

## China and Uganda – an Uneasy Friendship

### The dynamics of Sino-Ugandan relations and its economic and societal impacts on Ugandan society

In April 2017, a decade-long resentment of the prevalence of Chinese traders reached a tipping point in Uganda's capital as shop owners and petty traders took to the streets to protest the unfair competition posed by the foreigners (SCMP, 2017). In a separate case, a young Chinese factory administrator was shot and killed in early September, and though the investigation is still ongoing, officials believe the killers could have received assistance from inside, possibly with the help of a 'disgruntled employee' (Sabano, 2017), which would not be the first time Chinese employers have received criticism and threats over their harsh demands from employees and their severely rigid work ethic (Choksi and Wall, 2016).

In many ways, Chinese nationals have made their mark in Uganda and, judging by their perseverance and success at doing so, are here to stay. In fact, in 2009, China overtook the United Kingdom and became Uganda's largest foreign direct investor (Nakaweesi, 2010). Additionally, by 2017, China overtook India – a country that shares a long history with Uganda that dates back to the early years of colonialism – to become Uganda's top import market (Muhumuza, 2017). Chinese influence – especially in the capital, Kampala – is ubiquitous, and ranges from Chinese-owned restaurants, to shops, clinics and hospitals, and even to entertainment centres such as karaoke bars. But even beyond Kampala's busy streets, Chinese contractors are building roads, bridges, dams and factories, which are scattered across the country. The great power has had an enormous economic, political, and cultural impact on the East African country, with winners and losers on both sides.

#### The Rise of China in Africa

Within the last two decades, China has become an increasingly important trade and aid partner for many African countries. This development has been met with mixed reception within the discourse on foreign aid and development. The Chinese government, investors, and contractors promise their African partners a more equal and fair relationship with less conditionalities when it comes to aid (Xiaoru, 2012). On the other hand, Western countries, and the United States in particular, remain wary of China's intentions, with some even arguing that China's presence on the African continent has fostered an increase of authoritarian and corrupt tendencies given the country's insistence on non-interference in domestic politics (Woods, 2008). However, despite Western fears on the growing role of China in foreign aid and trade in Africa, Beijing consistently maintains a non-threatening language of peace and harmony, and talks about its 'friendship' with Africa, contrary to the suggestion that China is beginning to flex its military muscles internationally, under the guise of development assistance (CNN, 2017).

Criticism from Western institutions and development partners also focuses on issues such as human rights violations, environmental degradation, and socio-political consequences of Chinese aid and investment such as land-grabbing (Woods, 2008). However, scholars such as the aid-sceptic economist Dambisa Moyo (2009), argue that in order to overcome the economic stagnation African countries find themselves in (largely due to Western foreign aid policies and practices), African countries must, among other things, focus more on their economic relationship with China in particu-

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lar, given their less restrictive stance towards aid and loans, as well as their intensified focus on trade and investment.

In Uganda, some of the largest infrastructure projects over the years, including the Entebbe express highway that will connect the capital to the international airport, as well as a hydro dams in Western and northern Uganda, and many smaller projects, have been financed and constructed by Chinese companies (Muhumuza, 2017). However, increased cooperation with China comes with its price. Not only is the quality often lacking – be it the quality of handbags, industrial machines, or roads (Oketch, 2017) – but China as an investor also stands out for its disregard for good governance, human and civil rights, and environmental protection (Choksi and Wall, 2016).

Thus, on the one hand, the international discourse on China's presence focuses on the perceived leniency of Beijing towards authoritarian trade partners, coupled with a disregard for environmental standards and human or labour rights, and less explicitly, the diminishing power of traditional donors and investors. On the other hand, the domestic Ugandan discourse takes a different approach. It centres less on the investment monopoly that the Chinese government has over other external investors, and more on the economic, cultural, and societal issues that arise from the increased presence of Chinese contractors, traders, and investors in Uganda. However, before we further delve into the current issues concerning Chinese presence in Uganda, it is important to note the historical and ideological context of current Sino-Ugandan relations.

### History

Diplomatic relations between China and Uganda officially came into force after the East African country's independence in 1962, and remained steady despite the political turmoil of the 25 years that followed (Obwona et al, 2007). The ideological rift of the international community of the twentieth century ignited a second 'Scramble for

Africa' as the opposing great powers sought to increase their sphere of influence in the global South. Uganda's first government after independence strongly sympathised with socialist ideology, ensuring close ties to brother nations such as the Soviet Union and China (ibid.). In fact, Maoist China was one of the first countries to recognise Uganda's independence from Great Britain (Otago, 2017).

Subsequently, despite overall Chinese investment and development aid decreasing globally after the death of Chairman Mao, bilateral relations of the two nations eventually intensified after the National Resistance Movement came to power in 1986, as an unprecedented amount of construction and service businesses owned by Chinese companies emerged in Uganda (Obwona et al, 2007). Trade and aid relations only intensified after the fall of the iron curtain, rendering China the biggest foreign investor in Uganda today.

