offered further debt relief to thirty-one African states (Edoho, 2011). The Chinese involvement in Africa has provided an alternative and African state continue to enjoy these synergies. Coming back to the discussion on Ethiopia, Chakrabarty points out that, from the period 2002 onwards China accounts for over one-fifth of Ethiopia's total imports and growth of Ethiopia's exports to China is a more recent phenomenon. This is in contradiction with the Sino-

pragmatism school of thought, which argue against this cooperation between the Chinese and African states.

It is also important to note that, one of the key elements that lead to the increase of the Ethiopia and China cooperation was because of the fall out between Ethiopia and the West who claim to be the protectors of democracy. In May 2005 Ethiopia held a relatively open, free, and fair general election and to the surprise and dismay of the ruling party, opposition groups did extremely well, winning one-third of the seats in the Ethiopian House of Representatives, this saw a government crackdown on the opposition soon followed and some opposition groups subsequently boycotted the government, others fled the country, and still others ended up in jail (Seifudein, 2012). This crackdown in Ethiopia, meant that it was going to face challenges in accessing credit facilities from Western governments. The crackdown on the opposition generated considerable criticism and disavowal, particularly from the West, including the suspension of new lending programs of the World Bank for Ethiopia (Gebre, 2009). It is from this pointing time that the Chinese then emerged as an alternative to the Ethiopians, as they had fallen out with the West. According to what the literature on the rise of the Chinese expansion in Ethiopia, the political aspect also has some influence on it. This has been the story in Ethiopia alone, The Financial Times (2007) warned that some African leaders using Chinese loans and investments to avoid having to hold elections.

It is important to note that, Ethiopia is one of the top four African recipients of China's investment in the infrastructure sector (The other countries are Angola, Sudan, and Nigeria) (Raine, 2009). Infrastructure development has been one of the most dominant areas in which the Chinese have been focusing on in Ethiopia. Previous studies on the matter shows that, Ethiopia–China relations have grown strongly in the areas of road construction, supply of manufactured goods from China, telecommunication and installation of electric power stations by Chinese companies (Chakrabarty, 2016).

The area of infrastructure development has been one area in which the Chinese investments in Ethiopia have been dominant in. China by no doubt has made its presents felt in Ethiopia's infrastructure development, by the year 2006, the share of telecommunications infrastructure by China's investment in Ethiopia stood at \$1.5 billion, and it was said that, when the project by Zhong Xing Telecom Corporation (ZTE) is completed, it is expected that the mobile network in

Ethiopia will expand significantly (Seifudein, 2012). The infrastructure developments by the Chinese in Ethiopia are not only confined to telecommunications alone, Seifudein (2012) further argues that, by 2009 all new construction and 66.6 percent of rehabilitation, upgrading, and maintenance of roads in Ethiopia were being done by Chinese companies. This indicates the magnitude of Chinese investments in Ethiopia's infrastructure. There has been a general consensus among scholars, as highlighted in Thakur's study of 2009 on Ethiopia–China relations that, China's contribution to Ethiopia's economic development is quite significant in infrastructure, information and communication technology and hydroelectricity projects (Chakrabarty, 2016).

Since it is now well known that the Chinese are dominating, the field of infrastructure development in Ethiopia, the white elephant, which is left in the room, is on what are the effects and impacts of this dominance by the Chinese. This domination by the Chinese has generally produced mixed feelings both internally and externally. Alemayehu and Atnafu (2009) in their research highlighted that regarding infrastructure and technological developments in the telecommunication sector, China will have the monopoly position to deliver spare parts and related after sale services for the years to come, perhaps at a price much higher than the market supply price for similar quality product. This clearly shows that whatever the Chinese are doing in Ethiopia's infrastructure sector, they are looking forward to establishing long term hegemony in terms of repairs and supplying spares and at a bit higher price. They further note argue that in some of their discussion with some of their informants at the Telecommunication Corporation reveals that it seems that the Ethiopian government officials are concerned only with short run issues related to expansion of the telecommunication infrastructure without worrying about the long-run operational costs, quality and related issues. This shows that considering how difficult it is going to be for Ethiopia to maintain and service the infrastructure, the Ethiopian officials are looking at only the short-term impact and not long term impact of these developments. This is relatively one key issue, which is often raised regarding the Chinese infrastructure development project, how sustainable are they?

In the road and transportation sector, Alemayehu and Atnafu (2009) in their research noted that, Chinese have totally dominated the Ethiopian scene, in general, there are about ten Chinese firms engaging in the construction of roads throughout the country. They further went on to point out

that, these firms engaged on about 60 percent of the road works currently (2009) being carried out in the country. The study by Alemayehu and Atnafu (2009) highlighted the magnitude of the Chinese dominance in the road works which were being conducted across the whole country at that time. Of important significance is that they also showed that the aspect of minimum bid price they offer and innovative financing mechanisms they come up with. This has resultantly lead to a significant number of complains related to: the quality of the construction undertaking itself; the remuneration to the local labor which is far below the standard expected from such construction work; one also would expect high employment opportunities for local unskilled labor as one of the benefits whenever there are such big construction projects, in which such opportunities are rare from Chinese construction projects; equipment and machinery for construction purpose are imported free of import duties and tariffs owing to the incentive scheme the government set out to develop infrastructure, the Chinese use this opportunity to import technically outdated equipment which after the projects in Ethiopia are completed, invariably does not give significant service and finally, regarding the Chinese projects, it is reported that the standard of the Chinese labor (and also products) is by far below the international standard (for example, in terms of sanitation, and water supply facilities). These are some of the most arguments or issues that come up when discussing the Chinese infrastructure development projects within Ethiopia.

Some scholars agree or develop further some of the issues highlighted by Alemayehu and Atnafu (2009) in their study. For instance, Alden (2007) focuses on the use of Chinese contract labor, rather than local workers in Chinese-sponsored projects in Ethiopia which is being criticized locally. This has been of the major concerns regarding the excessive use of Chinese labor over local labor. This has cause even further concern around issues to do with skills transfer as argued by Asayehgn, (2009) when he noted that the skill transfer is very limited in his case study of Chinese infrastructure development projects in Ethiopia. Seifudein (2012) attributes this lack of skills transfer and capacity building from the Chinese to the Ethiopians to them (the Chinese) bringing both skilled and semi-skilled workers in these projects even for low paying jobs. This has largely affected the knowledge transfer and capacity building to the local population.

However, the Chinese infrastructure development projects in Ethiopia have not only yielded negative result. In a review by Alemayehu and Atnafu (2009) in the context of Chinese direct

investment in Ethiopia is the planned Chinese industrial zone in Ethiopia. A Chinese Investment group, Jiangsu Qiyuan, had finalized preparation to construct a private Industrial zone in Ethiopia. It is further argued that the zone was to be constructed some 37km south of the capital, Addis Ababa. Eighty (80) investment projects will be constructed at a cost of 5 about 500 million US\$), with over 20 Chinese companies were already showing interest to invest at the industrial zone which is named as Ethiopian Eastern Industrial Zone (EEIZ). The projects include textile and garment, shoe, leather and leather products, food, electrical materials and steel manufacturing sectors. When the construction of this private industrial zone comes to an end in the next 5 years it will create job opportunity to over 20,000 local people. In 2008 China launched Africa's largest vocational training school in Ethiopia and planned to open another communications training center capable of enrolling up to three thousand Ethiopians for skills training (Dollar, 2016). Generally, as mentioned earlier on, the discussion on the Chinese involvement in Ethiopia's infrastructure development projects has produced mixed feelings.

