Namibia and China: Profile and appraisal of a relationship

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Introduction

Any sound analysis of Namibia–China relations in both the pre- and post-Independence period needs to start with a brief historical exploration of how such relations evolved and transformed. It is also important to locate the analysis within the corset of older Sino-African relations that go back considerably longer, and that have proven to be remarkably resilient – at least since 1955, with the Bandung Conference and the birth of the Non-aligned Movement. Over the last decade in particular, it is impossible to discuss Namibia–China relations outside of an analysis of some salient aspect of globalisation, more particularly of new-mercantilist impulses that permeate globalisation.1

Historically, the relationship between Africa and China is old, dating back several centuries.2 In the 1960s and 1970s, the period of Africa’s First Development Decade, ...

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1 New mercantilism is characterised by government attempts to manipulate economic arrangements in order to maximise their own interests, whether or not this is at the expense of others. These interests may be related to domestic concerns (high employment and price stability, for example) or to foreign policy concerns (security and complex interdependence). Thus, the construct of new mercantilism is far broader than its 18th-century association with trade and the balance of payments surplus, and takes as a first priority the national economic and political objectives of the state over considerations of global economic competitiveness. Robert Gilpin (1992) argues that the new-mercantilist impulse supports the desire for a balance of payments surplus (based on a positive trade balance with other countries), the export of employment, inflation, or both, and the imposition of import and export controls to protect the home industry. Moreover, states will further the expansion of their world market share and stimulate advanced technology within the state. Gilpin (ibid.:293) opines as follows: “Each nation will pursue economic policies that reflect domestic economic needs and external political ambitions without much concern for the effects of these policies on other countries or on the international economic system as a whole”.

2 By the 1st century BC, Arab, Chinese, Indian and Indonesian mariners knew far more about tropical Africa than their counterparts in the West, from whom there is little further mention of the continent until the beginning of the Roman Empire. Merchants from China traded with the states along the east coast of Africa, particularly during the years of the Tang Dynasty (AD 618–907). In the 9th century, the scholar Tuan Ch’eng-Shih reported on the Masai of present-day Kenya and Tanzania. Chinese traders engaged with their African and Arab counterparts throughout the 11th and 12th centuries and, by 1500, Chinese and Indian merchants had extensive trade relations with the Bantu-speaking peoples along the east coast, namely
ideological considerations weighed heavily on Sino-African relations. Internationally, the bipolarity of the Cold War accorded an additional attraction to China, as that country offered an alternative development model for Africa to that of the West. By the late 1980s, the focus shifted more strongly to economic cooperation in areas of common concern – with China emerging as an active economic and development partner, as well as a political ally on major international issues such as trade, finance, development assistance, and the reform of the United Nations (UN).

Historically also, the relations between China and Africa had their ebb and flow. As will be argued shortly, the People’s Republic of China (PRC)3 increasingly reasserted itself in Africa in the 1980s, and with the deepening of globalisation and the end of the Cold War in the 1990s, China became a formidable actor in the economic and political life of a select number of African countries, particularly those with sizeable energy and mineral economies. Thus, China perpetuated the history of commodity extraction from African countries with rich mineral endowments, even if Beijing provided other forms of economic and development assistance to such countries.

Today, given the global importance and size of its economy, China’s relationship is powerfully anchored on commercial considerations – there are 1,600 Chinese companies doing business in Africa4 – with the objectives of sustaining rapid industrialisation and high economic growth rates in China and securing markets for that country’s manufacturers.5 With its economic muscle, China is capable of backing its trade relations with Africa (and Namibia) with aid, development assistance, debt relief, scholarships for students and government officials, training for civil servants and the security sector (defence, public safety and security and intelligence personnel), construction, and technical support. At the time of writing, for example, China accounts for 8% of Africa’s military hardware imports. In 2009, in terms of foreign direct investment (FDI), Chinese investments in Africa accounted for 3% of total FDI outflows.6

In the aftermath of considerable domestic dislocation resulting from the death in 1976 of Chairman Mao Zedong, Head of State of the PRC from 1949 to 1959 and Chairman of the Communist Party from 1935 to 1976, and the turmoil of his cultural revolution, the Chinese Government became decidedly more inward-looking; as a result, the Sino-African relationship lay dormant throughout much of the 1980s. By the late 1990s, PRC Premier Deng Xiaoping’s gradualist market-driven socialism began to show results. The

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3 The full name – People’s Republic of China/PRC (instead of just China) – will be used if there is a specific reference to the political administration after the proclamation of the PRC on 1 October 1949 by Mao Zedong.
5 Zhao (2007:35).
PRC has, since Xiaoping’s carefully-controlled economic reforms, had an annualised economic growth rate of between 9% and 11%, as well as a 400% increase in real per capita income. Since then, the country has become the second largest economy in the world (after the United States of America/US), accounting for more than 12% of the world’s gross domestic product, 8% of global manufacturing production, and 1.35 billion consumers. The PRC’s state-capitalist economy has brought about transformations in trade and industry that have made it the largest energy consumer – even ahead of the US; and it needs, energy (oil), strategic minerals (cobalt, coltan, magnesium, platinum, iron ore, tin), food and agricultural inputs, and forestry resources to sustain its exceptionally high growth rate.\(^7\)