### Ideological similarities

Unlike traditional donors, China's 'friendships' with countries in the global South are untainted by a colonial history. In fact, China takes pride in its identity as a staunch opponent of colonialism, and much of China's arguments against interference and aid relationships based on Western principles originate from their identity as a victim of colonialism (Krebs, 2015). Furthermore, Chinese governmental officials have on numerous occasions reiterated the country's identity as a developing country that simply wants to help other developing countries modernise, rather than become a moral, economic and political leader, as is the case, according to China, with OECD donors (Zhang et al, 2015).

Furthermore, historically speaking, China's relationship with Uganda and other former colonies is built on an anti-imperialistic ideology heavily influenced by the notion of non-interference, which remains one of the most important pillars of Chinese ideology (Zhang et al, 2015: 9). More specifically, whereas OECD countries have transformed good governance into a top priority for aid

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and investment, Beijing understands any interference by one state in another state's domestic affairs as a violation of the latter's sovereignty (Zhang et al, 2015). Western efforts to intervene are often interpreted as an act of neo-colonialism by the Chinese government (Xiaoru, 2012). This notion can be understood as an attempt to diminish the 'us versus them' dichotomy that so often dominates the policy and practice of aid and investment (ibid.). Beijing therefore strives to put more focus on 'sovereignty, equality, and respect' (Glosny, 2006: 8), rather than coupling development or humanitarian aid with moral and political expectations.

These strong anti-Western interference and anti-colonial sentiments resonate strongly with their African partners, and especially with Uganda's President Yoweri Museveni, who in the last years, has often voiced his resentment of 'Western aggression' and constant interference, calling for African countries to implement more protective and isolationist policies in order to combat Western intervention (Otage, 2017). In stark contrast, the Ugandan president wholeheartedly welcomes China's growing presence in Uganda, since 'unlike European countries, China listens and respects priorities of developing countries and does not dictate when they offer development aid' (Otage, 2017).

Arguably the most prominent example of Western conditionalities regarding aid stem from the strong disapproval of Western states for Uganda's extremely harsh laws on homosexuality, which have garnered the government harsh criticism and sanctioning in recent years (BBC, 2014). Museveni countered this action by explicitly praising Beijing for not interfering or condemning Uganda's highly controversial and homophobic laws, as opposed to the United States and many other Western governments. In return, China applauded the Ugandan government's disregard for 'Western' moral and social standards, and has consistently refused to criticise Museveni's 31 year reign (Otage, 2017). Beijing's emphasis on fraternising with its trade partners is also evident in its political

language, as argued by scholars such as Xing Lu (2002), who observes that the Chinese political discourse tends to use highly subjective and metaphorical language, emulating a highly positive and exuberant image of itself. This positivity is also employed in the discourse on development aid and trade, given Beijing's strong focus on 'friendship' rather than cooperation. This friendly terminology can also be found in institutions and organisations such as the China-Uganda Friendship Association, the China-Uganda Friendship Hospital, and the Uganda-China Friendship Agricultural Technology Demonstration Centre.

Ultimately, China's emphasis on a shared colonial history, a common identity as a developing country, and on friendship and brotherliness, paint a particularly rosy picture of their intentions in Uganda and Africa more generally, and according to the Ugandan government, and many other African beneficiaries of Chinese aid and investment, Beijing's presence is a blessing. Nevertheless, as already alluded to at the beginning of this report, China's presence in Uganda has been less than profitable for many other groups and individuals outside of the government bubble. In fact, dissatisfaction and disapproval come almost exclusively from ordinary citizens rather than from the elite and the government.

### **An uneven relationship**

Firstly, looking through the various articles, blogs, and expert opinions on China's role in Uganda, one quickly gets the impression that China has the upper hand regarding its relationship with Uganda, especially if one refers to the many disgruntled local traders and manufacturers, land owners, journalists, and civil society organisations across the nation. Chinese businesspeople are notorious for their strict work ethic that often spills over into abuse, and are also known for their ability to cancel out any local competition in the enterprises and fields they venture into (Choksi and Wall, 2016). In addition, advocacy groups have long complained that law enforcement and government bureaucrats turn a blind eye to of-

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fences made by Chinese investors and traders.

Traders in particular bemoan the exclusive relationship that Chinese traders and importers share, allowing those traders to purchase goods at a much cheaper price than Ugandan traders who are buying the same goods (SCMP, 2017). Subsequently, this unfair treatment ensures that Chinese-owned shops offer goods at the cheapest prices on the market. Therefore, on the ground in Uganda, the biggest losers of Chinese presence are local manufacturers, traders, and entrepreneurs, who fail to compete with Chinese prices without risking their existence (ibid.). As a consequence, the most mundane goods such as toothpicks and toilet paper – both commodities that can be easily manufactured in Uganda – have become a Chinese monopoly and therefore fodder for much disapproval from the Ugandan competition (Sseppuuya, 2016).