CHAPTER THREE

METHODOLOGY

3.1. Introduction

Mengistu (2013) gives the methodology section of a research as a description of how the study or research was or is to be conducted. The methodology chapter provides the methods that were employed in a study to collect and analyses data, guided by the research questions to answer the objectives of the study. It is in this regards that, this chapter focus on the research design and methodology that was used during the research; also, in this the research chapter, the ethics that guided the research shall be reviewed. The research questions mentioned in chapter one was the ones that guided the choice respondents and the techniques used to collect data for analysis. The identified methods helped to provide answers to the objectives of the research through the data that is collected and analyzed in this research.

3.2. Research design

A research design is the arrangements of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose (Tadesse, 2014). The research shall make use of the case study as its guiding research design. According to Creswell (1994) in a case study a single person, program, event, process, institution, organization or social phenomenon is investigated with in a specific time frame using a combination of appropriate data collection devices. The case study design seems to be more applicable to this study, as the research focuses on a particular phenomenon, the Sino-Ethiopia development cooperation with particular focus on infrastructure development by the Chinese in Ethiopia. The research is asking questions such as the state of Ethiopia and China's Economic engagements and the motive behind these engagements, how the Chinese are investing in Ethiopia's infrastructure development projects and the implications of the Chinese investments in the infrastructure sector to Ethiopia, are best answered by using a case study approach as they require more focus on a certain area, program or phenomenon as articulated by Creswell.

3.3. Research Approach

The research methodology can be defined as the approach which the researcher adopts on the academic discipline within which they are working on to answer the research questions and objectives (Mengistu: 2013). In this section, the research looked at the approach which has been used in its conducting and show why this was preferred over other approaches. According to Mengistu (2013) there are two approaches to empirical research, quantitative and qualitative research. The research question is answered through both qualitative and quantitative approaches with the help of a theoretical framework.

3.3.1. Quantitative approach

To understand what quantitative research approach is, there is a need to first define it. A quantitative research approach is one which the data you collect and analyze involves the accurate measurement of phenomena and, often the application of statistical analysis (Mengistu: 2013). With this definition, it can then be understood that a quantitative research is essentially concerned with numbers and anything measurable, thereby it is best suitable in a research, which involves the need to measure or quantify variables statistically.

3.3.2. Qualitative approach

Just like with quantitative approach, to best understand qualitative approach, there is also a need to first define what it is. It can be defined as an approach which is concerned with the collection of information and its analysis rather the application of quantitative methods, as such it includes the use of numbers and the accurate measurement, rather more concerned with the depth of data (Mengistu: 2013). So generally, the qualitative approach focused more on understanding and analyzing of the information of the subject under research and is less concerned with the statistical aspect. Mengistu (2013) further notes that, it will typically involve the collection of data via interviews, focus group discussions, and participatory observations amongst other. These data collection methods were aimed at having a close understanding and analysis of the subject under research.

After this review of the two research approaches, this research, have developed a hybrid or mixed approach to the research, in which it made use of both qualitative and quantitative

research approaches. The logic behind the use of both approaches, is that they both have elements which the research used to achieve its objectives. The qualitative research technique helped to observe and analyze the case in depth and the quantitative research provides the qualitative part with more evidence. The research questions were answered through both qualitative and quantitative approaches. The research has collected some statistical data on the Chinese infrastructure development projects in Ethiopia, so as determine the state of Ethiopia-China's infrastructure development projects; there were some statistical analysis and gathering of data. For instance there was a need to have an estimation of the percentage of Chinese companies involved in road construction as compared to the local companies to determine if there is Chinese monopoly in that field. All these require the quantitative approach to the study. However this is not enough, there was also a need to look at the arguments put forward in previous researches, collected primary data through interviews and observation all these required the qualitative aspect of the research, therefore it was needed to have both quantitative and qualitative research approaches in this research.

3.4. Sampling techniques

Burnes and Groove (2003) describe sampling techniques as made up of two categories namely, probability and non-probability sampling method. With probability sampling, each element has the known potential to be included in the survey, while non-probability sampling does not allow the researcher to determine this probability. According to Proctor (2003), probability sampling is regarded as based on simple random, systematic, and stratified as well as cluster/area sampling methods, while under non-probability sample include convenience, judgment and quota sampling techniques.

Non-probability also known as purposive sampling involves deliberate selection of elements that constitute sample sizes that represent the population. Elements of such a sample whose select is based on convenience or ease of access are called convenience sampling. However, such procedure may produce biased results, where the population is not homogeneous. On the other hand, in judgmental sampling the researcher employs judgment to select the elements considered to be representative of the population. Judgmental sampling is frequently used for qualitative research (MedCrave, 2017).

3.4.1. Sampling procedure and sample size

Tadasse (2014) defined population to include all items under consideration in an area of inquiry. The total sample size for this study is 25 and was selected using the purposive sampling. The researcher considered the advantage of the benefits of sampling as espoused by Brown (2006), who indicates that working with a manageable sample size reduces the costs of the research and gives more accurate results. Purposive sampling technique was viewed as the most appropriate after considering the wide area of focus and given the time frame.

According to Danzin and Lincoln (2000), purposive sampling is one of the common strategies, with participants put into categories that have been utilizing a preselected criterion viewed as suitable for the area of study. The technique is also viewed less tedious as the researcher used simply judgment to identify possible respondents. Thus, respondents were picked using purposive sampling technique by considering the expertise of the individuals in the various sectors.

The respondents formed the population 25 who comprised the following; 1 key informant representative from the Ethiopian Investment Authority, 1 key informant from the Ministry of Construction, 2 key informant representatives from Chinese companies in the infrastructure development in Ethiopia and 20 Ethiopian citizens working in Chinese infrastructure projects in Ethiopia.

Regarding the use of questionnaires, there were a grand total of 20 samples administered at for different construction projects sites, with each site receiving 5 questionnaires. The main reason why this study has handpicked the specific four sites is because they represent the main areas in which the Chinese have been involved in when it comes to infrastructure development in Addis Ababa. The four sites are namely the new stadium construction project, the commercial bank of Ethiopia construction site, and the telecommunications infrastructure expansion project by Huawei and China Communications construction Company Ltd. (CCCC) Bole Road construction project.

3.5. Data collection

There are two types of data collection methods as postulated by Yin (2003) in the field of research which are primary and secondary data, these are the data collection methods used in this research.

3.5.1. Primary Data Collection

The primary data is the information that the researcher collected as valid and as the firsthand information to the researcher. Therefore, in this study primary data's were collected through in-depth interviews to answer questions directed to the respondents without pressure, in own comfortable surroundings.

Regarding data collection methods, quite a number of methods were used, these include questionnaires, semi-structured interviews, observations and document analysis. The researcher drafted questionnaires that were administered to the ordinary Ethiopian citizens in the infrastructure development sector, whether as partners or workers, so as to have a better understanding on how the Ethiopians are benefiting, what is the status of issues such as knowledge transfer.

Interviews were also a method used in the collection of data. An interview is an interaction between an interviewer and an interviewee, in which the interviewer orally asks an interviewee a set of questions to obtain data (Annum, 2014). The researcher interviewed all the targeted subjects. Semi-structured interviews conducted with government officials responsible with investments and infrastructure development and also officials from the Chinese companies, to answer issues surrounding how both countries are benefiting from the relations, the challenges and the areas which need improvement and possible recommendations. As noted by Bhattacharjee (2012), the interviews are more personalized.

Observations was also be made by the researcher, for instance there is an argument that has been raised by previous researches that the Chinese even employ unskilled workers from China at the expense of the locals. So, this can be noted through observing how these companies operate. Reports from the government and private institutions, as part of the document analysis that was conducted for this research. Documents which can aid to get more information on the Chinese projects in Ethiopia such as reports by the World Bank were very useful in this regard.

