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Research article

The Chinese foreign capital and Africa's quest for development: Determining the real positive and negative impacts

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Abstract
This study sought to investigate the real impacts of Chinese foreign capital on Africa's economic development. The emergence of China as one of the most prominent 21st Century development partners of Africa has been aided by China's non-ideological foreign affairs policy of non-interference. China has consistently provided the much-needed financial capital and technical knowhow to different African countries with glaring positive impacts with optimists citing the use of China's Official Development Assistance in form of concessional loans, zero-interest loans and grants to enhance Africa's transport, energy, industry and telecommunication sectors. On the contrary, pessimists cite neo-colonialism tendencies and insist that such development projects have generated little if any tangible benefits for African economies while adversely increasing the continent's debt burden. The latter believe and are adamant that Africa has rich minerals and natural resources that can provide great economic development if well harnessed and the proceeds rightly invested. Using Zimbabwe and Ethiopia as case studies, this paper attempted to determine the real impacts of Chinese funding to different African countries from the perspective of positive and negative impacts.

Keywords: Afro-China, emerging, engagement, foreign capital, Sino-African relations, 21st century

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Public Interest Statement

The aim of this paper was to present case study arguments that would contribute to revised stakeholder actions regarding Chinese foreign capital inflows. African government stakeholders can possibly translate a whole share of such capital inflows into enhanced economic development while deleting the negative effects. This paper attempted to use case studies presented to argue that Africa could harness the positives of Sino-Africa relations for the continental good. This paper was presented on 17th October 2019 at the 1st Annual Conference on China-Africa Relations hosted by the Department of Political Science and Public Administration, University of Nairobi. The conference was themed, "From Sino-Africa to Afro-China Engagements in the 21st Century: Emerging Interdisciplinary Issues and Research Gaps".

1. Introduction

In line with much of the literature on Sino-Africa relations, this paper sought to discuss the real impacts of Chinese foreign capital on Africa's economic development. The connection between Chinese foreign capital and Africa's changing infrastructure in the 21st century is the highlight of this paper. Ethiopia's Addis Ababa Light Rail Transport (AALRT) system and Zimbabwe's Victoria Falls International Airport were used as the representative case studies. China is a leading provider of foreign capital with Africa developing preference for Chinese loans. Reasons being, first, they come at favorable refinancing conditions such as extension of loan-repayment periods and possibilities of debt cancellation. Between 2000 and 2018, China had cancelled $9.8billion of debt owed by several African countries (Oxford China Africa Consultancy, 2019). Examples: in 2015, China cancelled Zimbabwe's $40-million debt (York, 2015); in 2018, China offered Botswana a $31 million grant, cancelled its $7.2 million interest accruing debt and offered a new $10.2 billion loan (Olingo, 2018).

Secondly, Chinese funding is guided by China's policy of non-interference which emphasizes mutual equality, respect of individual state sovereignty and common development (Anshan, 2007). The China Africa Research Initiative (CARI) at John Hopkins University School of Advanced International Studies (SAIS) directed by Dr Deborah Brautigam estimates that China's financial capital flow to Africa totalled US $143 billion from 2000 to 2017. Angola, Ethiopia, Sudan, Kenya and Democratic Republic of Congo (DRC) were the top five recipients. This constitutes over 50% of Chinese loans to Africa (Hwang et al, 2016). How this magnitude of Chinese financial capital impact on the continent's development? This is the question this paper sought to answer. Brautigam (2011) notes the rapid increase of China's development aid flow into the continent. This financial capital comes as concessional loans, zero-interest loans, grants, preferential export credits and debt relief. Grants and interest free-loans are provided by China's state finances while concessional loans are provided by the China Export-Import Bank (EXIM). The first decade of the 21st century saw China overtake Europe as the continent's largest trading partner (Carmody & Kragelund, 2016). Sino-Africa engagements have gone beyond venturing in extraction of minerals to cooperation in such sectors as infrastructure, agriculture, energy and security.

The growing economic influence of China in Africa has however generated much debate between and among scholars with pessimists arguing that the relationship is exploitative, while optimists argue that it is mutually beneficial. Scholars such as Brautigam (2009), Power and Mohan (2010), Chun (2014), Kambudzi (2013) and Carmody (2009) argue that Chinese activities in

Africa stand a chance of producing mutually beneficial results. Such scholars as Moyo (2009), Gu (2009), Ojakorota & Kamidza, (2018), and Hogwe and Banda (2017) however insist that China's move into Africa is resource driven and that it is benefiting more while African states continue to lag behind in matters of development. Critics claim that Chinese foreign aid is only forthcoming when the continent's rich natural resources are involved. Headlines such as "China in Africa: Investment or Exploitation" are frequent in mainstream media. Such debates have left a gap which this paper sought to fill.