Chinese trade and economic assistance to Africa accelerated markedly at the end of the Cold War and has grown exponentially over the 20-year period spanning 1990 to 2010. Sino-African trade increased from only US$12 million in 1950 to US$250 million in 1965. After several reforms and the PRC’s ‘Open Up’ policy in the 1980s, Sino-African trade significantly increased. The trade volume exceeded US$10 billion in 2000 for the first time. In 2006, it stood at US$56 billion,\(^8\) and in 2008, it hit a record high of US$106.8 billion.\(^9\) As a result, a number of resource-rich African economies such as Angola, Nigeria, Sudan, and Zambia have experienced balance of payment surpluses, notably due to their substantial oil and mineral resources.

Sino-African relations took a bold step forward with the founding of the Forum on China–Africa Cooperation (FOCAC) in 2000, with the first Ministerial Conference taking place that year in Beijing. FOCAC was China’s largest-ever multilateral undertaking, with 44 African states, including Namibia, participating in it. Since then, FOCAC has been the locus of important policy developments, such as China’s Special Preferential Tariff Treatment Programme (SPTTP), which removed import duties on 190 different items from 25 African countries when it was implemented in January 2005.\(^10\)

In November 2006, FOCAC further consolidated Sino-African relations when China made additional far-reaching pledges to Africa with a development package that included the following:\(^11\)

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\(^7\) Alden (2005); CCR (2007:12); Du Pisani (2008:8–9); Goldstein et al. (2006); Naidu (2010:25–38); Melber (2010:6).

\(^8\) Servant (2005).


\(^10\) While not explicitly acknowledged by the Chinese at the time, the SPTTP was partly launched as an alternative to the US African Growth and Opportunity Act (AGOA) and other tariff reduction agreements between the African, Caribbean and Pacific (ACP) countries and the European Union (EU).

• US$3 billion in preferential loans and US$2 billion in preferential buyer’s credits over the next three years (2007–2009)
• The doubling of China’s 2006 aid assistance to Africa by 2009
• A China–Africa Development Fund of US$5 billion to encourage Chinese companies to invest in Africa, increasing the preferential Zero-tariff Treatment Programme from 190 to more than 440 products
• The establishment of ten Chinese agricultural technology demonstration centres on the continent between 2006 and 2009, and
• An increase in the number of Chinese Government scholarships from 2,000 to 4,000 by 2009 enabling Africans to study in China.

Earlier, in 1996, the then Chinese President Jiang Zemin declared that the five cornerstones of China’s Africa policy were “sincere friendship, unity and co-operation; common development, and looking to the future”.12 This articulation contained elements of new mercantilism, namely the promotion of mutual development and the primacy placed on political unity between Africa and China in international arenas.

This foundation was strengthened under the current Chinese President, Hu Jintao, in his “six pillars” of Sino-African relations:13
• Non-interference in the domestic affairs of African states
• African ownership in dealing with problems (African solutions for African problems)
• Mutual trust and cooperation
• The increase of economic assistance with limited political conditions
• Lobbying the international community to pay more attention to Africa, and
• The promotion of an international environment more conducive to Africa’s development.

Not surprisingly, China’s pre-eminent focus on commercial relations and economic development in Africa has been met with some concern by other states, notably the US and the European Union (EU). These sentiments were expressed more especially by France and the United Kingdom, both of whom have extensive and long-standing interests in Africa. Accordingly, the US and EU have had to recast their relations with the continent.

Namibia–China relations: Transcending old solidarities – building new relations

Historically, relations between Namibia and the PRC were spawned with the former liberation movement, the South West African People’s Organisation (SWAPO) during

13 (ibid.:146).
the protracted liberation struggle in the mid-1960s, which ran until the end of the 1980s. Notwithstanding the solidarity galvanised between the Communist Party of China (CPC) and SWAPO – a relationship that persists to the present day, it is instructive to note that SWAPO did not open a diplomatic mission in that country prior to Namibia’s Independence.\textsuperscript{14} Throughout the liberation period, however, the PRC provided material assistance in the form of military hardware and political support. The then President of SWAPO, Sam Nujoma, also visited the PRC seven times in the 1970s and 1980s, with a further five official visits after he was sworn in as the first President of an independent Namibia.

A close reading of the evolving relations between China and Namibia shows that these largely mirror the pattern that has come to characterise that country’s relations with other states in Africa and in the developing world in general. As in the case with many other African countries, the PRC entered into relations with Namibia a long time ago. As pointed out earlier, Namibia’s liberation struggle afforded the opportunity for the PRC to cement complex relations with SWAPO. At the time, the PRC, taking its cue from the former Organisation of African Unity (OAU, the antecedent of the African Union/AU) and the UN General Assembly, recognised SWAPO as the “sole and authentic representative of the people of Namibia”.\textsuperscript{15} This was done at the expense of the South West African National Union (SWANU), the country’s oldest political party.\textsuperscript{16}

Against the canvas of the Sino-Soviet split, the Afro-Asian Peoples’ Solidarity Organisation itself split in the period 1964–1967. At its 1967, Nicosia conference, which the PRC boycotted, SWANU found itself expelled and SWAPO was admitted – largely with Soviet support.