3.5.2. Secondary sources of data

Corbetta (2003) defines a document as any substance with information on the phenomenon under investigation that exists independently from the researcher's influence, and could be a website, newspapers, letters or diaries. Documents are regarded as an important component for case studies as they corroborate and augment data from other sources (Yin 2003). Document analysis

guide was therefore, utilized to get augment the anticipated future of the relations of the two countries. Documentary searches, also known as desktop research, were employed as secondary data sources which took various forms such as official reports from government departments and ministries, academic literature written by commentators such as economists and web information.

The secondary sources included, the Ethiopian Investment Authority, Government of Ethiopia. The Ethiopian Investment Agency (EIA) is the only legal government entity that licenses domestic and foreign investment activity in Ethiopia and Ethiopian Chamber of Commerce, so it was very important to obtain some data from it so as to determine the magnitude of the Chinese companies involved in Ethiopia and see which areas they are largely involved in. The research also obtained some of the secondary data from previous researches done on this topic, this will be significant in determining and familiarizing the research with arguments around the matter.

3.6. Data presentation and analysis methods

Regarding the analysis and presentation of data, Tadasse (2014) is of the view that analysis of data requires a number of closely related operations which are performed with a purpose of summarizing the collected data and organizing these in a manner that they answer the research questions. For the purposes of this research, the researcher made use of thematic analysis. Mengistu (2013) notes that, thematic analysis is the presentation of data in narrative tabular, graphic, diagrams or charts forms. This was very useful in presenting the statistical aspect of the research and issues to do with magnitude and size of the Chinese companies dominating the infrastructure development sector. In the analysis of the data, the research did a hypothesis test, considering that the research in Chapter two has noted that there are three major schools of thought that dominate the narrative of the Chinese involvement in Africa, it is against this background that the research in that chapter explored these schools of thought to determine which one explains better the case of the Chinese involvement in Ethiopia.

3.7. Ethical considerations

The research took into account the issue to do with ethics. Tadasse (2014) asserts that, a research should have deep concern for human welfare and sensitivity for the rights of the research subject. Any research that maybe harmful, violates the ethical code of any profession maybe illegal. The

researcher took note of all ethical considerations and these ethical considerations that the researcher noted of are summarized by Saunders et al (2007: 131) as follows-:

- i. The rights to privacy of individuals.
- ii. Voluntary nature of participation- and the rights of individuals to withdraw partially or completely from the process.
- iii. Consent and possible deception of participants.
- iv. Maintenance of confidentiality of data provided by individuals or identifiable participants and their anonymity.
- v. Reactions of participants to ways in which the researcher seek to collect data.
- vi. Effects on participants of the way in which data is analyzed and reported.
- vii. Behavior and objectivity on the responses given will be respected

CHAPTER FOUR

DATA PRESENTATION AND INTERPRETATION

4.1. Introduction

This chapter dwells on the presentation and analysis of data. In doing so, it first indicates the state of Ethiopia and China's Economic engagements. Secondly, the chapter identifies the key motives between Ethiopia and China's Economic engagements. Thirdly, it reveals the rationales behind the Chinese engagement in the Ethiopia's infrastructural development. Fourthly, this chapter discusses the implications of the engagement of Chinese in the infrastructure development of Ethiopia. Lastly, the chapter provides on a conclusion for the chapter.

The research shall clearly present tin explanation he findings and give an overview analysis of the gathered data. The research findings shall be used to answer some of the questions asked by this research. For the purposes of presenting the findings, the research is going to answer the research questions as follows:

4.1.1. Presentation of findings

The table below (**table 4.1.1**) shows the research instruments used in this research and the rate of response per instrument.

Table 4.1.1 Research instrument

Research instrument	Respondents	Rate of response	
		Number	Percentage %
Interviews	EIC officials	2	100
	Ministry of Construction officials	2	100
	Chinese Companies representatives	2	100
20 questionnaires	male respondents	16	80
	Female respondents	0	
	Non-respondents	4	

A total of six interviews were conducted by the researcher with three different set of groups. The first set of interviews were with two representatives from the EIC, the second set was with two officials from the Ministry of Construction and the last set was with two representatives from two different Chinese companies. Recording of the interviews were done on both a note book and a voice recorder. As for the questionnaires a grand total of 20 questionnaires were issued out in four different locations within Addis Ababa. Out of a total of 20 questionnaires which were targeting the Ethiopians working for Chinese companies, 16 of them were responded by the male workers, none by the females and 4 of the questionnaires did not receive any response.

4.2. The state of Ethiopia and China’s Economic engagements

From the gathered information from 85% of respondents from the Ethiopian Investment Commission, the interview shows that there are strong economic synergies between Ethiopia and China. Since the start of the new millennium drastic changes have been noticed, not only in the economic relations between Ethiopia and China but across the whole African continent. The information obtained from the EIC, as noted by one of the respondent citing some documents which could not be availed to the researcher, it showed that, the year 2002 saw the total trade (both imports and exports) value of the two countries reaching USD 100.12 million, of which the Chinese export took up USD 96.43 million with Ethiopia’s import of USD 3.69 million, the total export and import trade has grown to over USD700.00 million (Ethiopia’s export growing to over USD120 million) in 2006 and over one billion USD in 2009. These figures show a sharp increase in the growth of economic relations between the two parties and as the years progressed, the numbers kept on increasing.

Table 4.2.1 Trade patterns between China and Ethiopia

Year	Country	Import Value	Export Value	Grand Trade total value
2002	China		US\$ 96.43 million	US\$ 100.12 million
	Ethiopia	US\$ 3.69 million		
2006	China	US\$120 Million		US\$700.00
	Ethiopia		US\$120 Million	
2009	China	Over 1 billion		
	Ethiopia		Over 1 billion	

Source: Ethiopian Investment Agency. Page 34. May 08 2019.

Analysing the above data obtained from the Ethiopian Investment Agency (2019) during the interviews with one of the respondents, it was noted that, the total Chinese owned investment which is already operational and under implementation in Ethiopia was estimated at about 5.33 million birr (about 0.5 million USD) in the year 2001. The cumulative Chinese owned investment in the year 2007 reached 1,179.017 million birr (about 118 million USD) averaging 147.377 million (15 million USD) per year. In some years, such as the year 2004 it has reached about 107 million USD. It was in the new millennium that the economic ties started to increase. As of 2018, the Ethiopian Investment Commission gave information which showed that close to 379 projects were either operational or under implementation during the past 5 years, of the 379, 279 were set operational projects that worth over 13.16 billion ETB (over 572 million USD) while the remaining 100 are under implementation. So, comparing the statistics from the first decade of the 2000s and that of 2018, it shows that there has been a sharp increase in the amount being invested by the Chinese in Ethiopia, which shows the growth in the foreign direct investment as part of economic synergies.