1.1. **Research Questions**

This research sought to answer:

a) Whether Chinese funding has had positive impacts on these two countries.
b) Whether Chinese funding has had negative impacts on the two countries.
c) Whether there were any hidden potential impacts.

2. The Emergence of China

China, the East Asian giant's increased engagement with the 53 African states from the turn of the 21st century has been enhanced by its spectacular rise from a poor struggling economy of the late 1970s to a present day global economic power. Economic reforms and gradual liberalization initiated in 1979 under the leadership of *Deng Xiaoping* ushered in free-market reforms and, opening up to international trade and investment. China as a result rose in four decades to become the world's second largest economy with a nominal Gross Domestic Product (GDP) of $14.22 trillion (IMF, 2019). The World Bank (2019) described China's 1979-2017 remarkable growth as "the fastest sustained expansion by a major economy in history". China's GDP in 2018 ($13.4 trillion), was 65.3% that of the United States (Morrison, 2019). China is the world's largest economy on a purchasing power parity basis having overtaken the US in 2013 (Camordy, 2016). By 2015, China had achieved all the Millennium Development Goals (MDGs) while lifting its 850 million citizens out of poverty (World Bank, ibid).

China's influence on Africa and the world is bound to continue through the Belt and Road Initiative (BRI) and 'Made in China 2025' Plan launched in 2013 and 2015 respectively. China intends to use *yi dai yi lu* (Belt and Road) to close up the world's infrastructure gap, calling for a $1 trillion of investment in overseas infrastructure between 2017 and 2027 (OECD, 2018). The "Made in China 2025" aims to make China a major manufacturer of various technologies, promote Chinese brands and give Chinese industries a competitive edge. (Morrison, ibid). Its economic transformation as a home to 1.4 billion people could serve as a development model for Africa which is home to 1.256 billion people (United Nations, 2017).

3. Chinese foreign capital and Africa's quest for Development in the 21st Century

What is Foreign Capital?

Foreign capital is a category of cross-border investment made by a resident in one economy (the direct investor) with the objective of establishing a lasting interest in an enterprise (the direct investment enterprise) that is resident in an economy other than that of the direct investor (OECD, 2008). In other words, foreign capital could be any form of inflow of capital into a home country from abroad. For economic development, foreign capital is used when a country's domestic capital is inadequate. It could be in the form of Foreign Aid (loans &grants) or Private Investments (FDI & Foreign Portfolio investment). Foreign capital is meant to complement domestic investment capital, speeds up economic development in LDCs by financing development projects and facilitates transfer of technology and know-how. (OECD, 2008). As such, one can argue that foreign capital is necessary in Africa where infrastructure gaps remain an obstacle to growth & investment. Based on the kind of relationships, capital flow is often determined by the size of markets, political stability, and availability of natural resources in the receiving country.

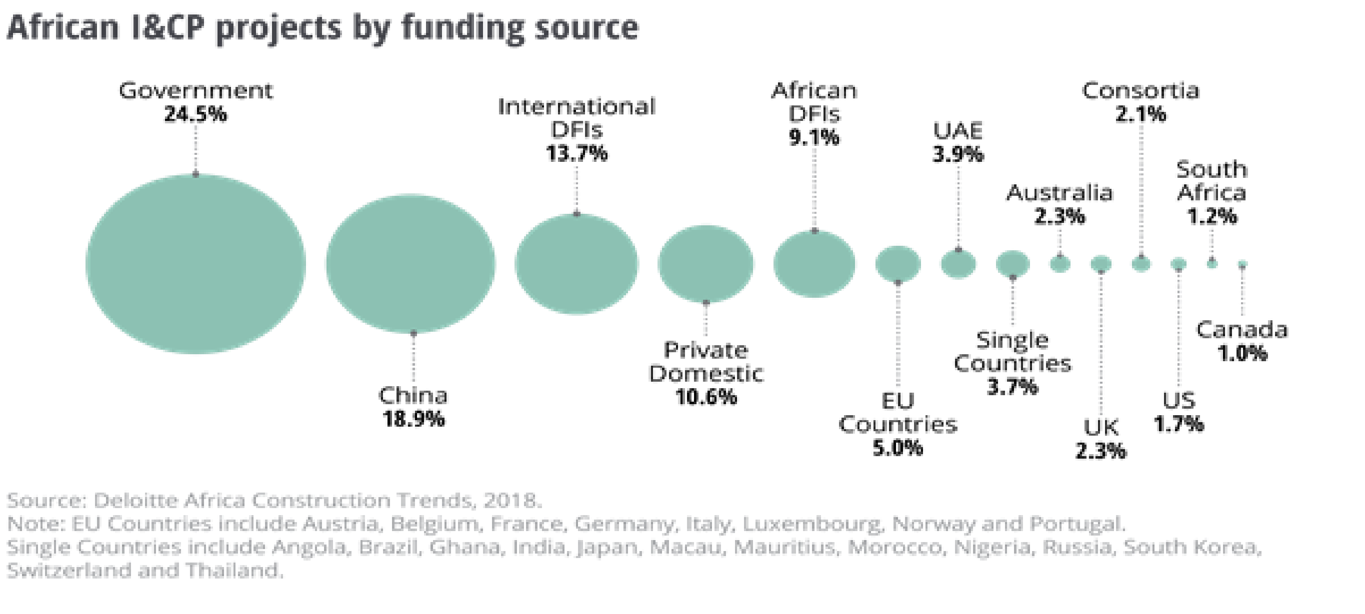
Historical Overview of Sino-Africa Relations