In an article published in 1972, SWAPO leaders Hidipo Hamutenya and Hage Geingob claimed that it was SWAPO’s decision to launch the armed struggle. The decision, they maintained, was taken in 1962 and put into effect in 1966, demonstrating the party’s superior commitment to the liberation of Namibia, and distinguishing it from SWANU in the eyes of international supporters.\textsuperscript{17}

Nonetheless, as Sherbourne (2007) puts it, –\textsuperscript{18}

… there is no doubt that China consistently supported Namibia’s claim for independence, and it was expressly thanked (along with many other countries and organisations) at SWAPO’s watershed Tanga Conference in Tanzania in 1969 for the moral and material support it had given the movement.

\textsuperscript{14} See also the article by Chris Saunders on Namibian diplomacy before Independence in this volume.
\textsuperscript{15} (ibid.).
\textsuperscript{16} Sherbourne (2007:161).
\textsuperscript{17} Hamutenya & Geingob (1972:85–94); also quoted by Dobell (1998:181).
\textsuperscript{18} Sherbourne (2007:162).
By that stage, SWAPO had already been sending recruits to its camps to China for further military training.

Shortly after Namibia’s Independence on 21 March 1990, formal diplomatic ties were established between the new democracy and China (PRC). By March 2005, when President Hifikepunye Pohamba assumed office, Namibia had established an embassy in China with concurrent accreditation for Cambodia, the Democratic People’s Republic of Korea, the Republic of Korea, Laos, Mongolia, Pakistan and Vietnam. Visits by senior Namibian politicians and officials to China and by Chinese representatives to Namibia have taken place on a regular basis since 1990. Founding President Dr Nujoma visited China on five occasions: in 1992, 1996, 1999, 2000, and 2004. The current Namibian President has visited China three times since taking office in March 2005. The former Chinese President Jiang Zemin visited Namibia in 1996, while Chinese Foreign Minister Tang Jiaxuan visited in 2000. The former Chinese President Hu Jintao paid a two-day state visit to Namibia in February 2007 as part of a 12-day tour to eight African countries.

Coming in the wake of the formative 2006 FOCAC, the February 2007 visit to Namibia by Chinese President Hu Jintao was accompanied by high expectations on the Namibian side. For example, the then Permanent Secretary of the Ministry of Trade and Industry, Andrew Ndishishi, stated in an interview with local print media that Namibia was looking for market access for its products, especially to China. He was also of the view that the Chinese would benefit “from the highly developed infrastructure in Namibia, which makes doing business in the country relatively hassle-free”. In the same interview, the Permanent Secretary referred to two agreements entered into between the two countries that would greatly facilitate bilateral trade, namely the Trade and Economic Development Agreement, and the Reciprocal Protection of Investments Agreement.

Based on these two bilateral agreements, a Joint Trade and Economic Development Committee was established, co-chaired by the Chinese and Namibian Ministers of Trade. An annex to one of the two trade agreements included a list of 12 products the Namibian Ministry was encouraging Namibian businesses to export to China.

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19 Agreement on the Establishment of Diplomatic Relations between Namibia and China, signed on 22 March 1990.
21 Ngavirue (2007:1–2). For more critical readings of the relations between the two countries, see Melber (2008:6–7) and Hengari (2007:6).
22 The list details the following 12 products: Meat and meat products (beef, mutton, goat, game); leather and leather products (bovine, small stock, game); processed hides and skin; dairy and dairy products (ultra-high-temperature/UHT milk, cheese); beer and beverages; processed and semi-precious stones; processed marble, granite and other dimension stone; automotive parts
Subsequently, however, in 2008–2009, when Namibian meat producers wanted to export to China, particularly when that country hosted the Olympic Games, they found it very difficult to penetrate the market. Nonetheless, the Chinese Premier’s 2007 visit resulted in the signing of various ancillary bilateral agreements with Namibia. In terms of one of these, China gave Namibia a N$30-million grant for specific projects set out in the Third National Development Plan (NDP3), while the two states also agreed to an interest-free loan of a further N$30 million for unspecified purposes.\textsuperscript{23}

Like his predecessor, President Pohamba has actively promoted cooperation between the two countries and, according to unconfirmed reports, bilateral trade in the first 11 months of 2006 reached US$240 million (about N$1.73 billion). This figure represented an increase of 103\% over the previous year.

