

DOI: <https://doi.org/10.23810/1345.MELBER>

When citing this article please include its DOI with a resolving link

China in Namibia: An 'All-Weather Friendship' Examined

Henning Melber

7

Introduction

The rapid expansion of Chinese diplomatic links to African countries and the corresponding growing presence of Chinese companies and traders since the turn of the century have also been very visible in Namibia. While the bilateral relations between the two governments are making references to an 'all-weather friendship', the Chinese engagement is perceived less enthusiastically among the local population and often viewed with reservations if not outright suspicion and rejection, at times bordering to xenophobic behaviour and actions. Sino-Namibian relations can, subject to the eyes of the beholder, be classified as a matter of solidarity or xenophobia (Dobler 2008a). This dichotomy is reinforced by a political culture which tends to discourage "public debate on sensitive matters", which "extends to the different perceptions about China's presence in Namibia from various sectors in society" (Amadhila 2013: 74). The Namibian case is only one among several examples indicative of contrasting perceptions between government and citizens within the same country as regards the role of China.

The general analyses of China in Africa offer a variety of differing to opposite views (for summaries see i.e. Lee *et al.* 2007; Melber 2010, 2013a, 2013b). There are concerned and critical voices within the general debate that are more reluctant than others to argue for a welcoming embrace to a new global player, which after all might not change the

rules of the game but simply join the hegemonic club. Their fear is that China in the end merely offers more of the same. In particular, those representing a labor movement perspective argue that the employment conditions in Chinese companies tend to be even worse (see Jauch, Sakaria 2009; Jauch 2009). Others argue that Chinese and other companies representing emerging economies are contributing to a wider range of opportunities and should not be dismissed or ridiculed (Bräutigam 2010; Cheru, Obi 2010; Harneit-Sievers *et al.* 2010, Shinn, Eisenman 2012). They also maintain that malpractices by Chinese investors – put into perspective – would not exceed those by other external agencies. However, even highest-ranking Chinese officials are willing to admit that there is room for improvement. According to the Chinese news agency Xinhua,¹ the country's Vice Foreign Minister Zhai Jun at a forum on Chinese businesses in Africa stated on 18 March 2013 in Beijing: "Making quick money and leaving is a myopic action, and 'catching fish by draining the pond' is unethical".

This paper offers a closer examination of the Chinese-Namibian relations and the differing perspectives. It summarizes the political-diplomatic as well as the economic aspects and the responses by the stakeholders in Namibia based on the hitherto available studies and numerous reports in the local print media. It thereby seeks to add to other case studies investigating the political and economic realities in countries on the continent, where the Chinese presence has created new social facts and thereby also provoked a lively debate over the effects.

China – the (not so) new kid on the block

China has not been the newcomer to Africa many suggested since the more visible appearance of the new global power during the last 15 years. Ever since the Bandung Conference in 1955, constituting an alliance of what was then emerging as the so-called Third World, Chinese foreign policy included ambitions for a relevant role in the so-called global South. It pursued a pro-active, interventionist policy with regard to African countries in its support to liberation movements and governments in newly independent states (Alden, Alves 2008). It has often been neglected that China had its share in supporting African governments in their aspirations towards more sovereignty and development not only by her rhetoric but also in practical terms, not least through its role in the United Nations Security Council.

One of the single biggest and most ambitious infrastructural projects of the mid-1970s was the Tazara railway (also programmatically dubbed the 'Uhuru' railway), connecting the Zambian copper belt with the port of Dar es Salaam. Western donors considered this as a megalomaniac affair, which China would not be able to pull off. It indeed proved to be difficult to get into operation and – more difficult even – to maintain it operational. At the verge of collapse, it has since then been revamped and remains an asset. Instead of making China a laughing stock, it became a project considered to be of exemplary support for further economic cooperation and self-reliance between two neighbouring

countries. It shaped as much the positive image among African governments towards Chinese collaboration as the plethora of public buildings such as state houses and other representative monuments of government power. Maybe even more importantly did the sports arenas (in the main football stadiums), which the Chinese built over decades as a token of friendship, impact on public perceptions. The World Social Forum (WSF), which took place in Nairobi in January 2007, had a (by then rather dilapidated) Chinese built stadium as the venue.

One of the latest concrete architectural monuments symbolizing the ever-closer Sino-African ties was the newly built headquarters of the African Union, which was officially inaugurated at the end of January 2012 on occasion of the 18th AU summit in Addis Ababa. The hundred-meter high administrative office tower for the AU secretariat with a conference centre was a gift, constructed since 2009 at an estimated cost of 200 million US dollars. At the opening ceremony of the complex, China's official representative Jia Qinglin claimed that "the towering complex speaks volumes about our friendship to the African people, and testifies to our strong resolve to support African development". As AU chairman, Equatorial Guinea's President Teodoro Obiang Nguema qualified the complex as "a reflection of the new Africa".² His visit, as the Chinese guest of honour declared, should document to Africa and the whole international community China's solidarity with Africa. He did however not specify with whom in Africa this solidarity is practiced. Recent suspicions that the building might have been bugged for Chinese surveillance, however, despite being dismissed, was not so much a public relations success.³

The Forum for China Africa Cooperation (FOCAC) is the most obvious result of the intensified Sino-African relations. It was established in October 2000 as a visual turning point in the anchoring of the new quality (and quantity) of interaction emerging rapidly as a serious alternative to the established exchange relations with the industrialised Western economies, often rooted in the earlier colonially structured dependency. The fifth ministerial conference of FOCAC was held in Beijing on 19/20 July 2012, at a time when China had established herself as a major player both globally and on the continent. It adopted a Beijing Action Plan for 2013 to 2015 and held since then its sixth ministerial conference in South Africa.