Evidence of ancient Sino-Africa relations can be derived from the Tang dynasty's (608-907) *Tang* pottery, *Tang* coins and Chinese ceramics unearthed in Fustat, Egypt (Anshan, 2012). Commercial interaction should have continued even into the 15th century as evidenced by the discovery of "*Yongle Tongbao*", a 15th century Chinese coin found in the soils of Kenya's coastal town of Malindi (Abraham, 2015). Their present-day relations are founded upon China's support for the continent's liberation from colonialism in the 1970s. Examples include Mozambique's FRELIMO (from Portugal) & Zimbabwe's ZANU-PF (from Britain). Egypt was the first independent African state to establish diplomatic ties with China in 1956 (Anshan, 2007).

The establishment of Forum on China-Africa Cooperation (FOCAC) in 2000 cemented their 21st century engagement. FOCAC now comprises China and 53 African states. While China's initial soft power engagement with Africa was purely political and ideological in a bid to spread the Chinese-type communism, its 21st century approach has shifted focus towards economic diplomacy (Alden, et al, 2008). The 21st century has seen China's increased involvement in Africa's development agenda. During the 2015 FOCAC summit in Johannesburg, China pledged a $60 billion investment funding to Africa (Su, 2015). At the 2018 FOCAC summit in Beijing, China's President *Xi Jinping* highlighted eight areas of Sino-Africa cooperation which included industrialisation, infrastructure development and trade enhancement (Calabrese, et al, 2018). China's three year (2018-2021) $60 billion financial commitment to Africa contained a $5 billion yearly grant which made China the continent's third largest official donor (Calabrese, ibid). China reiterates its commitment to the principle of non-interference which has for long guided virtually all Chinese foreign policy.

Glaring trade deficits have not hampered this engagement. In 2006, trade between China and Kenya amounted to $650 million with China's imports from Kenya valued at $20 million while Kenya's imports from China valued at $ 620 million. This created a US$600 million trade deficit in favour of China (Onjala, 2009). Despite the trade imbalances, China Exim Bank provided 90% of the $3.8 billion needed for the construction of a 487km Mombasa-Nairobi Standard Gauge Railway line and a further $1.5 billion loan for a 120 km extension to Naivasha (Anyanzwa, 2019). Edinger and Labuschagne (2019) note that China now funds one in five infrastructure projects on the continent and constructs one in three, currently being the single largest external financier of the continent's infrastructure as shown in the figure 1 (adopted from Deloitte Africa Construction Trends, on the sources of funding for African infrastructure and capital projects).

Figure 1.



China's increased engagement with Africa is motivated by its economic rise which has fuelled its demand for raw materials and energy resources primarily crude oil (Alden & Alves, 2009). Crude oil is China's largest import commodity from Africa, importing 26% of its total oil imports from the continent (Alden and Alves 2009; Alden et al, 2008). Its resource backed diplomacy has given it access to minerals from such countries as Angola (crude oil), South Sudan (crude oil), South Africa (gold, diamond and platinum) and Democratic Republic of Congo (cobalt, copper and gold). Also, China's rise as the world's largest manufacturer has necessitated its renewed interest in Africa to court new markets for its manufactured goods as Africa is regarded a continent populated by consumers (Alden et al, ibid).