At the same visit in February 2007, the Namibian Ministry of Youth, National Service, Sport and Culture (YNSSC) also entered into a bilateral agreement with China in terms of which the latter would support, by means of a grant, the establishment of a youth centre at Berg Aukas, near Grootfontein. Apart from all the other bilateral agreements signed between the two states and the provision of grants from China, the solidarity seam was very much in evidence when President Pohamba lauded China’s long-standing support for Namibia’s liberation war. He was reported in the local media to have said the following:\textsuperscript{24}

\begin{quote}
We will always be grateful to China for the support extended to our struggle and for standing firmly with us in our current efforts towards economic and social development.
\end{quote}

In October 2007, when the Chinese Ambassador to Namibia, Liang Yinzhu, left the country after his four-year term, he indicated his personal satisfaction with the progress made in the bilateral relations between the two countries in an interview with a \textit{New Era} journalist. In a wide-ranging interview, the Ambassador highlighted as a key achievement the pledge by Chinese President Hu Jintao during his visit to Namibia in 2007 to deliver on the following:

\begin{itemize}
\item 1 billion Yuan (N$1.7 billion) in concessionary loans
\item US$100 million (N$107 million) in preferential export buyer’s credit
\item 30 million Yuan (N$37 million) in grants
\item 30 million Yuan (N$37 million) in interest-free loans
\item The building of two rural schools (a third was subsequently also built), and
\item The building of a hospital.
\end{itemize}

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\item[\textsuperscript{23}] Weidlich (2007a:1–2).
\item[\textsuperscript{24}] Weidlich (2007a:2).
\end{itemize}
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Apart from a rise in trade between the two countries, bilateral cooperation extended to judicial matters, education, health, cultural exchange, and tourism.\textsuperscript{25}

In the following sections of this chapter, the bilateral relations between the two states will be examined in respect of trade in the last decade, investment, construction, education and culture, development assistance, defence and security, and diplomacy and politics.

**Trade in the last decade**

Bilateral trade between Namibia and China is recorded by China Customs.\textsuperscript{26} Its records for 2003 show that total trade in goods (not services) amounted to N$74.6 million – up from N$49.1 million the previous year. Trade has risen significantly since then. By 2004, it had doubled to N$99.1 million, and in 2011 it had exceeded N$130 million in total on annualised figures.\textsuperscript{27}

Since 2003, Chinese exports to Namibia have consisted almost entirely of manufactured goods, namely automobiles, machinery, electronic equipment, machine tools, information technology, and road-building and construction machinery. Namibia’s exports to China, on the other hand, include processed food and live animals, fish, and metal products (primarily non-ferrous metals). In recent years, Namibia’s exports to its bilateral partner have increased, particularly in the period 2004–2009, as high rates of growth in China and a vibrant and expanding manufacturing sector in that country have pushed up demands for raw materials. In 2006, for example, all the output of the Ongopolo Copper Mine in Tsumeb was exported to China.\textsuperscript{28}

The trade agreements with China referred to above confirm the Namibian Government’s resolve to achieve meaningful market and product diversification. In this policy frame, China – in addition to deepening regional economic integration – is an important player. Since 1999, the country’s international trade sector has grown exponentially from a mere N$17 billion (1.1 x gross domestic product/GDP) to N$77 billion by 2008 again representing almost 1.1 x GDP of N$73 billion in the same year.\textsuperscript{29} On a visit to Namibia at the time of writing, Chairperson of the Standing Committee of the Eleventh National

\begin{itemize}
\item \textsuperscript{25} In accordance with a Memorandum of Understanding (MOU) on the implementation plan for organised group travel by Chinese citizens to Namibia, signed during Chinese President Jintao’s February 2007 visit. The MOU was meant to be activated as of 15 October 2007, but it has not yet been. See Sibeene (2007:22–23).
\item \textsuperscript{26} See www.China-Customs.com; last accessed 8 May 2011.
\item \textsuperscript{27} Bilateral trade increased from US$74.57 million in 2003, to US$255.5 million in 2006. By the end of 2007, the value of bilateral trade had reached US$400 million. While important for Namibia, this amounted to about 5% of China’s global trade, which reached US$2,000 billion in 2007. See Jauch & Iipumbu (2009:258), who cite a former Chinese diplomat to Namibia.
\item \textsuperscript{28} Sherbourne (2007:163).
\item \textsuperscript{29} Republic of Namibia (2010:226).
\end{itemize}
People’s Congress of the PRC, Wu Bangguo, announced that bilateral trade between the two countries had increased from US$11 million in 2000 to US$730 million by 2011.

Despite growing local opposition to Chinese business practices in Namibia, the two countries’ bilateral trade reached N$2.7 billion in 2013, being a healthy increase of 33% compared with the same period in 2012. Namibian exports to China increased by 114% to N$ 1.16 bn from February to August 2013.

According to the Chinese Ambassador to Namibia, Xin Shukang, Namibia exports both beef and fish to China. In response to unacceptable business practices by some Chinese firms in this country, the Chinese Business Chamber drafted a code of conduct for every Chinese businessperson in Namibia. At the same time, Namibia’s revised Labour Act\textsuperscript{30} has been translated into Chinese.

Investment

As pointed out above, a Joint Trade and Economic Development Committee was established between the two countries, and by June 2009, two sessions had been convened. This resulted in an increasing number of Chinese enterprises having invested in Namibia over the past decade.\textsuperscript{31} Most Chinese investments seem to involve setting up small retail outlets to sell relatively cheap consumer goods imported from China. Earlier, in 2007, the Chinese Embassy in Windhoek said there were 100 private Chinese enterprises in Namibia, with a total investment of about $30 million in the areas of construction, manufacturing, food, health, and real estate. As Sherbourne remarked in 2007 –\textsuperscript{32}

> [t]hey have given rise to a certain amount of concern among Namibians for the poor quality of the goods they sell and the low wages they pay their workers, issues that have prompted letters to newspapers.