As a rather openly self-appraising summary claimed already ahead of the fifth ministerial conference, FOCAC policies "are targeted to Africa's practical needs and urgent issues and to resolving problems to the benefit of African development" (Li *et al.* 2012: 56). It sees itself as a form of South-South cooperation, in which "all members are developing countries, and they are equal" (*ibid.*). While the report concedes that there remains room for improvement, it claims in an openly euphemistic conclusion that "promoting African development is the objective of China-Africa cooperation" (Li *et al.* 2012: 57). But trade between China and Africa continues to reproduce a classical skewed pattern: raw materials on the one side (Africa), in exchange for (value-added) manufactured

products on the other side (China). The global trade and exchange patterns have, despite new actors, not displayed any meaningful structural change. Chinese trade and investments in African countries are not significantly different. The new exchange relations have not transformed the structure and patterns of production nor created a new international division of labour: "Indeed, such trade can only perpetuate the dependence of developing countries on exports of primary commodities" (Nayyar 2008: 17). The trends suggest that China is in the meantime "a trade-driven industrial power integrated into the world system", which "increasingly replicates in key ways longstanding developed-state policies" (Sautman, Hairong 2007: 77-78).

Next to mining and other forms of resource exploitation (including agriculture) as well as telecommunications, Chinese companies have also secured major government tenders in the construction sector of African countries (see Corkin, Burke 2008): Chinese companies have next to mining and other forms of resource exploitation (including agriculture) as well as telecommunications, also secured major government tenders in the construction sector of African countries (see Corkin, Burke 2008): "Following the 'going global' strategy and dove-tailing with the Chinese government's foreign aid programs to African countries, these projects are often financed by Chinese government loans" (Corkin 2007: 21). The Chinese expansion into Africa also resulted in the establishment of a China-Africa Joint Chamber of Commerce in 2005 with the support of UNDP and the impressive Beijing Summit of FOCAC in early November 2006, which assembled a hitherto unprecedented number of African Heads of State outside of the continent. Significantly, in May 2007 the African Development Bank held its annual board meeting in Shanghai. Complementing these events, China has emerged in an increasingly active role as a provider of mainly bilateral support. While China is careful not to call it aid, it clearly corresponds, despite different packaging, priorities and nuances, to Western development assistance. A series of agreements, often based on loans for the implementation of a wide range of mainly infrastructural projects, testify to the new Chinese engagement also as a donor country. In analogy to the general trends summarized here, the Chinese-Namibian political and economic relations have since the turn of the century developed a remarkable dynamic and operate under the label of an 'all-weather friendship'.

Chinese-Namibian Relations since Independence⁴

China opened an embassy directly after Namibia's independence in 1990. In 1991, an Agreement on Economic and Technical Cooperation defined the framework for trade and investment between the two countries. In 1995, Namibia opened its embassy in China and as Head of State Sam Nujoma undertook five official visits to the People's Republic during his three terms in office in 1992, 1996, 1999, 2000 and 2004 (Du Pisani 2014: 116). On 20 July 2004, the increasingly closer exchange relations also in economic terms manifested in the signing of an Agreement on the Establishment

of the Joint Commission of Bilateral Economy and Trade. In the areas of defence and security a closer cooperation emerged, with the procurement of military equipment from China as well as the training of senior officers of the Namibian Defence Force at a military academy in Shanghai (Du Pisani 2014: 125). In this section, some of the more noteworthy interactions during the last decade are summarized. They offer an indication and evidence of the growing intensity of exchange patterns.

Namibia's Minister of Works announced during the parliamentary debate over the annual state budget on 21 June 2006 that the Chinese government had offered a generous grant to cover expenses for the new presidential residence under construction at the state house complex. From 16 to 18 November 2006 a 47-member Chinese delegation of government officials and business people visited Namibia. The head of delegation welcomed Namibia's support to the Chinese position on Taiwan and on human rights. He qualified the bilateral relations as a "natural alliance". A loan of 189 million Namibian dollars for the purchase of trains and an agreement on investment promotion and protection were signed. President Pohamba accepted the invitation for a state visit, which he undertook from 16 to 21 December 2006. He declared it served the purpose to strengthen economic ties with an old friend, who had helped Namibia to attain independence through its material, diplomatic and political support to SWAPO during the liberation struggle. In this spirit, the cabinet established on 6 December 2006 an economic commission in support of closer Chinese-Namibian cooperation.

President Hu Jintao visited Namibia on 5 February 2007 as part of his tour to several African countries. Namibia expressed its support for the One-China policy and opposed the establishment of a Taiwan-Africa forum. The special ties were again underlined in late September 2007 at a farewell function for the departing Chinese ambassador. The two countries had signed some 20 agreements over the past four years and trade volume had tripled between 2003 and 2006. Chinese grants led to the construction of several public buildings by Chinese companies. But relations were temporarily strained in 2009 as the result of a series of financial scandals, in which Chinese companies were involved, and by Namibia's decision not to take up a preferential loan offer, which in its view was not really a bargain. Two Chinese news websites, which had reported on the involvement of the Chinese president's son in one of the scandals, were temporarily offline on 21 July 2009 and had the news removed. At the end of July, after the Chinese involvement in the Namibian fraud case became international news, the Chinese authorities deleted from search engines all references to 'Namibia' and to the names of the Chinese individuals and companies involved, thus preventing them from being accessed on the Internet and *de facto* eliminating Namibia from the Chinese map of the world.