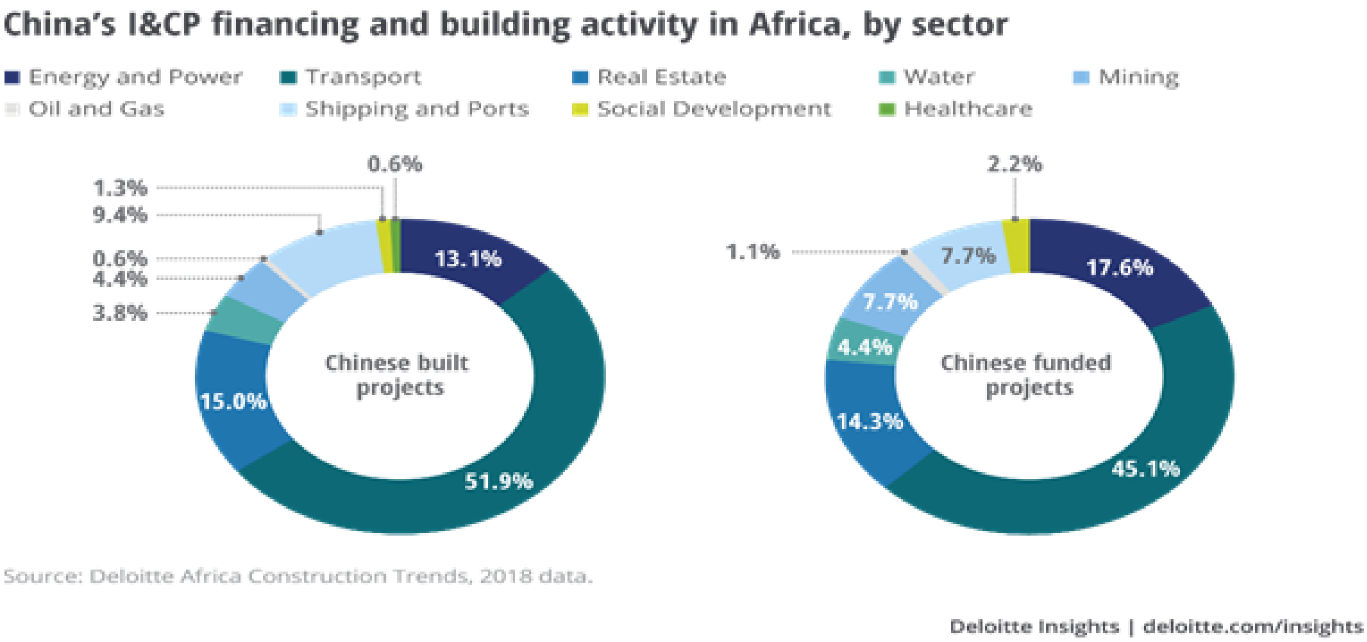
Africa's increased engagement with China is motivated by: first, the resources for capital mode of funding. African countries have, in using what is referred to as the 'Angola mode', swapped resources for Chinese financial capital for infrastructure development (Alden, ibid). This Chinese applied mode of funding comes free of stringent conditionalities. Secondly, as Otele (2017) puts it using Kenya as an example, certain African countries approach China for funding driven by the need to diversify their external sources of funding eased by the few bureaucratic procedures. Thirdly, China is a formidable market for the continent's mineral resources. Angola was in 2019 the third largest supplier of crude oil to China (Cao, 2019). Fourthly, Chinese funding comes at attractive flexible terms. At the 2019 BRI forum in Beijing, China cancelled Ethiopia's interest free loans for the period before 2018 (Chen, 2019). Moreover, the loans come at comparatively lower interest rates being repaid for up to 15 years or more.

China's influence on Africa's quest for development rose against the backdrop of Western powers demanding that African partners meet such pre-aid demands as quality governance, curtailing excessive corruption, rule of law, democracy and respect for human rights. This policy approach by the West tied foreign aid to compliance. Zimbabwe was a victim of this following its implementation of the 2000 Land Reform Programme (LRP) that distributed white settler farms to Zimbabwean nationals. The emergence of China provided the much needed alternative.

Increased Africa's quest for development is inspired by African Union's Agenda 2063 and Programme for Infrastructure Development in Africa (2011-2030) which seeks to transform Africa through modern infrastructure. The goal of Agenda 2063 is to achieve inclusive and sustainable development within 50 years (2013 to 2063). Examples of Agenda 2063 Flagship projects includes integrated high speed train network and establishment of a Single African Air-Transport Market (SAATM), African passport and free movement of people. During the 2018 FOCAC Summit, AU signed a memorandum of understanding with China which included the China-Africa Infrastructure Cooperation Plan (Edinger and Labuschagne, 2019). The AU's vision for regional integration and pursuit of sustainable development would be enhanced by investment in the infrastructure development. China's BRI has also informed its investments in Africa. Through BRI, 40 out of Africa's 55 states, have signed memoranda of understanding with Beijing to finance and build modern highways, airports, and railways.

Figure 2 (adopted from Deloitte Africa Construction Trends, 2018 data) shows the sectors where Chinese funding in Africa has been most channeled with transport being the largest recipient. Examples of construction of transport infrastructure include Kenya's Mombasa-Nairobi SGR (2013-2018) and Ethiopia's Addis Ababa-Djibouti Railway Project (2018).