Three recent studies,\textsuperscript{33} in particular, have analysed the impact of Chinese entrepreneurs and investors, especially in the Export Processing Zones in Walvis Bay and Helao Nafidi (formerly Oshikango) along the border with Angola. Writing graphically on the Chinese presence in Helao Nafidi, Gregor Dobler says the following:\textsuperscript{34}

> There is, for example, a Chinese firm producing duvets for export in the otherwise more or less manufacturing-deserted Oshikango Export Processing Zone (EPZ) park. Nothing could

\textsuperscript{30} Labour Act, 2007 (No. 11 of 2007).
\textsuperscript{31} Jauch & Iipumbu (2009:257).
\textsuperscript{32} Sherbourne (2007:164).
\textsuperscript{33} Dobler (2007); Jauch & Iipumbu (2009); Niikondo & Coetzee (2009).
\textsuperscript{34} Dobler (2007:105).
be more welcome to Namibia, even if the cotton, the textiles and the sewing machines are imported from China. I was at first puzzled why anyone should care to sew duvets in Namibia instead of importing them from China at lower costs. The answer, at least according to the general consensus of Chinese pavement radio, is simple: the main outcome of the venture is not duvets, but work permits. “With such a workshop, you will get work permits for maybe 20 or 30 technicians. Two or three of them actually work there, the rest is working somewhere in a shop.”

On the balance, Chinese investment in the Namibian retail sector, however, benefits the Namibian economy and Namibians. In the short run, the presence of Chinese shops makes some goods accessible to the average consumer. Clothing, blankets, mattresses, shoes, watches, cigarettes, and toys have become significantly cheaper. In addition, Chinese businesses create employment for Namibians, even if most are employed in unskilled and semi-skilled jobs. There have, though, been numerous complaints about the ill-treatment of Namibian workers.35

‘China shops’ have become a permanent feature across Namibia. In 2009, there were more than 500 Chinese shops registered on the database of the Ministry of Trade and Industry. Some of these companies, such as LIN’s Investments and Rainbow Import and Export, both owned by the same person, have invested over N$33.1 million (US$3.3 million) in Namibia’s retail sector over the past seven years (2004–2010). These companies have employed about 150 Namibians in different towns and Grade 1 municipalities in the country.36

Although Namibian exports rely heavily on primary sector commodities, direct Chinese investment in the mineral economy of the country has not been very significant till now. While Chinese firms enter into agreements with commodity exporters in many other African countries, no major contracts have been negotiated with Namibian producers yet. This is partly due to the regulation of Namibia’s mineral production through established distribution networks and long-term contracts.

As there are no confirmed oil reserves in Namibia, Chinese interests in this field have so far been confined to neighbouring Angola. One of the most significant Namibian exploration deals of recent years, however, included a Chinese contractor. In February 2005, Circle Oil (an oil company based in Limerick, Ireland, and listed on the London Stock Exchange Alternative Investment Market) announced an agreement by which China Shine HF, a Chinese state-owned company, was said to take over 72% of Circle Oil’s prospecting licence (later upgraded to an exploration licence), covering most of

northern Namibia. In terms of this deal, Circle Oil was to retain 18% and the Namibian Petroleum Corporation (Pty) Ltd (NAMCOR) 10%.37

Construction

Construction is on par with retail in terms of important areas of Chinese investments in Namibia. The Construction Industries Federation of Namibia (CIF) estimated that 60–70% of the country’s large construction projects were awarded to Chinese construction companies.38 These included several major public construction projects. For instance, in Windhoek, China Jiansu International Namibia Ltd was responsible for the construction of the Supreme Court, a new police station and prison training college, as well as the Magistrate’s Court in Katutura. The China Beijing Corporation for International Economic Co-operation built 102 houses in Katima Mulilo in the Caprivi Region in 1999. The Northern Tannery in Ondangwa in northern Namibia was built by China Nanjing International Namibian Construction.39

The private Chinese firm New Era Investment was responsible for, among other public projects, the new Town Council building in Helao Nafidi. The most symbolic and political public construction project with Chinese involvement to date has been the palatial State House that nests in the undulating hills of the Auasblick suburb of the capital city. As with Heroes’ Acre, the main contractors were North Korean firms, but China also became involved in its construction following a Chinese Government donation of N$55 million to this end in 2002. A Chinese company was given a share in the prestigious project, apparently without public tender.40 In April 2006, during the budget debate in Parliament, it surfaced that the presidential residence adjacent to State House was to be wholly donated by the Chinese Government and built by Chinese companies. It was also announced that the Chinese Government would tender for the construction in China.41

While Chinese construction companies entered the Namibian market late by tendering for public projects often underwritten by Chinese Government money, they have since entered the private sector and are making life difficult for local contractors. According