In March 2010, the chairman of the Chinese People's Political Consultative Conference and the Vice-Minister of Foreign Affairs were for diplomatic consultations in Namibia, while former President Sam Nujoma and Trade Minister Hage Geingob attended the

Shanghai World Expo on different occasions. Wikileaks caused some irritation by disclosing in December 2010 the claim by foreign diplomats that Namibia had allowed the resettlement of 5,000 Chinese families in the country in compensation for a loan on which it had defaulted. Prime Minister Nahas Angula dismissed this allegation in a statement on 15 December 2010 as "unsubstantiated and mere fabrications", but it fuelled already existing suspicions that the Chinese received preferential treatment over and above anyone else.

China's Foreign Minister, Yang Jiechi, underlined these friendly relations through a visit on 5-6 January 2012. He signed with Foreign Minister Uutoni Nujoma another technical cooperation agreement for 26 million Namibian dollars (20 million Yuan). Jiechi qualified Namibia as an "all-weather friend", but advised to have an omnidirectional policy – or relations with East, West, and any other regional configuration, while reiterating that China was there to stay. The Namibian Deputy Minister for Trade and Industry declared at a business forum with a Chinese delegation on 6 March 2012 that China is an alternative market more than double the size of the so-called lucrative European market, which created through its Economic Partnership Agreements (EPAs) humiliating agreements with unacceptable conditions. Suggesting that Namibia's agricultural products could be exported to China instead of the EU market, he added that "this government does not sit idle in the face of humiliation". On 26 March 2012, Theo Ben Gurirab, former Foreign Minister and Prime Minister, then Speaker of the National Assembly, addressed a Chinese delegation of around 25 Members of Parliament headed by the Vice Chairperson of the Standing Committee of the National People's Congress, Hua Jiamin. He strongly criticized the Western military and economic hegemony and warned that "military intervention and regime change have replaced dialogue and peaceful co-existence". During a three-day-visit, the Chinese Deputy Prime Minister Hui Lianghui signed on 2 April 2012 another five cooperation agreements. While on a state visit to China, Prime Minister Hage Geingob (then designated next Head of State) met President Xi Jinping on 8 April 2014. He confirmed the will to create a favourable environment for closer collaboration with Chinese investors. Chinese business interests in Namibia remained high and the number of Chinese locally resident remained a constant matter of speculation and provoked strong feelings among ordinary people. In December 2014, a local newspaper claimed to have information that China had negotiated with the government to use the deep-sea port of Walvis Bay as a naval base. The government vehemently dismissed this as unfounded speculations. On 30 March 2015, a top-ranking Chinese military delegation led by State Councillor and Defence Minister Chang Wanquan met Namibia's new President Geingob in Windhoek, thereby reinforcing the earlier suspicions. Questioned at a press conference the next day, Geingob declared that rumours might kill a country. Confronted with the same speculation during the BBC's 'Hard Talk' on 1 December 2015, Geingob neither confirmed nor denied Chinese interest in the naval base. The US Embassy in Windhoek on 10

December 2015 categorically dismissed that the USA had approached the government with a view to obtaining a naval base in Walvis Bay, contrary to what Geingob had indicated during the 'Hard Talk' interview.

Attending the FOCAC Summit in Johannesburg on 4–5 December 2015, Geingob met again with Chinese President Xi Jinping, whom he had visited as Prime Minister in 2014. In his speech he emphasised that the partnership with China "is one built on long lasting and historic solidarity, as well as mutual respect. It is therefore offensive when we are lectured by certain nations and warned about the so-called Chinese colonization of Africa" (Republic of Namibia - Office of the President 2015b: 3). He applauded a number of key Chinese investments in Namibia and praised as invaluable the two countries' deepening cooperation, especially with regard to infrastructure. On 5 February 2016 the Chinese Minister for Foreign Affairs, Wang Yi, paid a courtesy call to State House in Windhoek as a follow up to the FOCAC Summit. He praised the Namibian Head of state for refuting the allegations against China, thereby testifying to the true friendship between the two countries. Geingob reiterated that now would be the opportunity to establish with those who have been loyal supporters of the country's struggle for independence a win-win situation.⁵ When meeting Netumbo Nandi-Ndaitwah, Namibia's Deputy Prime Minister and also Foreign Minister the same day, she applauded China for being "a true, trusted and reliable friend" (Kahiruika 2016).⁶ At a media briefing, Minister Yi promised that Namibia shall receive a generous share of the 200,000 experts to be dispatched to Africa to assist local development.⁷ In late February 2016 the Chinese ambassador inaugurated a Chinese language classroom at another (the fourth) school in the capital district.⁸

Chinese Economic Engagement

Chinese economic activities started off most visibly in the retail sector and major construction works. During the first decade after independence a countrywide net of Chinese trading shops started to mushroom. These reminded of the 'native shops' of earlier times, when (white) traders offered simple consumer goods to the African population even in remote areas (Namibia's population of now some 2.3 million people occupy some 825,000 square kilometres of mainly semi-arid and arid land). A database of the Ministry of Trade and Industry listed in 2009 more than 500 registered Chinese shops (Jauch, Sakaria 2009: 262). Chinese shop-owners and shopkeepers, operating on more modest scale elsewhere, are coming mainly from Fujian. They seem well connected and organized but often have no proper permits to run their business and depend on bribing officials to be not deported.⁹

With the open border to the Northern neighbour Angola and the unfolding oil boom creating considerable purchasing power there, a flourishing hub fuelled by larger-scale Chinese (but also other expatriate) investments in wholesale and retail enterprises took off as from the turn of the century in the hitherto largely informal border town

of Oshikango (since then upgraded and renamed into Helao Nafidi Town in 2006). Declared as an Export Processing Zone (EPZ), Oshikango boomed for years (cf. Dobler 2008b, 2009a, 2009b), until the decline of the oil price directly affected the purchasing power from Angolan customers with devastating consequences for some of the Chinese trading businesses. Combined with the collapse of the exchange rate of the Angolan currency, the export from Oshikango to Angola declined between the second quarter of 2014 and the last quarter of 2015 by 85%, resulting in a "crisis of epic proportions".¹⁰ The closure of Chinese shops resulted in more than 700 local people being unemployed again. Asked for a comment, the Chinese ambassador Xin Shunkang stated: "We sincerely hope that local business survives the hard times with the help of the government" – obviously meaning the Namibian government.¹¹