Figure 4.2.2. The average annual amount money invested by the Chinese in Ethiopia

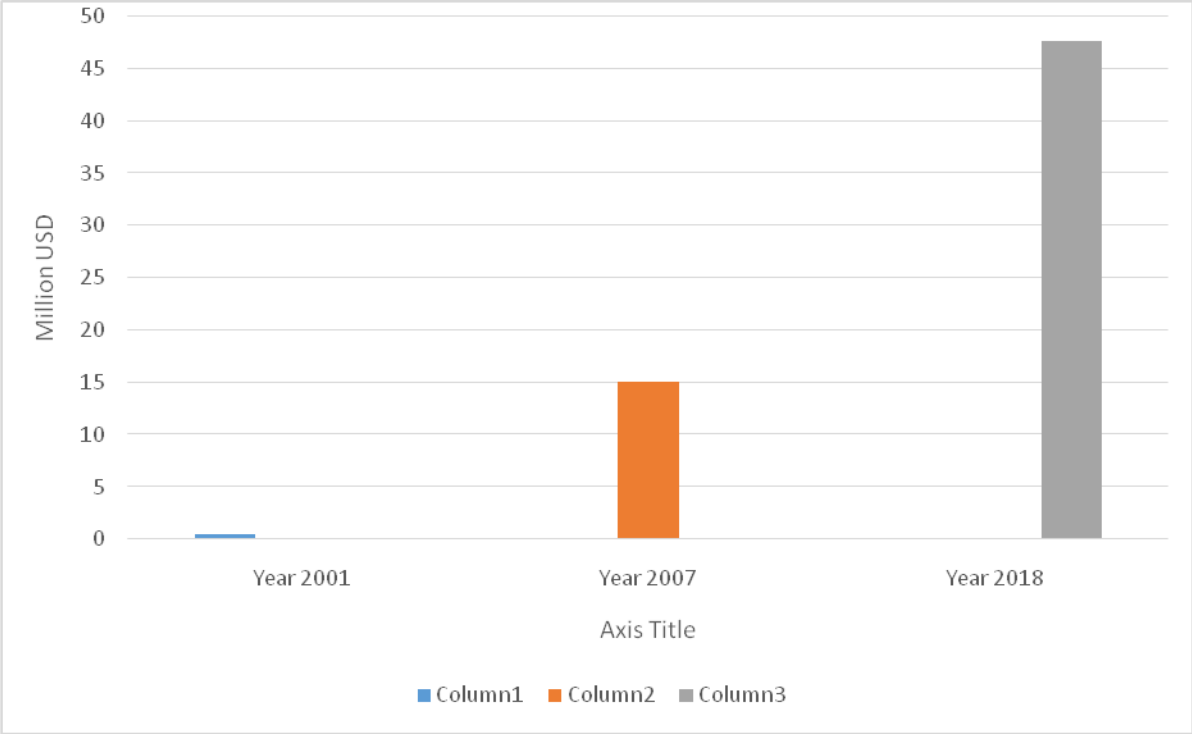


Figure 4.2.2, Source:summary of the average annual amount money invested by the Chinese in Ethiopia. Source: Ethiopian Investment Journal. Volume 12, August 2018. Page 12.

The bar graph above illustrates the magnitude of the increase in Chinese companies in Ethiopia from 2001 up to 2018 and the increase in the amounts being invested also translate to an increase in the investments. Regarding Ethiopia-China economic relations in the infrastructure development sector, the gathered information from the Ministry of construction showed that there were at least 154 licensed companies operating in Addis Ababa within the construction sector, with already almost half being operational, a quarter under primary implementation and the other half at the stage of secondary implementation. *Source: Ministry of Construction, April, 2019.* Against this background, the findings from the research show that, there is a continuous increase by Chinese companies in investing in Ethiopia since the start of the new millennium up to date.

The representatives from the Chinese companies also cited that, the relations between Ethiopia and China continue to grow year by year, especially in the economic sector. They largely attributed this to the fact that the Ethiopian economy is one of the fastest growing economy and as a result, China would not want to miss an opportunity to work with like-minded states as in the past two decades, China itself emerged as the world's fastest growing economy.

4.3. Rational for the Chinese investing in the infrastructure development in Ethiopia

As the case on why the Chinese economic engagements in Ethiopia are continuing to grow, the matter on why the Chinese are investing in Ethiopia can be attributed to several factors to be discussed as follows: 70% of Chinese respondents during the interviews maintained that the issue of ownership of the projects in Ethiopia's infrastructure development sector has proved to be very important in these developments. One of the representatives from the EIC during the interviews noted that, the Chinese investment in Ethiopia has been growing since the year 2000 and takes two modalities of investment: joint venture and wholly Chinese owned investment. These modalities of investments have proved to be quite a flexible approach for the Chinese business community in the infrastructure development sector, which seem to be favoring it the most. The respondent from the EIC both concurred that the model of build, operate and transfer have also been a favorable approach for both parties -the Chinese and the Ethiopians. On the Chinese side they will embark on a building project, upon completion they will own it for a few years. This will give them returns and after the stipulated timeframe, they will then transfer the

ownership of the project to Ethiopian authorities. It was also noted by one of the respondents from one Chinese company working at the construction site of the new Addis Ababa stadium that, since Ethiopia is growing to become the hub of Africa or a portal of globalization, especially when it comes to Addis Ababa which connects Africa to Asia, Middle East and Europe, embarking on massive infrastructure development projects has given them the platform to market some of their works and products.

Generally, noting from the responses, there are some pull factors which have attracted the Chinese companies to come and invest in Ethiopia's infrastructure development projects. Firstly, it is important to note that, Ethiopia is emerging and competing to be one of the power houses in the region and Africa, in terms of the strength of states in the international relations arena as noted by the respondents from the EIC. This then requires the country to have strong infrastructure domestically. One of the respondents from the EIC was of the view that, this can be noted by Ethiopia's ambition of developing the strongest airline on the continent, which it has already achieved and this also explains the expansion of the Bole International Airport. The expansion of the airport is not solely based on the fact that Ethiopia has the biggest airline on the continent, rather it is also a point which is connecting Africa to other parts of the world. This is just an example of some of the big projects being done in Ethiopia, Addis Ababa, as part of the consolidation of power by Ethiopia, which has attracted the Chinese companies to come and invest in the infrastructure sector. One of the major projects which the respondents from the Ministry of construction and the EIC noted, was the construction of the first modern light railway (train) system of sub Saharan Africa in Addis Ababa. This is one of the biggest projects being done by the Chinese in Ethiopia and which will differentiate Ethiopia from other African states in its quest for supremacy on the African continent. It is also important to highlight that this project has not only about the quest for supremacy on the part of Ethiopia, the researcher also did some observations in the areas along the railway line and observed that, this urban rail has also started to attract investments close to the lines, as apartments, malls, businesses and condos are being built, changing the landscape. According to the Chinese respondents, some of these new investments being done are also being spear headed by Chinese companies, which also explains why they continue to invest in Ethiopia's infrastructure sector.

One of the other reasons which was cited by the respondents from the Ministry of construction on why the Chinese companies are investing in Ethiopia's infrastructure sector was that Ethiopia provided an opportunity of an untapped market for Chinese companies in construction. They even further noted that, as of the early 2000s when the Chinese started to expand into Ethiopia, not much developments had been done in the country's infrastructure development sector. Most of the roads, buildings and other structures were not as modern as there are now. 100% of respondents from the EIC and Ministry of construction made reference to the Ethio-China friendship road as an example of the modernization projects, which saw one of the main roads in Addis Ababa being modernized. This alone shows how the Chinese companies are taking advantage of the untapped markets and opportunities. This has not only been in the road construction sector; it has also been the case in the construction of the new stadium. They also noted that, the Chinese are playing a lead role in the construction of a new stadium in Addis Ababa, which also shows how much the Chinese are capitalizing on the opportunities that are surfacing in Ethiopia. After having this, it can then be noted that Ethiopia has also presented so many investment opportunities for the Chinese in the field of infrastructure development, which then explains why the Chinese have largely expanded in this field.

4.4. The implications of the Chinese infrastructural investments and construction service in Ethiopia

The infrastructure development projects by the Chinese in Ethiopia have both positive and negative implications. This assertion is a conclusion based on the response of four Ethiopian each working on four Chinese construction sites. The sum total of the respondents comes to 16 out of the 20 questionnaires administered bringing the total percentage of respondents to 80%. These four respondents with similar work descriptions are: Crane Operator, driver, daily labor personnel and Engineer.