37 High expectations were dampened when it became apparent that China Shine would pay its share not in cash but by drilling at least three wells and acquiring seismic data. The company’s budget was said to be in excess of $1 billion, and 2,000 workers were expected to start work in late 2005. At the time of writing, however, the deal had not been finalised and no jobs have been created. See Dobler (2007:98).
39 Dobler (2007:100). The Northern Tannery is no longer a going concern. Chinese companies also built the National Council building in Windhoek, and two Regional Council buildings in Outapi and Rundu, respectively. In the period 2009–2010, a Chinese company constructed the new Engineering Faculty of the University of Namibia (UNAM) in Ongwediva.
41 The Namibian, 21 April 2006, p 1.
to one report, Chinese companies’ market share is estimated to be “anywhere between a third and two thirds of the construction market”, and is growing.

Local construction companies have accused the more than 30 Chinese-Government-owned firms in the country of unfair competition. Industry representatives such as the CIF have claimed that Chinese firms have profited from preferential treatment in the allocation of tenders, and that the Namibian Government was reluctant to force such firms to comply with local labour laws. All in all, while Chinese competition makes life difficult for the Namibian construction industry, such competition seems to have had a favourable effect on productivity and efficiency in the sector, and has lowered construction costs in the country.

However, some claim that this achievement was made at the expense of quality – as can be seen in the substandard construction of several buildings in the country, notably extensions to existing hospitals or the construction of new ones, such as those at Rundu in the Kavango West Region, and Ononjokwe in the Omusati Region.

Education and culture

Education and culture is another field in which the two countries cooperate. Since 2007, the Chinese Government has provided five full scholarships a year to Namibian students, and sends Chinese academics to teach at higher education institutions in Namibia. In 2009, it was disclosed that Chinese scholarships had benefitted the children of government ministers, including President Pohamba’s daughter and relatives of Namibia’s Founding Father, former President Dr Sam Nujoma. Since these scholarships were not awarded in the usual transparent manner via the Ministry of Education, it resulted in public criticism within Namibia and was even reported in the New York Times. The University of Namibia has been offering courses in Mandarin since 2006, and the PRC has been supporting the Faculties of Science and Engineering by way of scientific equipment and lecturing staff. In addition, according to an agreement entered into between the Chinese and Namibian Governments, the Namibian Broadcasting Corporation (nbc) has been transmitting the English-language programmes of China Central Television (CCTV)

42 “Solving a Chinese puzzle: Chinese companies are changing the face of the Namibian construction industry but are they doing anything wrong?”, Insight Namibia, April:19-20; see also Amupadhi (2009:16–18).
three times a week. Each broadcast lasts an hour. For some time the NBC has broadcast a Chinese cooking programme.

In 1999, the Shanghai Municipal People’s Government donated a pavilion in Windhoek’s Zoo Park. Twinning agreements have been signed between Chinese and Namibian towns and cities, among these being Windhoek (with Shanghai), Mariental (with Zhengzhou) and Okahandja (with Maqiao). The Chinese-language edition of Founding President Dr Nujoma’s autobiography *Where others wavered* was published in Beijing in July 2004 and launched shortly afterwards, while President Nujoma was on a state visit there.

In the field of sport, former national soccer player for the Brave Warriors, Eliphas ‘Safille’ Shivute, signed a lucrative three-year contract with Chinese First Division champions Dalian Wanda Football Club in February 1999. More recently, Chinese acrobats and kung fu wrestling teams have visited Namibia. In May 2011, Namibia hosted the China–Africa Youth Forum (CAYF), an event attended by 60 young people from China and 18 from African countries such as Angola, Ethiopia, South Africa, Sudan, Zambia, and Zimbabwe.

**Development assistance**

By any standards, the PRC’s aid programme to Namibia is modest. According to figures taken from the development cooperation database at the National Planning Commission, the total disbursement to Namibia by China amounted to N$66 million between 1998 and 2003, placing China 15th in terms of total disbursements to Namibia, i.e. 5%, which is significantly below the EU, the US, individual European countries, and Egypt. In terms of development assistance, China ranked 15th in 2003 – below Iceland – contributing less than 1% of total commitments in aid.46

In 1999, China extended an N$8.6 million interest-free loan to the National Housing Enterprise, which was used to construct 102 houses in Katima Mulilo in the Caprivi Region. At the time, the former Chinese Ambassador to Namibia said that China had built and handed over 663 low-cost housing units in Namibia.47

Chinese medical personnel have been working at the Katutura State Hospital under a health cooperation agreement between the two countries since 2005.