Figure 2.



4. Designs and Methodology

The study is qualitative in nature. It employed document analysis which involves reading already published information such as books, journal articles, academic papers and websites. Literature was selected based on relevance and availability. Using the aforementioned research methodology, the paper sought to understand increasing Sino-Africa relations with particular focus on Chinese engagement with Ethiopia and Zimbabwe. Moreover, the study made use of the published information on Chinese foreign capital to Africa obtained from the China Africa Research Initiative website where scholars have extensively discussed and provided statistical evidence on China-Africa relations. This formed form the basic features of a qualitative research methodology, which was considered the most suitable approach for this study.

Despite the assumption that Chinese firms tend to import more from mineral resource-endowed African countries, Ethiopia turned out to be an exception given its resource inadequacy.

Ethiopia's exports to China in the 2017/2018 fiscal year were valued at US$ 245 million the bulk of which comprised agricultural produce: coffee, oil seeds, sesame, leather and tantalum (Xinhua News, 2018). Zimbabwe however, is endowed with mineral resources. Its total exports to China were valued at US$36.05 million in 2018 the bulk of which was tobacco, cotton, diamond, platinum and gold (United Nations COMTRADE, 2018).

Ethiopia is the second largest recipient of Chinese foreign funding on the continent. Of the US $86.3 billion Chinese loans extended to African economies between 2000 and 2014, Ethiopia borrowed $12.3 billion behind Angola ($21.2 billion) (Hwang, 2016). Zimbabwe is considered China's "all-weather friendship" ally yet its economy is at its performance worst despite consistent funding from China (its biggest external investor), something worth looking into. Transport is a "derived" demand; meaning that people travel with a deliberate intention and not just for the sake of it. To quote the United Kingdom's Sir Rod Eddington (2006),

> "There has been a compelling link between the transport system and economic prosperity throughout history" (Butcher, 2010).

Furthermore, Addis Ababa Chamber of Commerce's *Mulugeta Gudeta* stated that,

> "The state of public transportation in Addis Ababa is perhaps the weakest link in the otherwise fast-growing economy in the Ethiopian capital".

Ethiopia is also portrayed by analysts as 'China's China' going by the number of Chinese firms that have relocated their production lines into the country and its adoption of Special Economic Zones (Nicolas, 2017).

5. Analysis of the Case Studies

6. Ethiopia's development and Chinese foreign Capital

Ethiopia and China established their relations in 1970. However, their relations were poor during the reign of Haile Selassie. In 1991, relations got better after the Ethiopian People's Revolutionary Democratic Front assumed power (Gamora, 2011). Since then, the two countries have enjoyed increased bilateral trade relations, with China heavily investing in the Ethiopian economy. China sees Ethiopia as a key strategic partner. This is so because of Ethiopia's strategic location as the host to Africa Union Headquarters. Thus, having Ethiopia as an economic and trade partner is China's means to influence Africa (Ayferam (2018). High level visits have also been exchanged between the two countries, with good progress in trade cooperation thus further strengthening their relationship.

The world's second largest economy's investments in Ethiopia, Africa's second most populous economy (100 million people) have grown at a yearly rate of 52%. Ethiopia's first 21st century Chinese funded project was the Awassa Cotton Mill expansion in 2001 (Brautigam, 2012). As of 2018, the horn of Africa nation played host to 400 fully operational Chinese investment projects worth $4 billion (Kiruga, 2019). China has for example modernised Addis Ababa's transport system by building the city's six lane superhighway and the light rail. This study dwelt on the Addis Ababa Light Railway Transport (AALRT), an electrified mass transportation network built to address congestion and improve the city's public transport system. AALRT is Africa's first light railway. It is credited to the late Prime Minister Meles Zenawi (1955-2012) who thought it a most suitable solution to Addis Ababa's transportation challenges and, a showcase of Ethiopian Renaissance (Kassahun and Bishu, 2018). It was built between 2011 and 2015 by China Railway

Engineering Corporation (CREC) at a cost of $ 475 million, 85% of which came from the China Export-Import Bank (Jonker and Robinson, 2018).

AALRT comprises 39 stations and two lines (North-south line and East-west line). The trams operate at speeds not exceeding 70 km/h. The city is the headquarters of AU which is housed in a Chinese built facility and the United Nations Economic Commission for Africa (UNECA). In 2012, Ethiopia ranked 12 of the World's fastest growing economies (World Bank, 2014) while between 2011 and 2016 the population living below the poverty line fell from 30% to 20% (World Bank, 2019). Urbanization of Addis, the country's economic and political capital would contribute to sustaining the economy's double-digit growth. The city's public transport needs were initially supplied by the state operated *Anbessa* City Bus Service Enterprise and the privately operated mini-buses, the blue-white taxis and three wheeler *Bajaj.*

Figure 3. AALRT's blue-white (North-south) metro train

Source: (Xinhua News, 2019)

Figure 4. AALRT's green (East-West line) metro train.