4.4.1. Negative implications

To start with the negative implications of the infrastructure development projects in Ethiopia, during the research, instruments for data collection in form questionnaires were administered on key players as indicated above. 50% of the respondents maintained that the Chinese Infrastructural investment in Ethiopia is mainly political as it seeks to deepen the diplomatic

relationship among the two countries and not having a direct positive bearing on the life of the common dwellers in Addis Ababa.

On the sustainability of Chinese Investments and construction in Addis Ababa, 50% of respondents maintained that the projects are not sustainable due to the cheap materials in use and the discovery of standard manipulation to maximize profit and compromise quality without a trace. It was further asserted that most of the daily jobs in all these Chinese companies are being shared with lots of Chinese nationals who recruited to undertake menial, non-skilled jobs with different remunerations that should have been restricted to Ethiopians.

100% of Ethiopian respondents maintained that Ethiopian companies in the building and construction sector are better employers because the Chinese are exploitative, there is no fixed working hour, salary is not paid on time and there is language problem so communication is hard, they don't respect us and they don't follow rules by the Ethiopian labor law but working for Ethiopian companies' employers, rights are well respected.

On skills transfer and professional knowledge sharing, 100% of respondent employees posit that nothing is being done to enable skills transfer to the local population both in the immediate and long-term basis. When it comes to medium and high-level jobs, there is no knowledge transfer and they don't speak English or have a translator and they want to dominate the professional sectors by Chinese employees only. They are creating dependency instead of knowledge transfer by bringing unskilled labor force into the country and also making the Ethiopian engineering graduate out of jobs because of the dominating Chinese projects in Addis Ababa and they are hiring Chinese engineers instead of hiring locals and giving them employment opportunity. The Chinese are said to be exploiting the country's resource and manpower and corrupting their ways in projects yet they get paid for their projects by Ethiopian government, by this they dominate the market and get the locals out of job.

85% of respondents further emphasized these disturbing fact on Ethio-Chinese investments Challenges faced by the Ethiopians working for the Chinese includes but not limited to: No work area safety; No overtime work payment in remuneration, illegal salary deduction without reasonable cause ; Physical and psychological abuse by the Chinese national on sites without impunity, Over working with cheap labor consideration with daily sustenance allowance

translating to forcing employees to do more jobs outside the job descriptions and not paying accordingly.

The researcher further observed that new buildings being constructed by many Chinese companies were being constructed in areas which some of the local citizens used to stay and do business. This has not only negatively impacted the locals by displacing them, the local businesspeople are now left with no option than to go to the newly constructed buildings which are expensive in terms of rent. This has had a domino effect as it has even affected the incomes of the average family surviving on these small businesses. The example of the displacement of many local citizen during the construction of the new railway line in Addis Ababa, displaced many Ethiopian citizens from the ordinary life they were used to in those areas, despite having new condominiums constructed for them, the new accommodation sites have proved to be a bit expensive in terms of rentals and it has been argued that some of the sites they have been relocated to are a bit far away from where they used to be.

One of the negative implications the Chinese infrastructure projects have in Ethiopia, which the researcher observed was the cost of maintaining and repairing some of the infrastructure which has been built. After observing most of the Chinese projects in the infrastructure sector, the researcher noted that, most of the buildings, roads, and rails amongst others require highly skilled individuals to maintain them and also that some of the materials used are not produced locally, which will require them to be imported. Geda and Meskel (2009) in their research concurred with the researcher's observations that regarding infrastructure and technological developments in the telecommunication sector, China has the monopoly position to deliver spare parts and related after sale service for the years to come, perhaps at a price much higher than the market supply price for similar quality product. It can then be argued that, whatever the Chinese are doing in Ethiopia's infrastructure sector, they are looking forward to establish long term hegemony in terms of repairs and supplying spares and at a bit higher price. This also concurs with what some of the respondents in Geda and Meskel (2009) research noted, in some of their discussion with some of their informants at the Telecommunication Corporation, it was revealed that the Ethiopian government officials are concerned only with short term issues related to expansion of the telecommunication infrastructure without worrying about the long-term operational costs, quality and related issues.

The fact that 100% of respondents in the questionnaires raised the issue of the Chinese companies not doing much in terms of skills and knowledge transfer to the locals means that, the government has to contract again experts to come maintain and repair the structures. This has been the issue that has been raised in chapter 2, one of the key issues raised was that through the Chinese expansion in the infrastructure sector, it has been assumed that there will be greater employment opportunities. However, one of the major responses noted in the questionnaires by 85% of respondents who are Ethiopian nationals working for the Chinese companies was that the Chinese companies have a significantly higher number of Chinese employees working for them even engaged in unskilled labor which the locals can also do. Scholars such as Alden (2007) has strongly criticized the use of Chinese contract labor, rather than local workers in Chinese-sponsored projects in Ethiopia which is being criticized locally, while Asayehgn, (2009) noted that, the skill transfer is very limited in his case study of Chinese infrastructure development projects in Ethiopia, while Adem (2012) attributes this lack of skills transfer and capacity building from the Chinese to the Ethiopians to them bringing both skilled and semi-skilled workers in these projects even for low paying jobs. These scholars are actually in agreement with what the researcher observed in this research, which can then be summed up to be that, the Chinese infrastructure development projects have raised so many questions regarding their maintenance and skills transfer.

Not to dwell much on the negatives, the infrastructure development projects by the Chinese in Ethiopia has produced a fair share of positives as concurred by 60% of respondent from the EIC and the Ministry of Construction. One of the positives to be noted has been the issue discussed earlier on, of bringing state-of-the-art infrastructure to Ethiopia. Examples such as the construction of the urban railway line, the first of its kind, the construction of a state-of-the-art modern stadium which has even inspired Ethiopia to try and bid to host the Africa Cup of Nations Soccer tournament in 2023, the expansion of the Bole international airport, construction of the Ethio-China friendship road amongst others. According to some information obtained from the EIC dating 2015, the Chinese share in total contract amount in road construction, electricity and telecommunication sectors over the last years has shown a steady increase, Chinese firms are cooperating with the Ethiopian Road Authority, the Ethiopian Telecommunication Corporation and the Ethiopian Electric Power Corporation; helping them

build much needed electric power stations and roads. These are positive implications of the infrastructure projects, as it means that Ethiopia will have greater improvements in those areas.

Within the road construction, 100% of respondents from the Ministry of Construction noted that, the Chinese support of road construction in Ethiopia and financed through the provision of grants, partly grants or loans, are well distributed throughout the country. Such as many road projects started in Addis Ababa since 2003. Within Addis Ababa, the Chinese Road and Bridge Construction Company has been very active and engaged in several projects. Some of the projects are grant projects though they are undertaken by the Chinese companies. This shows the magnitude of the projects being done in the road construction sector within Addis Ababa by the Chinese. Figure 2 shows the number of companies that were operating in Addis Ababa in the year 2013 and the cost of the projects, to show how big the investments are.