Chinese companies also secured considerable stakes in the Namibian public works sector and established control over large parts of the construction industry, dominating competition for state tenders for office buildings, roads, railways, harbour and airport upgrades. Continued high unemployment and the gross disparities in income distribution among Namibians soon contributed to the build-up of anti-Chinese sentiments among ordinary people. The massive presence of Chinese, not least in the construction sector with large-scale projects under state tenders, resulted for the first time in public criticism by the National Union of Namibian Workers (NUNW), which is affiliated with SWAPO and largely loyal to government policies. In a press conference on 22 November 2007, its Secretary General expressed concern over the importation of cheap labour from China for public construction work.

14

The local construction industry laments the negative effects of awarding the most attractive public works tenders to foreign (mainly Chinese and North Korean) construction companies, which left the local industry ailing and resulted in retrenchments of Namibian workers. They bemoan the fact that Chinese bids (often subsidised by the Chinese government) undercut local offers at the expense of investment in Namibian capacity and work places, while on numerous occasions also violating Namibian labour legislation. A study of the trade union affiliated local Labour Resource and Research Institute (LaRRI) bemoaned already in 2009 that the business practices of Chinese companies often border to the dubious and that state tenders are awarded in deviation from the prescribed procedures (Jauch, Sakaria 2009). The low-cost bidding strategy by Chinese contractors is based on lower salaries (often also for imported labour) and a much lower calculated profit margin, reportedly often limited to 10%, while local and South African companies are said to apply up to 50% profit margins (Niikondo, Coetzee 2009: 36; see also Dobler 2007: 101). The dominance of Chinese companies in the Namibian public works sector is illustrated by the fact that a tender for a highway expansion of 28 km road between Windhoek and Okahandja (the next town on the main road North of the capital) advertised in mid-2015, attracted 22 bidders, of which 16 were Chinese.

Mining operations with direct Chinese involvement considerably increased in recent years. Eastern China Non-Ferrous Metals Investment Holdings, the investment arm of the East China Mineral Exploration and Development Bureau, announced in early December 2011 the discovery of 2 billion tonnes of iron ore in the Kunene region and plans to open an iron mine and steel plant with an annual production of 5 million tonnes. Chinese investments were also announced towards the end of 2012 in the Omitiomire copper mine deposit 120 km north east of Windhoek. In early December 2011, the wheeling and dealing around the ownership of Swakop Uranium, which controlled one of the largest known uranium deposits of the world at Husab, paved the way for further Chinese ownership through a takeover of Kalahari Minerals by China Guangdong Nuclear Power Corp in a 632 million pounds (990 million US dollars) deal. Kalahari owned 43% in Extract Resources, whose wholly owned subsidiary, Swakop Uranium, received a mining license to develop Husab. A joint venture between local and Chinese partners announced the start of constructions for the 12 billion Namibian dollars project near Swakopmund towards the end of 2012. Husab as the third largest known uranium deposit in the world has a production potential of 15 million pounds uranium oxide per year. Once operational, it will rank Namibia as the second biggest producer on the world market. Construction at the Husab mine continued largely according to plan, but with complaints about the shortage of qualified workers and no secure long-term solution for water and energy supplies. During November 2015, dissatisfaction among locally employed workers over employment of large numbers of foreigners (mainly from Ghana and the Philippines) in jobs, which allegedly could be filled by qualified Namibians, erupted into a series of strikes and violent acts against infrastructure. Becoming operational during 2016, it is expected that the production (mainly for Chinese energy consumption and hence not dependent upon world market prices) will to a large extent compensate for the effects caused by a sluggish global economy and offset negative impacts on the mining industry. But securing reliable water and power supply without lasting damages to the natural habitat or at the expense of the ordinary users living in the wider area will continue to pose major obstacles. Another major project by Chinese investors was announced by the Namibian cement importer Cheetah Cement, which is planning to set up within the next two years for 30 million US dollars a cement plant aiming at a production output of 1.5 million tonnes annually under the locally based Whale Rock Cement. This will elevate Namibia's total cement production to 2.2 million tonnes per year with an average local consumption of about 600,000 tonnes per year and thereby enhance competition in the sub-regional markets.¹²

While the Chinese presence in the mining sector and extractive industries continually expanded, trade relations took a temporary dip, with a decline in exports from 1.8 billion Namibian dollars in 2009 (mainly uranium, copper, lead and other natural resources) to 1.2 billion Namibian dollars in 2010. Imports shrank from 2.9 billion

Namibian dollars in 2009 (mainly cars, telecommunication, furniture, machinery and other manufactured goods) to 1.3 billion Namibian dollars in 2010. During a visit to China, Agriculture Minister John Mutorwa signed a bilateral trade agreement on 16 December 2010, which paved the way for the future export of meat and fish, grapes and dates to the Chinese market. Bilateral trade soon recovered again and reached new peaks. In August 2015 the Namibian Minister of Agriculture signed another Protocol, sealing the planned export of beef to China as the first African country to secure in the near future such access to the lucrative market.