Source: Tripadvisor.com

6.2 Zimbabwe's development and Chinese Foreign Capital

China-Zimbabwe diplomatic relations began in April 1980, on Zimbabwe's Independence Day, after China had rendered military support to Zimbabwe in its fight for independence from British colonial rule. Zimbabwe's Land Reform Program of 2000 attracted economic sanctions from the European Union and the US besides isolation from the Commonwealth of Nations. This prompted Zimbabwe to adopt the Look East Policy to strengthen economic and political cooperation with Asian states like Malaysia, Japan, Singapore and specifically China. Both countries enjoy a mutual relationship usually described as an 'all-weather friendship' (Scoones, 2016). For two decades now, China remains Zimbabwe's single largest source of foreign investment capital, investing $ 3 billion in 2018 (Chingono, 2019). China has dared to invest in Zimbabwe despite the African state being considered a too high-risk investment destination by such powers as the United States. China has financed and constructed to completion such projects as the Kariba South-Hydropower Plant (2017) Longchen Plaza (2013), China-Zimbabwe Friendship Hospital (2012) and National Defence College (2012). Chinese grants also enabled it to purchase new agricultural and irrigation equipment, and equipment for various government ministries (Edinger and Burke, 2008). This paper will focus on the expansion of Victoria Falls International Airport.

Victoria Falls International Airport (VFA) is situated 21 km south East of Zimbabwe's Victoria Falls town, the tourism hub of Zimbabwe. VFA is the preferred gateway to UNESCO's World Heritage Site, the Seventh natural Wonder of the World and a magnificent tourist attraction site, Victoria Falls. This all year round tourists attraction site is surrounded by Victoria Falls Park and Zambezi National Park. Victoria Falls gives VFA its economic relevance. The airport's inadequate facilities however undermined Victoria Falls' economic potential, being unable to efficiently handle tourist arrivals in peak seasons. Clearance delays and congestion at the airport were common place.

Figure 5: An image of the Victoria Falls Airport before its expansion

Source: https://www.google.com/search?q=victoria+falls+airport&client=avast&source

Zimbabwe's economic underperformance, lack of investment capital for the airport's expansion and the need for the airport's modernization necessitated quest for input of foreign capital. In 2012, the Government of Zimbabwe approached China for funding. China Jiangsu International modernised the airport from 2013 to 2015 using a $150 million loan from the Export-Import Bank of China. It was commissioned in 2016 by the late President Robert Mugabe (1980-2017). Currently, Victoria Falls Airport has a new 4km long runway, longer than the initial 2.2km one. Its new international terminal building with a 1.7 million passengers per year handling capacity is triple its previous 500,000 passengers per year capacity (Murray, 2016). New additional facilities include: air conditioned International and Domestic Terminal Buildings, Parallel Taxiway, Category 7 Fire Cover, Category II Instrument Landing System (ILS) & Airfield Ground Lighting (AGL) system, Parking for 10 wide body aircraft, and 18 light aircraft (Civil Aviation Authority, 2019).

Figure 6: An image of the newly expanded VFA

Source: https://www.google.com/search?q=victoria+falls+airport&clien

7.0 Impact Analysis

There is a strong relationship between transport infrastructure and economic development of developing economies. Economic development referring to the enhancement of the economic well fare of a people by creating opportunities for employment, wealth creation and improvement of their quality of life (IEDC, 2016). Investment in transport should bring direct user benefits and indirectly positively impact the economy.

7.1 The impacts of AALRT on Ethiopia's Economic Development.

The coming of AALRT to Ethiopia has had the following impacts: Beginning operations in September 2015, AALRT's direct benefit has been complementing the road transport system by providing faster, safer and affordable travel for majority of the city's 4million human population. It has moved the government closer to its primary goal: improving mobility by reducing congestion on Addis' roads. Although as of 2016, 44% of the city's population journeyed on foot while 34%

squeezed into overcrowded minibuses, the trams at full operation carried a daily average of 105,000 passengers-low-income workers and middle-class commuters-for fares as low as $7 cents (2 Ethiopian birr) (Spiegel Online, 2018). Some employees that initially spent 5 hours commuting to work now arrive 4 hours earlier at work, a positive stimulus for economic growth. The average speed of the city's transport services has improved from the road's 10 km/hour to the light rail's 22 km/hour (C40 cities, 2016). Potentially, trade in and through Addis should increase courtesy of faster movement of passengers and freight.