Table 4.5.2: China’s Engagement in Road Construction in the city of Addis Ababa

No	Road segment	Cost of construction USD	Remark
1	Alert Hospital - Keranio	3.8 million	
2	Mekanisa Square-Anbessa Garage	455,000	
3	Adwa square-CMC-Ayat	16 million	
4	Lafto Lebu-Mekanissa Settlement Area	9.3 million	
5	Winget Square-Gojam Road	44.8 million	
6	Gotera Interchange	12. 8 million	Grant
7	Megenaga-British Embassy	23.18 million	Partially Grant
8	Yekatit 12 Square-Afincho ber-Semen Hotel	5.9 million	
9	Ethio-China friendship Road	3.9 million	Grant
10	Ring road phase	70.7 million	The cost of 601 million covers both phase 1 and phase 2 of the project
Total		45,5000.00	

Source: - Addis Ababa Road Authority’s unpublished report 2013; Fantahun. 2013; Tegegne, 2006.

100% of respondents from the Ministry of Construction noted that, the coming into infrastructure projects by the Chinese has made the Ethiopian construction companies want to upgrade their manpower and technology, so as to be able to compete with the Chinese companies for government tenders for the projects, and the Ethiopian companies are actually learning many skills from the Chinese companies by working together on some of the project work the Chinese outsource to the local contractors. However, this may sound contradictory to the assertions made earlier regarding skills transfer; this is said to be happening in times when local companies and Chinese companies only partner up.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1. Conclusion

The research has managed to come up with several explanations as to why there has been growing economic ties between Ethiopia and China and how the Ethiopians are benefiting. In Chapter 2, three schools of thought have been raised to be the ones that have been dominating the discussion on the relations between the Chinese and Africa states and these are, the Sino-optimism, the Sino-pragmatism and the Sino Pessimism. It is in this regards that this research is reflecting on the gathered information against the assumptions of the three schools of thought as part of the hypothesis testing.

The perspective of Sino-optimism, argue that, China's re-entry into Africa is to be celebrated; Africa stands to gain much from closer Sino-African relations. Dollar (2016), along the Sino-optimism school of thought notes that, Western investment tends to avoid the worst governance environments, while Chinese investment is relatively high in those locations. In the gathered information, it shows that in the period of 2005 the Ethiopian regime at that moment fell out of favor with Western investors, which meant that Ethiopia was no longer a top investment destination for the Western countries. This then saw the Ethiopian regime getting closer to the Chinese investments, as they provided with an alternative source of investment to the Ethiopians. Chinese investments and unconditional aid that is why they have been widely accepted not only in Ethiopia but in many African states. With this explanation it can be noted that, the Sino-optimism can be used to explain the relations between African states and Chinese companies, while also taking into consideration how most African states have benefited as noted in this case of Ethiopia.

However, from the gathered information, it will be unjust to totally dismiss the Sino Pessimist school of thought. It argues that, Africa's engagement with China will perpetuate the structure of dependency and underdevelopment that is already in place and, moreover, inhibit or block Africa's efforts to overcome it, scholars such as Large (2008) argue that, the Chinese involvement and massive projects in Africa was a second wave of imperialism, this time with different imperial masters. These views cannot be totally dismissed, considering the complaints

which have been raised as in the case of Ethiopia of lack of skill and knowledge transfer and the dominance of Chinese workers in the projects over the local population. Also, there is need to take into consideration the sum of money that is being invested by Chinese companies especially as indicated in Ethiopia's infrastructure development, they show that the Chinese are here to stay and they have long term plans which explains why they have not invested much in skill transfer. However, the study cannot be totally dependent on this school of thought as it has some motive behind the serious criticism and not much based on facts. The scholarly and media studies that proliferated in the late 2000s were in large part a response to China's renewed and expanding interests and activities in Africa. This explains why the bulk of this literature positioned the issue as "China in Africa" or "China-Africa" rather than the other way around (Monson and Rupp, 2013). This only calls for a cautious approach when analyzing the synergies between African states and the Chinese, not to be too optimistic.

The Sino-pragmatism school of thought proceeds with caution in analyzing the synergies between the China and African states. From the perspective of Sino-pragmatism, China's greater involvement in Africa may be neocolonial in consequence, if not in intent, since the logic of capital is the same whether those in the driving seat are Europeans, Americans, or Chinese. But it is nevertheless too early. The Sino-pragmatism approach presents a much realistic approach to the relations, as it does not rush to conclude on whether to criticize the economic ties. Even now it is almost two decades into the grand expansion of the Chinese into Africa, basing from the case of Ethiopia and the Chinese in the infrastructure developments sector, it is still proving to be too early to come to a conclusion regarding the relations. It shall be recalled that in explaining the motive behind the Chinese engagements with Ethiopia in economic ties cannot be attributed to one party, rather a combination of push (factors which have seen China's desire to come to Ethiopia) and pull (factors which has attracted China to come to Ethiopia and Ethiopia's desire to have Chinese investments.).

5.2. Recommendations

In this last section of the research, attention shall be on giving recommendations on what needs to be improved regarding Ethiopia and China's economic relations, particularly focusing on infrastructure development by Chinese companies in Ethiopia and also how this can be improved. Before giving the conclusion, the research shall identify an area for further research. However, to come up with fair and just recommendations, the research shall first attend to the third research question which was not addressed in the previous chapter.

Which areas have bottle necks in these infrastructure development synergies and how they can be improved?

In presenting the findings and analysis of previous researches, there were some questions which were raised regarding the Ethiopia China relations particularly focusing on infrastructure development. It is in this regard that, in addressing these bottlenecks, the research shall first discuss the bottlenecks raised from the Ethiopia side and then focus on the concerns from the Chinese side.

The major issue of concern that can be noted from the Ethiopian side regarding the Chinese infrastructure projects has been the rate at which Chinese companies are importing labor from China, even semi-skilled laborers, has been a major concern. In previous studies and during the surveys and questionnaires, it has been clearly indicated that, instead of these infrastructure development projects actually helping the locals by creating jobs, the Chinese companies have faced serious criticism of importing even untrained professionals which the locals can even fill in those gaps and work with the companies. This clearly shows that there is a gap in terms of policy and regulations regarding how the labor force in these projects should be constituted. The major assumption with these kinds of projects is usually they will benefit the local populations through employment creation. Not to take away much from the projects, the Chinese have been employing the Ethiopians but the rate at which they have been importing labor from China, is the one which has become alarming when taking into consideration the fact that, some of the jobs they are importing labor for can be done by the ordinary Ethiopian men.

Against this background, this calls for the Ethiopian government to tighten up the policy and regulations regarding the proportional representation of workers, so as to let the locals benefit from the projects. This will also help in cutting the cost of importing labor, as at times importing

labor does not only undermine the locals, rather it is also expensive. This calls for the government of Ethiopia to adopt a proportional representation policy of Ethiopian nationals in every Chinese project, this will help to regulate the importation of labor and make use of the local talent. Through a proportional representation policy, it will be a well-known fact that in every project being done by the Chinese even beyond infrastructure development, there will be a certain percentage of Ethiopian national working in the projects. Not only does this help in cutting the labor cost or employment of locals, it will also contribute towards capacity building and skills transfer.

Speaking of capacity building and skills transfer, it has been also one of the major concerns raised regarding the infrastructure development projects by the Chinese. Strong concerns have been raised through previous researched regarding issues to do with capacity building and skills transfer, and even the researcher during the observation she made during the research, she questioned the element of sustainability of the Chinese projects, as the main area of concern was regarding poor capacity building and skills transfer. This can be attributed to quite a number of reasons, with the major one regarding too much importation of labor and less maximizing the local labor force having been discussed. It also narrows down to the fact that not much is being done by the Chinese companies who are investing in the infrastructure projects in terms of skills transfer and capacity buildings. Yes, there have been cases of some vocational training schools being established so as to transfer knowledge and build capacity, but it is proving not to be enough, when one compare the magnitude of the projects being undertaken in the infrastructure sector by the Chinese especially in Addis Ababa. The poor capacity building and poor knowledge transfer on the part of the Chinese can also be attributed to the language barrier which exist between the local Ethiopians and some of the Chinese experts.