Since then, however, Chinese aid to Namibia has been elevated to a new level. Apart from the 2002 interest-free loan of N$55 million for building the new State House (as stated earlier), in June 2005, the then Minister of Works and Transport, Joel Kaapanda,
announced that the Chinese would foot the entire bill for the new State House, but he declined to give figures.\textsuperscript{48}

According to local media reports, a further 20-year loan of N$21.5 million was agreed to by the Namibian Government in March 2005. This loan was not reflected in national budget documents. By September 2009, Namibia had received more than N$2 billion in so-called soft loans from China.\textsuperscript{49}

China has also been involved in upgrading the country’s railway network and rolling stock. To this end, it sent six experts to work with TransNamib in early 2004. TransNamib went on to take delivery of four diesel locomotives and 30 oil tankers built by China South Locomotive and Rolling Stock Industry Corporation, at a total estimated cost of N$36.6 million. The delivery of a luxury train from China followed in February 2005. TransNamib has admitted that the new locomotives have proven to be unreliable. Government subsequently announced that it would borrow N$204 million from the Export-Import Bank of China to finance the purchase of 16 Chinese locomotives for TransNamib.\textsuperscript{50}

\textbf{Defence and security}

During the liberation struggle, SWAPO enjoyed diplomatic, material and political support from the PRC, especially after SWANU fell out of favour with the Afro-Asian Peoples’ Solidarity Organisation (AAPSO). The 5 July 2003 issue of \textit{The Windhoek Observer}, a local weekly, reported the arrival of 2,600 tons of military material at the Port of Walvis Bay on board the \textit{An Shun Jiang}. The material was ostensibly destined for Zimbabwe. The local media were quick to dub the Chinese vessel the ‘ship of shame’ for being willing to contravene the UN sanctions imposed on Zimbabwe in this respect since 2008.\textsuperscript{51} Under considerable pressure from organised labour in South Africa and a number of civil society actors in the Southern African Development (SADC) Region, the \textit{An Shun Jiang} was unable to offload its lethal cargo at Walvis Bay in Namibia or Luanda in Angola. Unconfirmed reports had it that the cargo was eventually flown to and offloaded in the Democratic Republic of the Congo, from where it made its way to Zimbabwe – albeit not necessarily for a defence and security application in the classic sense.

A more recent set of events underlined the risks associated with soft loans from the PRC. When a Chinese company was awarded the task of constructing the railway line between Ondangwa and Helao Nafidi in northern Namibia. A Namibian company, Teko Trading – a local company owned by Teckla Nandjila Lameck (a member of the Public Service Commission) and Kongo Mokaxwa – was hired by the Chinese to influence the awarding

\textsuperscript{48} The Namibian, 22 June 2005, p 1.
\textsuperscript{49} Amupadhi (2009:16).
\textsuperscript{50} Weidlich (2005:1–2).
\textsuperscript{51} Maletsky (2008).
of the tender. Based on the initial price quotation for the contract by China National Machinery and Equipment Import (CMEG), Teko Trading could have earned N$100 million for supposedly influencing the Namibian Government to ensure CMEG was awarded the tender. CMEG has since dropped the price from more than N$1 billion to N$750 million and, finally, to N$450 million, after the Ministry of Works and Transport questioned why the price was that high for a 60-km track. In 2006, the Ministry had completed a 250-km track from Tsumeb to Ondangwa for about N$860 million.52

At the same time, an agreement was struck between the Teko Trading and Nuctech, a Chinese state-owned company supplying Chinese-made X-ray scanners for use by Namibian customs and excise officers at key local airports and border/customs posts. Teko Trading was to be paid a commission that was reported to be more than 20% (US$12 million) of the scanners’ purchase price of US$55 million.53

In August 2009, the then Permanent Secretary in the Ministry of Finance, Calle Schlettwein, warned that Namibia should insist on conditions that benefited its development agenda when dealing with development partners such as China. “If not,” he said, “the country should have the courage to say no.” Using the example of the multimillion Namibia Dollar scanner transaction between the Namibian Government and Nuctech, Schlettwein was reported as having said that the incident could have been avoided if government had demanded that the deal be put out on tender.54

Since Independence, Namibia has procured military equipment in the form of light fighter aircraft (K-8s) from China. Senior officers of the Namibia Defence Force (NDF) underwent advanced professional training at a military academy in Shanghai, and Chinese contractors built a Military Museum in Okahandja in central Namibia. They will also construct a new Military Academy for the NDF in Okahandja. On the African continent, Namibian peacekeepers have served on missions under a UN mandate in Sudan (African Union–United Nations Mission in Darfur/UNAMID) and elsewhere, together with troops from China. In 2007, the UN appointed the first Chinese special envoy, Liu Guijin, to Darfur. Some Chinese companies are building an 85-km water project in South Darfur, and 315 Chinese engineers were deployed to Darfur in October 2007 to take part in UNAMID.55

At the international level, even if it largely amounted to ‘a dialogue of the deaf’, the PRC has been supporting the AU – and, by extension, Namibia – in its efforts to reform the UN Security Council, as well as in the Non-aligned Movement.56

53 What is not yet clear is whether Lameck or Mokaxwa, who were arrested with their Chinese partner Yang Fan, actually did influence the Namibian Government to take up the Chinese soft loan. Namibia received a N$350-million soft loan for the X-ray scanning equipment.
54 Duddy (2009:1–2).
Diplomacy and politics

FOCAC’s 2006 Beijing Declaration was not only formative for bilateral relations between China and Namibia, but has since shaped the contours of China’s international profile, particularly in Africa. The Declaration, among other issues, spoke of “the dawn of a new century”, but equally recognised the “economic and social factors at the root of political instability in Africa”. The text continued as follows:57

Moreover, the scourge of HIV/AIDS, malaria, TB and other communicable diseases is taking a heavy toll on the human and economic resources of African countries, and the aggravated poverty is seriously hindering the development of Africa.