When celebrating the 65th anniversary of the founding of the People's Republic of China on 2 October 2014, the Chinese Ambassador to Namibia Xin Shunkang stated that 40 Chinese companies had operations in the country, managing about 38 billion Namibian dollars worth of investments (3.4 billion US dollars), and employing a total of 4,000 local people.¹³ But some of these investments were at the centre of public controversy and debate. A major dispute erupted during 2015, when it was announced that the Regional Governor of the Zambezi region had offered the Chinese company Namibia Oriental Tobacco 10,000 hectares of land for a tobacco plantation. Protest was voiced by some land activists of the SWAPO Youth League. The Minister of Health also opposed the intended use of land for tobacco production, while local people complained that they need access to land for their subsistence instead. Controversy surrounded also in 2015 the awarding of a 7 billion Namibian dollars tender to the Chinese Anhui Foreign Economic Construction Cooperation (AFECC) for the upgrading and expansion of Windhoek's international airport. Amidst accusations of irregularities in the awarding process, President Geingob revoked the decision and cancelled the contract at the end of the year. Instead, the tender was re-advertised. In February 2016 the Chinese company announced that it planned to seek an interdict from the Namibian High Court to set aside the government's decision as unlawful and invalid, since it had already taken significant steps towards the implementation of the contract. It also indicated its willingness to adjust the bid to a reduced cost estimate of 3 billion Namibian dollars, which caused some consternation in the public.

Other incidents with the involvement of Chinese individuals adding to a negative image were repeated reports in the media about humiliating treatment of local employees in the retail shops, as well as employment conditions in violation of the labour regulations. In the vicinity of the Northern industrial area of Windhoek some 50 Chinese shops are accommodated in a garage compound dubbed 'Chinatown'. In February 2012 the local weekly newspaper *The Economist* claimed in an article that the monthly salary for the on average two local employees (mainly young women from the Oshivambo speaking majority who among others are tasked to serve as translators, since the shop-owners hardly speak any of the local languages, including English) ranged between 300 to 400 Namibian dollars as the minimum and 1,600 Namibian dollars as the maximum (the latter is around 100 US dollars at the 2015/16 exchange rate). A survey by Niikondo

and Coetzee (2009: 30) established that 76% of their respondents in Chinese retail shops had wages in the range of 100 to 500 Namibian dollars per month compared to 44% employed in local small-scale retail shops, while only 16% of those employed in Chinese shops earned between 500 and 1,000 Namibian dollars a month. Their employment generally includes neither social security payments nor medical aid, lacks any holiday benefits or other work-related entitlements and does not protect from immediate dismissal without compensation. They concluded that "a large number of people working for the Chinese are just hanging in there, either while they are looking for other jobs or because they failed to get jobs elsewhere in the labour market. The problem would be that these people are extremely at risk of being abused because they have very limited hope of finding other jobs if they quit from their Chinese employment" (Niiikondo and Coetzee 2009: 33).

Several cases of robbery, in which reportedly large amounts of money in different currencies were stolen from Chinese victims, suggested in the popular opinion that these are hoarding money. Criminal offences by Chinese when caught red handed for illegally trying to smuggle large sums in cash abroad were adding to the image that Chinese are exploiting the locals unashamedly. In June 2013 local media reported that the Namibian custom services confiscated cheap knock off goods amounting to the value of 10 million Namibian dollars from one trader, who was also accused of tax-evasion. Other activities damaging the reputation of Chinese individuals were the suspected involvement in the violation of laws protecting the nature and especially wildlife. A spectacular court case since early 2015 implicates four Chinese citizens in smuggling rhino horns and other illegal hunting trophies. In February 2016, another Chinese citizen was arrested for the possession of 90 kg of protected abalone and 1.15 kg of different pieces of rhino horn. It is estimated that since the beginning of 2015 close to two hundred rhinos have been poached. There are also allegations that high-ranking Namibian officials are involved in such organised crime with Chinese partners. While the Chinese-Namibian friendship seemed to be effective in multiple aspects, growing sentiment among ordinary people in response also to such reported crimes seemed to suggest that it was not by all welcomed.

Assessing the Namibian-Chinese 'all-weather friendship'

Chinese economic engagement receives controversial assessments. In 2007 the President of the Namibian Chamber of Commerce and Industry (NCCI) expressed strong concern over Chinese investors who venture into so-called *kapana* business (i.e. local street vendors who try to make a living by selling prepared food). In an interview six years later, he recognized the existence of "Chinese businesspersons who uphold good virtues of investment", who should be differentiated from others "who do not respect Namibia's labour laws and further avoid paying taxes" (Mushelenga 2015: 206-207). The NCCI's Chief Executive Officer in an interview in 2010 characterised negative

behaviour by Chinese investors as "isolated events". But he also identified problems where Chinese "venture into small businesses that should have been left to local investors" (Mushelenga 2015: 210).

The retail enterprises and construction companies are indeed the most visible presence of Chinese in Namibia (since mining operations happen mostly at locations away from human settlements), and both are having a bad image among the ordinary Namibians. Chinese traders are flexible in exploiting on an *ad hoc*-basis business opportunities, but move on when these decline. Oshikango is the classical case. But they are also vulnerable, since they often depend for trade and residence licenses and their business operations on Namibian officials in home affairs and customs, who are needed for political and administrative protection. They secure such protection through an alliance, which "merely creates an additional rent income for some Namibians without changing their economic behaviour, and it prevents economic development [...] rather than fostering it" (Dobler 2009b: 710).

Trade union related labour perspectives have been critically assessing the nature and impact of Chinese investments also in the construction sector. They list numerous violations of the Labour Act. Strained labour relations are characterized by mutual suspicion and mistrust. A low degree of organized labour is partly a result of intimidation by the employer, health and safety issues at the workplace are often neglected and there is generally a lack of training beyond on-the-job. Tenders are awarded to companies who do not comply with national laws and regulations: "Such practices undermine not only Namibia's legal foundation but also erode the country's social fabric. [...] This is why many Namibian workers indicated that they regarded the working conditions at Chinese companies as a new form of colonialism. They simply reminded them of conditions they had to endure before 1990" (Jauch, Sakaria 2009: 39).