Quite a number of measures can be taken to ensure that there is adequate skills transfer and capacity building in the infrastructure development projects by the Chinese. The first major steps which the government of Ethiopia needs to do to address this matter is to come up with the proportional representation system of Ethiopian national in the Chinese companies as explained earlier on, this will help the locals to learn from the Chinese through working with them in those projects as they are being executed. The other thing which the Ethiopian government also needs to do so as to ensure that there is skills transfer and capacity building, is to come up with a giving

back to the community initiative. The giving back to the community for it to work, there is need for every Chinese project that is being done in the country or capital, they need to give back to the community through establishing training or vocational centers or by simply partnering up with the local colleges and universities so as to teach the local population how they can emulate and execute similar projects like the one which would have been done. This way it will then empower the locals such that when there is to service and maintain the projects they can also do that on their own maybe with supervision from the Chinese, it will also empower the locals to embark on similar projects elsewhere, as more is still yet to be done in the country's infrastructure development. Regarding addressing the language barrier between the Ethiopians and Chinese in working together, the Ethiopian government, needs to set minimum language requirements for Chinese professionals coming to work in Ethiopia, this will help in improving communication with the local population and even push for them to take up courses for the local language. This will help to ensure that there is better communication between the Chinese and the Ethiopians when they are working together, and language will not be used as an excuse to capacity building and skills transfer.

Closely related to the issue of capacity building and knowledge transfer is the issue regarding the sustainability of the Chinese projects in the infrastructure development sector in Addis Ababa, Ethiopia. The Chinese companies have embarked on quite a number of large-scale infrastructure developments, not only in Addis Ababa but across the whole countries. Most notably has been the construction of a new stadium, expansion of the Bole international Airport, modern urban railway system which is the first of its kind in Sub-Saharan Africa amongst others. Despite these great developments, the main questions which continue to be raised is whether Ethiopia will be able to maintain and service the state-of-the-art infrastructure. One scholar as indicated in the previous chapter actually asserted that, it seems that the Ethiopian government officials are concerned only with short run issues related to expansion of the telecommunication infrastructure without worrying about the long-run operational costs, quality and related issues. Looking at the type of structures being constructed and the materials being used, it is going to be very difficult for the Ethiopian government to maintain and service these structures on their own, they will require experts from China considering how poor the capacity building and skills transfer has been and also they will have to import materials to service, as some of them are not available on the local markets.

This then automatically means that, it is going to be expensive for the Ethiopian authorities to maintain these projects this is why the question of sustainability has been raised. It is against this background that the responsible authorities in Ethiopia need to look deep into these projects and take this issue into consideration, because it is going to be costly for them to maintain the newly built structures. They need to factor in issues to do with the servicing and maintenance of these new projects, so as to ensure their sustainability. Again, the issue of capacity building and skills transfer comes to play on this matter, as there is need for the government of Ethiopia to make sure that it is being properly done so as to develop local experts skilled enough to maintain and service these new projects in the event that they have been completed.

The infrastructure development projects in Ethiopia in as much as they have brought sanitation especially in Addis Ababa, they have disturbed the everyday life of the ordinary men in the capital. The new projects which are being done, have seen the displacement of local, eviction and relocation of many locals. This has made them very unpopular with most of the local citizens, as many of them has seen their homes being destroyed and they have ended up being relocated elsewhere far away from their lives they had been used to and they had developed a sentimental attachment with. Not only have the locals who have been affected by these developments lost their lives, they have even lost some of their businesses, as the old buildings are being replace by modern day state of the art shopping malls. These new shopping malls are nice in terms of presentability compared to the old structures, but they are expensive in terms of rentals and it has become very difficult for them to cope up with these conditions. This has been the issue also regarding the accommodation after eviction. Two main issues are raised concerning this matter, the first one being the accommodation is too expensive and that at times the areas they are being relocated to are very far away from the areas they have been doing their day to day business.

The government as a responsible authority, needs to come up with a support scheme, to support those who have been displaced or evicted through these big projects. The schemes are supposed to be giving support to the local business community especially those whom would have been affected by these developments. The scheme may be in form of loans and grants, which will help them to cope up with the new environment they will be working in, as issues to do with rentals have proved to be a cause for concern, regarding these new developments. Also, the government

needs to also come up with many options in terms of areas where people can be relocated to, that way it will give the evicted people a choice to make regarding where they will be staying.

From the statistics presented in Chapter 4 and the observations made by the researcher, it shows that, there is ever growing Chinese monopoly in competing with local companies for tenders. The Chinese companies, have dominated very much in the field of infrastructure development in Ethiopia, particularly focusing on Addis Ababa. Looking at the figures of cash which are being splashed by the Chinese companies, the competition for tenders with local companies have been crippled. The fact that most projects are being done by the Chinese in Addis Ababa, clearly shows that the Chinese have monopolized the infrastructure development sector and the local companies cannot compete with them in bidding for tenders. This has a negative impact on the country's development, as it will cripple the local businesses as they cannot compete with the big Chinese companies for tenders, rather they need the support and the backing of the government to be able to compete with them.

The government of Ethiopia must put into place some protectionist measure so as to promote the local companies, as the moment the liberalize everything, the local companies will be in no position to compete with the Chinese firms. Measures such as putting into place a form of percentage allocation of tenders to local companies so that they can have the opportunity to take the tenders. For instance, they may say that in Addis Ababa alone 35% of all infrastructure projects, need to be allocated to the local companies. This will give assurance to the local companies that they have a certain percentage of tenders reserved for them, that way it will be the promotion of local companies. The government also needs to give financial support to the local companies through loans and grants, so that they may compete for tenders with the Chinese companies. As alluded to earlier on, Chinese companies have proved that they have the financial muscle and capacity to downplay the competition from the local companies, when it comes to bidding for tenders in the infrastructure sector. The government need to provide this backing to the local companies as means of aiding them to their growth and compete with the Chinese companies when it comes to bidding for tenders. This should only be done in the infrastructure development sector alone, rather it should be done in all sectors in which local companies are competing with foreign companies, that way it will be a way of supporting the local industries against powerful foreign companies.

Not to dwell much on issues that need to be addressed from the Ethiopian side, there is also need to pay attention to the concerns of the Chinese companies and governments regarding the infrastructure development projects in Ethiopia. Generally noting from the literature which has been reviewed in this study and the findings of the research, the Chinese have been given good hospitality not only in Ethiopia, but across the whole African continent. However, the main issue which has remained as a cause for concern in these relations, has been the issue regarding how media has portrayed the relations between China and African states. Most scholarship and media houses, especially from the West have negatively portrayed the Chinese investments in Africa. This has not only happened to the infrastructure sector alone but across all works of life, the Chinese have been involved in on the African continent. The Chinese have been reported to have been looting resources from the African continent and sending them and their proceeds back to China, such that some have even coined it to be a second wave of imperialism but this time with Chinese imperialists, as this was what happened to Africa during the European imperialism.

This then calls for efforts from both the Chinese and the African states to largely invest on the scholarship and media to counter this negatively portrayed narrative of the relations. They need to work together and tell the other side of the story which tell how they see the relations, giving clarity to the terms and conditions of some of the synergies so that, they really show who is really benefiting from these synergies. If this issue is not addressed, the negative discourse regarding these relations shall continue to spread and as a result it will be difficult to differentiate the truth from lies.