Furthermore, the sheer number of legal and illegal Chinese traders worries their local counterparts. A study by the US American John L. Thornton China Centre of the Brookings Institution, estimates the number of Chinese nationals living illegally in Uganda to range between 10,000 and 50,000 (Oketch, 2017). Furthermore, as confirmed by the Ugandan immigration authority, many Chinese nationals enter the country under the guise of being investors (given Uganda's generosity towards foreign investors) only to open small shops, both formal and informal, selling Chinese goods (DCIC, 2017). Consequentially, Issa Sekitto, spokesman of the Kampala City Traders Association, fears for the livelihoods of his fellow traders, since the influx of petty traders from China has led to the emergence of deep distrust and resentment on both sides (SCMP, 2017).

Traders also highlight the tricks Chinese nationals use to enter the country and start businesses. Most prominently, The National Directorate of Citizenship and Immigration recently made public the gradual increase of sham marriages between Chinese men and Ugandan women in the recent years (Kuo,

2016). According to the agency, a significant number of Chinese men who enter the country illegally and fail to obtain a residence permit engage in fake marriages in order to receive residency easier and faster, so as to pursue their economic endeavours in Uganda (DCIC, 2017).

Moreover, despite routinely conducting interviews before couples can receive spousal status, many sham unions manage to get through the interviews subsequently avoiding deportation (ibid.). One bitter side effect of these unions is the fact that the wives are sometimes abandoned by their Chinese husbands after marriage (Kuo, 2016). However, the Directorate of Citizenship and Immigration argue that many men remain in these marriages to benefit from land and other resources that they have access to and that they can inherit to their children (DCIC, 2017).

The frustrations of many Ugandans become all the more understandable when we acknowledge the harsh conditions that Ugandans in China suffer, especially if they find themselves on the wrong side of the law. In 2014, the Ugandan public was shocked by the case of Ugandan national Ham Andrew Ngobi, who, unbeknownst to him until the very day, was executed in China on drug trafficking charges (Ziribaggwa, 2014). While he was not the first Ugandan to face the death penalty in China, the fact that his chilling last call to his wife on the day before the execution, which rendered Mr Ngobi unaware of his sentence, was publicly broadcasted across the nation, caused a public outcry (Akumu, 2014). However, while a similar case of a British national who was put to death in China in 2009 caused harsh criticism by the British government and a subsequent diplomatic row between the two countries, the Ugandan government has continuously reiterated that there is nothing it can do to save its citizen's lives apart from warning of the perils of drug trafficking (ibid.). To many, this is evidence that the government is more interested in appeasing Beijing than protecting their citizens (Akumu, 2014). One journalist even argued for a more tit-for-tat approach to China's laws, claiming that 'ille-

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gal traders in ivory also deserve death' (Musasiza, 2014). As of late 2016, 73 Ugandans await execution in the People's Republic of China; most for drug trafficking and prostitution (MR, 2016). These individuals are on the losing end of the Sino-Ugandan friendship.

Therefore, though ordinary Ugandans, especially those in the formal and informal economic sector, suffer greatly from China's influence, the Asian power has also had a lasting impact on the government of Uganda. It is no secret that Uganda, just like many other countries on the African continent, relies heavily on foreign investment and is thus dependent on appeasing the Chinese government. This could explain the relative inaction of the Ugandan government regarding the growing public dissatisfaction against the influx of Chinese petty traders and dubious investors. Noteworthy is also the blatant power imbalance between China and Uganda since, regarding government-to-government relations, China maintains a stronger position and exercises this power in moments of disagreement, as evident in two events from the past months.

Firstly, when Ugandan lawmakers summoned a Chinese executive of a state construction company to explain to a committee how his company secured a \$ 475 million contract to build the Entebbe expressway, the managing director, Zhong Weidong, threatened to withdraw all Chinese assistance if the parliamentary committee pursued their inquiry (Wesonga and Kyeyune, 2016). The lawmakers in turn accused the Chinese executive of undermining the integrity of the Ugandan parliament.

In a similar case of appeasement, President Museveni issued an official apology to the Chinese government for alleging that Chinese diplomats were engaged in illegal ivory trade in East and Central Africa; some accuse Beijing of 'bullying' the Ugandan government into issuing an apology (Acemah, 2017).

Thus, despite all the emphasis on friendship, equality, and mutual benefit, China's presence in Uganda has brought a considerable degree of constriction and unfair com-

petition with it. The Ugandan government finds itself in a difficult position since it must consistently keep its partners in Beijing satisfied, even though this means that they often find themselves getting the shorter end of the stick, much to the dismay of the Ugandan public. Furthermore, given the relative weakness of Uganda's civil society, citizens have failed to ignite significant change through protests, be they peaceful or violent. And ultimately, despite having to give in to Beijing's demands, the Ugandan government still benefits immensely from China's presence and thus has little incentive to change the dynamics of this relationship.

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