In contrast to the critical undertones articulated at times also by higher officials and representatives of the private sector, the political establishment in the SWAPO government has always been strongly in favour and defence of its 'Go East' policy. The iconic SWAPO leader and first Head of state (1990-2005) Sam Nujoma, a frequent visitor to China, maintained in an interview 2011 that "people who complain about the Chinese are narrow-minded, as they do not appreciate the role played by Chinese, in the course of Namibia's liberation struggle" (Mushelenga 2015: 207). Being at the time Namibia's Deputy Foreign Minister, Mushelenga in his PhD thesis is in tendency justifying the Chinese engagement as part of a largely beneficial economic diplomacy. But he also acknowledges the side effects of what he terms a "deep-pocket/cheque-book diplomacy", which makes high-ranking political office bearers beneficiaries of preferential treatment bordering to bribery (Mushelenga 2015).

Certain investments by the Chinese government beyond the red carpet have indeed exceeded the ordinary friendly diplomatic relations. China has in the past made financial donations to SWAPO as a political party in independent Namibia; China has

also translated the biography of Sam Nujoma into Chinese and launched it with pomp on 20 July 2004 in Beijing in the presence of the Namibian President, who was on his 12th visit to the country. Most spectacular, however, was the case of stipends to family members of the party elite. Some investigative local journalists had disclosed that one of the daughters of President Pohamba was among the beneficiaries of study grants secretly offered by the Chinese government to nine Namibian students from privileged (politically highly influential) families for studies in the People's Republic, while thousands of young Namibians have no financial means to translate the educational qualifications obtained under much harsher conditions into an opportunity for academic study. This provoked a public outcry over the preferential treatment and even became a newsworthy item in established US media.¹⁴

In his first State of the Nation Address in April 2015, President Geingob expressed his appreciation of "significant contributions made by our development partners", naming (in this order) China, the USA, Germany, the World Bank and Japan (Republic of Namibia - Office of the President 2015a: 17). While this embraced a plurality of bi- and multi-lateral partners, the President was less diplomatically pluralistic when he rebuked at the FOCAC Summit in early December 2015 any criticism of the Chinese engagement in no uncertain terms: "It is ironic that those who warn us are the same nations who sat around the table at the Berlin Conference in 1884 and carved out colonies in Africa with the sole intent to develop their countries with our mineral resources and the blood and sweat of our forced labour. The same countries who complain about Chinese investment in Africa are themselves recipients of large-scale Chinese investment. As these nations have faith in their capacity to negotiate the best deals for themselves, Africans too have this same capacity. Africa is free now and so is our ability to deal with those we choose to deal with, in our terms" (Republic of Namibia - Office of the President 2015b: 3).

Mentioning the Husab Mine as a prominent example, Geingob at the FOCAC Summit praised the project as having "brought meaning and purpose to the life of previously unemployed Namibians" (Republic of Namibia - Office of the President 2015b: 4). Just weeks before, wild strikes by locally employed workers, who also damaged property, had been triggered by what was perceived as unfair labour practices and had interrupted the final construction phase of the mine for several days. This example shows, that the view on the ground differs at times substantially from that at the top echelons of society. As succinctly summarized in a comprehensive MA thesis, the grassroots perception is suspicious of the official praises: "China's seemingly aggressive economic presence in the construction and retail industry is mostly responsible for shaping negative perceptions of Sino-Namibian relations. Citizens are very much aware of the economic and social threat of the use of Chinese companies and workers in the construction of public and private projects and the increase in the number of Chinese traders in the country. China is perceived to be an emerging economic power that has no concern

for the rights and wellbeing of the Namibian people. The apparent disinterest of the government in taking action against China's dominant economic and social presence in the country is causing widespread criticism of Sino-Namibian relations. Despite the positive perceptions that lower-income citizens have of small Chinese retailers and their affordable goods, they pale in comparison to the overall negative perceptions of Chinese presence in Namibia" (Amadhila 2013: 94f).

Concluding Remarks

The increased competition for entering favourable relations with African countries is in itself of course not negative to the interests of the African people. But it requires that the tiny elites benefiting from the currently existing unequal structures put their own interest in trans-nationally linked self-enrichment schemes behind the public interest. The priority should be to create investment and exchange patterns, which provide in the first place benefits for the majority of the people. As the African Economic Outlook 2011 suggested, most African countries still need to enhance their bargaining position *vis-à-vis* traditional and emerging partners to ensure that these partnerships are actually mutually beneficial (African Development Bank *et al.* 2011). This was somewhat reinforced and echoed again by the United Nations Economic Commission for Africa (2013).

20 But the times of the Berlin Conference 1884-85, when external powers sliced up the continent into colonial territorial entities without any meaningful participation of local agencies, are past. Decolonization has created new realities by establishing sovereign states governed by local policy makers. The principle of self-determination and territorial sovereignty does apply, even though it seems all too often a hollow declamatory reference in the absence of meaningful power over a country's own affairs and the use of its resources. But at the end the local power constellation does play a role, and it could well be decisive. There is manoeuvring space and room for negotiations with any external interest seeking own gains, which could be used if the political will exists. The interaction between Africa and China brings us back to the roles of the policies of the governments, of the state, of political office bearers, civil servants and the all too weak local private capital interests. If and to which extent the majority of the African people benefit from the old and new actors on their continent depends at the end as so often once again to a large extent upon their rulers – and not least but most importantly on their own social struggles. But it also requires the state as an actor, who provides the arena for such struggles without being the machinery for oppression and the vehicle for the interests of a tiny elite. Establishing additional state control is in principle a step into the right direction – provided that this is not limited once again to a self-enrichment scheme through appropriation of revenue and rent seeking by the elites in control over the state. As Dobler (2007: 108) concludes: "African governments will not change China's role in the world economy nor the leverage that comes with it, but

policy measures they implement now may contribute to transforming its consequences and may determine whether China's emergence will reshuffle the cards in Africa's international economic relations or simply change the players".