Powered by electricity, it is a more environmental friendly public transport alternative and its continued use (10 times road transport carrying capacity) should reduce road transport induced noise pollution and exhaust emissions (Jonker & Robinson, ibid). This is in line with the Growth and Transformation Plan II (GTP II) whose objective is to make Ethiopia a middle-income state by 2025 while transitioning to a green economy (Mariam, 2018). Transport and energy sectors account for 88 % of Ethiopia's greenhouse gas emissions (Mariam, ibid) while transportation gives rise to 47% Addis Ababa's Carbon (IV) Oxide emissions. It should cut CO_2 emissions by 1.8 million tons come 2030 (C40 cities, ibid). AALRT is powered by the nation's power grid whose sources are hydropower, wind and geothermal power. Also, the rail puts lesser demand on natural ecosystems since it is less land intensive.

According to Xinhua (2017), the light rail produced $5 million in revenues from approximately 35 million commuters transported during Ethiopia's 2016/17 financial year, besides creating 13,000 jobs. Knowledge transfer from the Chinese rail operators to the locals being conducted in the rail's first three years operation is potential employment. AALRT has raised the value of land and attracted real estate developers and Addis Ababa's municipality to construct high rise neighbourhoods and commercial enterprises along the line. The newly built Zefmesh Grand Mall is a good example, although mostly affected are the slum dwellers (23,000 homes torn down) and small sized businesses (60-100% hike in rent) (Spiegel Online, ibid). Potentially, its economic input should increase provided it operates at optimum since an analysis on China by Changfu & Yuan (2011) showed that every $14 million invested in light rail provided 8,000 more jobs and increased GDP by approximately $ 37 million. Businesses directly involved such as rail equipment manufacturing firms earned revenues.

Some of the project's negative impacts have been the burden of repaying the loan, the cost of maintenance, sustainability and displacement of slum dwellers. After a grace period of 3 years, the $ 403 million loan would be repaid for 23 years at a 6 months libor rate (0.507%) plus 2.6% (Dreher, et al, 2017). In 2018, China in agreement with President Abiy Ahmed allowed Ethiopia a repayment period of up to 30 years for its outstanding Exim Bank interest loans. Half of Ethiopia's foreign debt is owed to China. The government's debt is 59% of its GDP which may affect the nation's pursuit of its GTP II goals. On sustainability, it will cost $ 300 million for knowledge transfer from Chinese to local operators. On maintenance, as of 2018, a third of the trams were packed in the depot awaiting repair of the wheels shipped to China, the wheels worn out due to high usage of the trains (Spiegel Online, ibid). There is need for machinery for on-site repairs.

7.2 Impacts of the expansion of Victoria Falls International Airport on Zimbabwe's Economic Development

VFA's upgrade has caused an upsurge of international arrivals to the nation's leading tourism hub. In 2014, 20.3% of Zimbabwe's foreign exchange earnings came from international tourism which generated $827m in revenue (Veras, 2017), tourists preferring Victoria Falls and Zambezi River. In line with VFA's expansion, tourism has since been experiencing regeneration, with several hotels like the Victoria Falls Safari Lodge investing in significant refurbishments and expansions. Also, an old Wimpy restaurant was refurbished as the Shearwater Café, reopened in August 2014 (Roberts, 2017). Hotel room occupancy increased by 20% in 2017 (Granat, 2018). It was also projected at 300,000 people in 2018 way above the 25,000 visitors recorded in 2008 (Pile, 2018). In 2016-2017, international tourism contributed to 10% of the GDP ($157 million), lowered by foreign currency shortages (Zibanai, 2018).

The expansion of VFA brought long haul aircrafts in the B747 class of airlines like the British Airways (2016), Emirates Airlines (2016), Kenya Airways (2017) and Ethiopian Airlines (2017). Its upgrade increased arrival of domestic, regional and international flights besides chartered flights arriving for business, sports, leisure and tourism. Accommodation facilities at Victoria Falls were above 90% occupied since the airport was commissioned (Zibanai, ibid). Foreign expenditure in Zimbabwe rose from $523 million in 2009 to US$ 886 million by 2015 (Veras, 2017) thanks to a rise in international arrivals. One in four citizens are employed in the tourism sector. Tourism in Zimbabwe was in 2016 valued at $500 million and was projected to yield $5 billion in revenue by 2020 (Zibanai, ibid). A fully functional Victoria Falls Airport is good for the country's tourism, a major foreign exchange earner needed to revive its struggling economy.