Area for further research

Amongst the major three schools of thought who have been guiding this research, the research in the end of Chapter four decided to go with the Sino-pragmatism school of thought. The Sino-pragmatism school of thought argues that, China's greater involvement in Africa may be neocolonial in consequence, if not in intent, since the logic of capital is the same whether those in the driving seat are Europeans, Americans, or Chinese, but it is nevertheless too early to judge. This school of thought presents a much realistic approach to the relations, as it does not rush to conclude on whether to criticize the economic ties or praise them too much. However, Ethiopia and Africa should never allow any form of imperialism from any power, be it direct or in direct. This calls for periodic review of these relations, time after time be it in the infrastructure

development or any other sector which the Chinese may be involved in Africa. So as a way to depart from this research for further research, there is needed to closely monitor these relations time after time.

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Appendices A
Addis Ababa University

College of Business and Economics

Department of Public Administration and Development Management

Interview guide for the key informants at the Ethiopia Investment Agency

My name is Nafkot Aschenaki, I am conducting interviews with the Ethiopians working in Chinese companies in order to have a better understanding of the impact of Ethio-China Relations: focusing on infrastructure development in Addis Ababa. Information collected in the interviews shall be confidential and names of respondents for publication shall be withdrawn, all information to be published in this research shall take note of one's confidentiality. This research is for academic purposes and is part of master's degree requirements for public administration and developmental management, Addis Ababa University. I am, therefore, grateful for your attention and for the time you devote.

1. What are the motivational factors for the Chinese to invest in Ethiopia?
2. What are the main areas wherein the Chinese largely invest in Ethiopia since the start of the new millennium? Why has this been so?
3. On average per year, what has been the number of Chinese companies coming to venture into infrastructure projects in Ethiopia?
4. In the infrastructure development sector, which projects have the Chinese firms been focusing on the most?
5. What is the nature of Chinese ownership in the investments in the infrastructure sector in Ethiopia? And why is it so?
6. How is Ethiopia as a nation benefiting from the infrastructure development projects? Would you give an explanation to this?
7. What is Ethiopia giving in return to the Chinese companies venturing in infrastructure development in Ethiopia in return?
8. What impact has the coming in of Chinese in the infrastructure development made projects made to the local companies in the infrastructure development sector?

9. How sustainable are some of these infrastructure development projects being done by the Chinese in Ethiopia in terms of sustainability and durability?
10. Are any regulations or a policy regarding to the employment of locals in the Chinese companies venturing in the infrastructure sector?
11. What activities or initiatives are being done regarding knowledge transfer and capacity building to the local population?
12. What are some of the challenges being faced in the infrastructure development projects by Chinese companies?
13. What has been the impact of media especially Western Media on the projects being done by the Chinese in Ethiopia?
14. Why has the Chinese dominated in partnering with Ethiopia for economic synergies compared to other nations?
15. What measures can be taken to improve the infrastructure development projects by Chinese companies in Ethiopia in order to bring positive impact on local population?

Appendices B

Addis Ababa University

College of Business and Economics

Department of Public Administration and Development Management

Interview guide for the key informants at the Ministry of Construction

My name is Nafkot Aschenaki, I am conducting interviews with the Ethiopians working in Chinese companies in order to have a better understanding of the “impact of Ethio-China Relations: focusing on infrastructure development in Addis Ababa.” Information collected in the interviews shall be confidential and names of respondents for publication shall be withdrawn, all information to be published in this research shall take note of one’s confidentiality. This research is for academic purposes and is part of Master’s degree requirements for public administration and developmental management, Addis Ababa University. I am, therefore, grateful for your attention and for the time you devote.

1. In the infrastructure development sector, which projects have the Chinese firms been focusing on the most? And why?
2. What is the nature of Chinese ownership in the investments in the infrastructure sector in Ethiopia? And why is it so?
3. How is Ethiopia as a nation benefiting from the infrastructure development projects?
4. What is Ethiopia giving in return to the Chinese companies venturing in infrastructure development in Ethiopia in return?
5. What impact has the coming in of Chinese in the infrastructure development made projects made to the local companies in the infrastructure development sector?
6. How sustainable are some of these infrastructure development projects being done by the Chinese in Ethiopia in terms of sustainability and durability?
7. Are any regulations or a policy regarding to the employment of locals in the Chinese companies venturing in the infrastructure sector?
8. What activities or initiatives which are being done regarding to knowledge transfer and capacity building to the local population?
9. What are some of the challenges being faced in the infrastructure development projects by Chinese companies?
10. What measures can be taken to improve the infrastructure development projects by Chinese companies in Ethiopia?

Appendices C

Addis Ababa University

College of Business and Economics

Department of Public Administration and Development Management

Interview guides with Chinese companies' key informants

My name is Nafkot Aschenaki, I am conducting interviews with the Ethiopians working in Chinese companies in order to have a better understanding of the “impact of Ethio-China Relations: focusing on infrastructure development in Addis Ababa.” Information collected in the interviews shall be confidential and names of respondents for publication shall be withdrawn, all information to be published in this research shall take note of one’s confidentiality. This research is for academic purposes and is part of Master’s degree requirements for public administration and developmental management, Addis Ababa University. I am, therefore, grateful for your attention and for the time you devote

1. What are the key motivational factors for Chinese companies to come and invest in Ethiopia?
2. Which areas have the Chinese companies in Ethiopia have been focusing on?
3. In the infrastructure development sector, which projects have the Chinese firms been focusing on the most?
4. How sustainable are the projects and the infrastructure being built by the Chinese companies in Ethiopia?
5. Is there any policy or regulations regarding the percentage of workers employed (focusing on the employment of Chinese workers and the local population)?
6. Are there any activities or initiatives being done to ensure that there is capacity building and skill and knowledge transfer to the local population?
7. What are the challenges being faced by the Chinese companies in the infrastructure sector in Ethiopia?
8. What has been the impact of media especially Western Media on the projects being done by the Chinese in Ethiopia?
9. What can be done to address some of the challenges faced?

Appendices C

Addis Ababa University

College of Business and Economics

Department of Public Administration and Development Management

Questionnaires for Ethiopians working in Chinese companies

My name is Nafkot Aschenaki, I am conducting interviews with the Ethiopians working in Chinese companies in order to have a better understanding of the “impact of Ethio-China Relations: focusing on infrastructure development in Addis Ababa.” Information collected in the interviews shall be confidential and names of respondents for publication shall be withdrawn, all information to be published in this research shall take note of one’s confidentiality. This research is for academic purposes and is part of Master’s degree requirements for public administration and developmental management, Addis Ababa University. I am, therefore, grateful for your attention and for the time you devote.

INSTRUCTIONS

- I. Do not write your name or any other person’s name on this questionnaire
- II. Please tick where applicable
- III. Write your response in the spaces provided
- IV. Answer all questions.
 1. What impact has the Chinese companies venturing in infrastructure sector made? Positive [] Negative []
 2. Are the infrastructure projects being done by the Chinese in Ethiopia sustainable? Sustainable [] not sustainable []
 3. Which population dominates the number of workers in the Chinese companies in the infrastructure sector? Ethiopians [] Chinese []
 4. In the infrastructure sector which ones are better employers in terms of working conditions and the salary? Chinese [] Ethiopians [] Joint ownerships []

Please explain your answer:

.....
.....

Is there anything being done to ensure that there is skills transfer and capacity building to the local population? Yes [] No []

5. If yes can you give examples and if no why is that so?

.....
.....
.....
.....

6. Whom do you think is benefiting the most in the relations between Ethiopia and China in the infrastructure sector? Ethiopia [] China []

Please explain your answer:

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.....
.....
.....

7. What are the challenges being faced by the Ethiopians faced by the Ethiopians working with the Chinese?

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8. How can these problems be addressed?

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