Many remain sceptic over the dominant exchange mechanisms. The motive of such scepticism is not to protect Western or Northern interests at stake. On the contrary: the fear is that China at the end merely offers more of the same and continues business as usual. The ultimate challenge therefore remains with the government of Namibia. It needs to show to which extent it has the political will to turn the 'all-weather friendship' into the win-win-situation so often declared as the ultimate rationale by the Chinese policy makers when justifying its political and economic partnerships. As the second Vice President of the NCCI declared in an interview 2013, "the problem is not the Chinese investors" but "rather how Namibians relate to the Chinese" (Mushelenga 2015: 210). But the local responses to the Chinese presence are a result of the *laissez-faire* policy of their government towards the Chinese investors, which led to "increasing xenophobia and resentment against Chinese in general and Chinese shop owners in particular" (Dobler 2009b: 718). According to Odada and Kakujaha-Matundu (2008: 22f), local economists "bemoan the absence of a coherent strategy [...] to engage local industry in the Sino-Namibian trade". They believe "that this relationship would not go beyond the exports of minerals and agricultural products, unless deliberate efforts are made". After all, "apart from some job creation and popular access to cheaper goods", the presence of Chinese traders and companies "is not likely to contribute much to the Namibian economy" (Dobler 2009b: 725). As regards the obvious discrepancy between the official bilateral 'all-weather friendship' and the far more critical views from the grassroots, Namibia seems to be a typical case similar to those observed by Mohan *et al.* (2014), where a lack of policy intervention and protective measures opens space for abuse by foreign, in this case Chinese, economic actors. This in return triggers sentiments bordering to racism from those ordinary citizens feeling negatively affected on the ground.

Henning Melber is an Extraordinary Professor at the University of Pretoria and the University of the Free State in Bloemfontein, Senior Research Associate at the Nordic Africa Institute in Uppsala and Senior Research Fellow at the Institute for Commonwealth Studies/Centre for Advanced Study at the University of London.

NOTES:

- 1 - *Quality, Corporate Image Stressed in China-Africa Cooperation*, "Xinhua", 19 March 2013: n.d.
- 2 - Both quotes from *African Union Opens Chinese-Funded HQ in Ethiopia*, "BBC News", 28 January 2012: <http://www.bbc.co.uk/news/world-africa-16770932>.
- 3 - *China rejects claim it bugged headquarters it build for African Union*, "The Guardian", 30 January 2018: <https://www.theguardian.com/world/2018/jan/30/china-african-union-headquarters-bugging-spying>.
- 4 - The concrete examples and verbatim quotes in the following paragraphs were unless otherwise referenced presented in the annual reports for 2004 to 2015 in Melber (2016). They are all based on local media reports published at the time. These are not listed here in detail as sources, since many of these are not any longer accessible online.
- 5 - Ministry of Foreign Affairs/People's Republic of China, *President Hage Geingob of Namibia Meets with Wang Yi*, 6 February 2016.
- 6 - N. Kahiruika, *China to pour in more investments*, «The Namibian», 8 February 2016: <https://www.namibian.com.na/index.php?page=archive-read&tid=147130>.
- 7 - *Chinese businesses urged to respect Namibian laws*, "New Era", 8 February 2016; <https://neweralive.na/posts/chinese-businesses-urged-respect-namibian-laws>.
- 8 - M. Winsor, *China Sponsors Mandarin Language Classes in Namibia Schools*, "International Business Times", 27 February 2016; <https://www.ibtimes.com/china-sponsors-mandarin-language-classes-namibia-schools-2326421>.
- 9 - D. Cissé, *Chinese traders in Windhoek*, "Pambazuka News", 3 February 2016: <http://www.pambazuka.net/en/category.php/features/96524>.
- 10 - M. Iileka, *"Crisis of epic proportions"*, "Namibian Sun", 3 March 2016: <http://www.namibiansun.com/economics/crisis-epic-proportions.91925>.
- 11 - *Hundreds retrenched as businesses fold at Oshikango*, "New Era", 1 March 2016: <https://www.newera.com.na/2016/03/01/hundreds-retrenched-businesses-fold-oshikango/>.
- 12 - *Cement: Oshorongo wary of Southern Africa oversupply*, "Oshili", 2 March 2016: <http://www.oshili24.com.na/article.php?sid=1068>.
- 13 - *Remarkable progress in China-Namibia trade*, "New Era", 3 October 2014: <https://www.newera.com.na/2014/10/03/remarkable-progress-china-namibia-trade/>.
- 14 - S. LaFraniere, *China helps the powerful in Namibia*, "The New York Times", 19 November 2009: http://www.nytimes.com/2009/11/20/world/asia/20namibia.html?_r=0.