VFA's major setback is that the funds were invested in a 20 year old model (Zimbabwe Today, 2018). The airport has been modernised but has not succeeded in solving the initial problem. Long queues of tourists that extend to outside the airport still existed. The arrivals hall cannot hold 600 passengers at a go, if three planes carrying 200 passengers each landed one after another. A question remains whether Zimbabwe has the capacity to pay back the $ 150 million loan borrowed for the airport's modernisation in 20 years' time at a 2% interest.

8.0 Conclusion

Chinese foreign capital is bound to continue to impact the continent's infrastructure. Africa will most likely continue to supply China with the needed mineral resources, repay the loans with interest, serve as a market for Chinese manufactured products and offer diplomatic support at such international platforms as the United Nations. This study concurs with Rotberg (2008) who remarks that Sino-Africa engagement is a symbiotic relationship. Debates about the motivation behind Chinese development projects and their sustainability do not cancel the fact that infrastructure development will impact Africa's development. Although a general consensus on the impacts of Chinese investment in Africa is hardly within reach, this increased engagement is bound to grow further, thanks to prevailing mutual interests.

This paper asserts that Sino-Africa relations can best be described as a give and take relationship in which each part has to give in order to get something in return. Infrastructure development will still become the primary carrier of Africa's economic development in the foreseeable future and that studies and research on this theme will most likely continue. Finally, Sino-Africa cooperation is bound to continue to grow as evidenced by both sides reaffirmed commitment to each other during 2018 Forum on China Africa Cooperation (FOCAC) in Beijing.

9. Recommendations

It would be a miscarriage of justice to totally blame Africa's slow development on China's investment motives. Whether they be good or otherwise, a country's quest to eliminate poverty and realize sustainable development depends largely on its domestic rather than external efforts. This paper therefore recommends that Africa's spending on infrastructure be as cost effective as possible such that the benefits and returns are worth the value of Chinese loans plus interest acquired to build them. Further to that, it also recommends that Africa maximizes the productivity of already existing infrastructural facilities while seeking to obtain economically viable financing for newer versions. For example, Uganda resorted to upgrade its old Kampala-Malaba meter gauge railway at a $ 267 million cost pending funding for the long-awaited SGR connection from Kenya (Biryabarema, 2019). Finally, it recommends a sound debt management policy for relief from foreign debt distress.

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Conflicts of Interest: The author declares no potential conflict of interest.

Disclaimer Statement

This work is part of the author's thesis titled "The Impact of Bilateral Relations on Economic Development: The Case of China and Zimbabwe 2000 to 2018" due to be presented and submitted to the Department of Political Science and Public Administration in Partial fulfillment of the Doctor of Philosophy Degree in International Relations. The author did not directly extract information from her thesis' case study that is similarly used in this research. The author's assigned supervisors are Dr. C.A. Mumma-Martinon and Dr. H. Amadi from the same department.

Author Biography

The author is currently a doctoral student at University of Nairobi, Department of Political Science and Public Administration. She attained her master's degree in International Relations from University of Zimbabwe where she also did her first degree. The author's research interests are international relations and political science.

Authorship and Level of Contribution

The authors equally contributed in the research, writing and revision of the paper.

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[1]**Endnotes**

1 CARI is a research program formed in 2014. Its main mandate is to offer deep insight on China-Africa political and economic relations and their impact for global development. Its headquarters is located in Massachusetts, Washington, DC.

2 John Hopkins University which was established in 1943 is located in Massachusetts, Washington, DC.

3Deborah Brautigam is among the foremost academic authorities on China-Africa relations. She is the Bernard L. Schwartz Professor of International Political Economy and the Director of the China Africa Research Initiative (CARI) at Johns Hopkins University's School of Advanced International Studies (SAIS) in Washington, DC. She also directs the International Development Program (IDEV).

4Concessional loans are loans offered on more generous terms such as longer grace periods and interest rates lower than those offered by market loans.

5This is a loan in which interest does not increase. The borrower only returns the amount borrowed.

6Preferential export credit refers to a financing agreement which enables a foreign buyer of exports to begin paying at a certain specified time to come.

7The 1978 Chinese economic reforms were informed by the policy of "reform and openness" (gaige kaifang) which entailed adoption of free-market reforms and opening up to the outside world for foreign trade and investment.

8Purchasing power parity (PPP) refers to the rate of conversion of currencies that eliminates the differences in levels of prices between trading countries. PPP relates prices of same goods and services in different countries.

9A Zimbabwean programme which saw land seized from white farmers and redistributed to the black majority.

10Look East Policy is a policy adopted by the Zimbabwean Government and the then leader, President Robert Mugabe in 2003 to strengthen its ties with Asian countries, China in particular.

11VFA is the International Air Transport Association (IATA) station code for Victoria Falls International Airport.