References

- African Development Bank, OECD Development Centre, United Nations Development Programme/Economic Commission for Africa (2011), *African Economic Outlook 2011. Africa and its Emerging Partners*, OECD Publishing, Paris
- Alden C., C. A. Alves (2008), *History & Identity in the Construction of China's Africa Policy*, in «Review of African Political Economy», vol. 35, n. 115
- Amadhila N. (2013), *China in Africa. The Effects on Namibia's Foreign Policy and Domestic Politics*, LAP Lambert Academic Publishing, Saarbrücken
- Bräutigam D. (2010), *The Dragon's Gift. The Real Story of China in Africa*, Oxford University Press, Oxford
- Cheru F., C. Obi (eds) (2010), *The Rise of China & India in Africa*, Zed, London and New York
- Corkin L. (2007), *China's Emerging Multinationals in Africa*, in «The Africa Journal», vol. Spring 2007, pp. 21-22
- Corkin L., C. Burke (2008), *"Constructive Engagement: An Overview of China's Role in Africa's Construction Industries"*, in H. Edinger, H. Hayley, J. Jansson (eds), *New Impulses from the South: China's Engagement of Africa*, Centre for Chinese Studies, Stellenbosch
- Dobler G. (2007), *"Old ties or new shackles? China in Namibia"*, in H. Melber (ed.), *Transitions in Namibia. Which Changes For Whom?*, Nordic Africa Institute, Uppsala, pp. 94-109
- Dobler G. (2008a), *"Solidarity, xenophobia, and the regulation of Chinese business in Namibia"*, in C. Alden, D. Large, R. Soares de Oliveira (eds.), *China Returns to Africa: A Rising Power and a Continent Embrace*. London: Hurst, 237-255

- Dobler G. (2008b), *From Scotch Whisky to Chinese Sneakers: International Commodity Flows and New Trade Networks in Oshikango, Namibia*, in «Africa», vol. 78, n. 3
- Dobler G. (2009a) *Oshikango: The Dynamics of Growth and Regulation in a Namibian Boom Town*, in «Journal of Southern African Studies», vol. 35, n. 1
- Dobler G. (2009b) *Chinese Shops and the Formation of a Chinese Expatriate Community in Namibia*, in «The China Quarterly», vol. 199, pp. 707-727
- Du Pisani A. (2014), "Namibia and China: Profile and appraisal of a relationship", in A. Bösl, A. du Pisani, D. U. Zaire (eds), *Namibia's Foreign Relations. Historic contexts, current dimensions, and perspectives for the 21st Century*, Macmillan Education Namibia, Windhoek, pp. 111-134
- Harneit-Sievers A., S. Marks, S. Naidu (eds) (2010), *Chinese and African Perspectives on China in Africa*, Fahamu Books and Pambazuka Press, Oxford and Nairobi
- Jauch H. (comp.) (2009), *Chinese Investments in Africa. Opportunity or Threat for Workers*, African Labour Research Network, Accra
- Jauch H., I. Sakaria (2009), *Chinese Investments in Namibia: A Labour Perspective*, Labour Resource and Research Institute (LaRRI), Windhoek
- Kahiruika, N. (2016), *China to pour in more investments*, "The Namibian", 8 February
- Lee M. C., H. Melber, S. Naidu, I. Taylor (2007), *China in Africa*, Current African Issues n. 35, The Nordic Africa Institute, Uppsala
- Li A., Liu H., Pan H., Zeng A., He W. (2012), *FOCAC Twelve Years Later. Achievements, Challenges and the Way Forward*, Peking University - School of International Studies in Cooperation with Nordiska Afrikainstitutet, The Nordic Africa Institute, Uppsala
- Melber H. (2010) "China in Africa: Any Impact on Development and Aid?", in J. Stilhoff Sörensen (ed.), *Challenging the Aid Paradigm. Western Currents and Asian Alternatives*, Palgrave Macmillan, Houndsmill, pp. 214-240
- Melber H. (2013a), "Africa and China. Old Stories or New Opportunities?", in T. Murithi (ed), *Handbook of Africa's International Relations*, Routledge, Oxford, pp. 333-342
- Melber H. (2013b), *Reviewing China in Africa: Old Interests, New Trends – Or New Interests, Old Trends*, in «Development Southern Africa», vol. 30, n. 4-5
- Melber, H. (2016), *A Decade of Namibia. Politics Economy and Society – the Era Pohamba, 2004-2015*. Brill, Leiden
- Mohan G., B. Lampert, M. Tan-Mullins, D. Chang (2014), *Chinese Migrants and Africa's Development. New Imperialists of Agents of Change?*, Zed, London
- Mushelenga S. A. P. (2015), *The Economic Diplomacy of a Small State: The Case of Namibia*. PhD thesis (unpublished), University of South Africa, Pretoria
- Nayyar D. (2008), *China, India, Brazil and South Africa in the World Economy. Engines of Growth?*, UNU-WIDER, Helsinki
- Niikondo A., J. Coetzee (2009) *Perceptions on The Impact of Chinese Businesses in Namibia: A Case Study of The Retail and Construction Sector in Windhoek*, Friedrich Ebert Stiftung, Windhoek
- Odada J. E., O. Kakujaha-Matundu (2008) *China-Africa Economic Relations: The Case of Namibia*, Department of Economics - University of Namibia, Windhoek
- Republic of Namibia - Office of the President (2015a), *State of the Nation Address 2015 by His Excellency Dr. Hage G. Geingob, President of the Republic of Namibia*, 21 April, Windhoek
- Republic of Namibia - Office of the President (2015b) *Statement by His Excellency Hage G. Geingob, President of the Republic of Namibia at the Opening of the Forum on China-Africa Cooperation (FOCAC) Summit*, 5 December, Johannesburg
- Sautman B., Y. Hairong (2007) *Friends and Interests: China's Distinctive Links with Africa*, in «African Studies Review», vol. 50, n. 3
- Shinn D. H., J. Eisenman (2012), *China and Africa. A Century of Engagement*, University of Pennsylvania Press, Philadelphia
- United Nations Economic Commission for Africa (2013) *Africa-BRICS Cooperation: Implications for Growth, Employment and Structural Transformation in Africa*, United Nations Economic Commission for Africa, Addis Ababa