The Declaration also reiterated that the primacy of —58

… the Five Principles of Peaceful Coexistence and other universally recognised principles governing relations among States must be respected. All countries should have the right to participate in international affairs, on an equal footing. No country or group of countries has the right to impose its will on others, to interfere, under whatever pretext, in other countries’ internal affairs, or to impose unilateral coercive economic measures on others. The North and the South should strengthen their dialogue and co-operation on the basis of equality.

The Declaration called for recognition of “the legitimate place due to Africa in the Security Council and the organisations and specialised agencies of the United Nations system”. Similarly, the rise of subregional cooperation in Africa and the establishment of the AU were welcomed and supported by China. The Declaration concluded with the resolve to —59

… further consolidate and expand China–Africa cooperation at all levels and in all fields and to establish, within the framework of South–South co-operation, a new type of long-term and stable relationship based on equality and mutual benefit. We will deepen dialogue, broaden consensus, continue to harmonise our positions on international affairs (in multilateral fora) and enhance mutual support so as to uphold the legitimate rights and interests of China and African countries and to expand and deepen this new type of partnership between China and African countries.

The China–Africa policy, however, notwithstanding its redeeming features, is characterised by several ambiguities. On the analysis of Melber (2009) and others, —60

… in theory, too, favourable market conditions and the Chinese arrival should work to the benefit of ordinary African people. However, that presumes that the African elites benefiting from unequal structures of trade and investment are willing to put the public interest before

58 (ibid.).
60 Melber (2009:75).
their own. Yet it is here that the moral and political thrust of Chinese policy falls down, for the foundation of Chinese foreign policy in Africa is one that emphasises the sovereignty of governments and commits Beijing to non-interference. It was precisely the abandonment of such principles that characterised the evolution of the OAU into the AU, pointing the way towards an era of greater democracy, transparency and accountability by rulers. In contrast, however, the reality is that the Chinese gospel of non-interventionism is warmly welcomed by the autocratic leaders and oligarchies that continue to rule the roost in the majority of African countries, especially those in possession of vast natural resources.

Even if, in the words of Pendukeni Iivula-Ithana, former Minister of Justice and Secretary-General of the SWAPO Party of Namibia, China is a “super-friend of Africa”, and even if it offers an alternative to the ‘Washington Consensus’, it is debatable whether such engagement by China is antithetical to Africa’s long-term interests. China’s ability to compete effectively with other extra-regional actors certainly provides new opportunities and options for African governments; but to take advantage of these will require significant changes in the African style of governance, including much-improved institutional and economic management on the part of its leadership.

Most of those who speak strongly in support of Namibia’s long-standing relations with the PRC do so from an instrumental perspective, arguing that such a relationship significantly benefits Namibia in terms of soft loans with minimal conditions attached to them, provides Namibia with a large market for its raw materials and renders political support to Namibia and Africa in multinational fora. Moreover, Chinese investment in the local economy creates employment and reduces the cost of some consumer goods. The youth, too, stand to learn much from the discipline and work ethic of the Chinese.

The youth, too, stand to learn much from the discipline and work ethic of the Chinese. The most recent political collaboration between the two countries came in May 2011 in the form of the Africa–China Young Leaders Forum (ACYLF), which was jointly hosted by the SWAPO Party of Namibia and the Communist Party of China. The Forum took place in Windhoek and was attended by 60 young (and not so young) leaders from China, an equal number from Namibia, and youth leaders from 18 other African countries. The Forum was opened by Namibia’s President Pohamba. At its conclusion, a statement was released that emphasised the importance of cooperation between African and Chinese youth in the domains of education, health, peace, security, business, and human development. The Forum also called on the governments of Africa and China to institutionalise the Forum and to hold regular meetings, particularly before the FOCAC – the most important policy framing meeting on Sino-African relations.

62 Thompson (2005); see also Mbaye (2010:39–54); Tjonneland et al. (2006:48).
63 McLaughlin (2005).
64 Kashuupulwa (2008:12).
66 The Declaration of the ACYLF was covered live on nbc TV and radio on 22 May 2011. Most of the proceedings were also covered on nbc TV and radio.
A Chinese delegation under the leadership of Abulaiti Abudurexiti, Vice-President of the Chinese Political Advisory Conference (CPPCC) and President of the China–Africa Friendship Association, visited Namibia in April 2011 at the invitation of the Minister of Regional and Local Government, Housing and Rural Development. The purpose of the visit was to deliberate on the theme of “Improved Cities through Cooperation”. The Chinese delegation also paid a visit to former President Dr Sam Nujoma.

China and Namibia also signed a Memorandum of Understanding (MOU) in May 2011 for further Chinese assistance to Namibia. The MOU was signed by the Director-General of the National Planning Commission, Tom Alweendo, and the Chinese Vice-Minister of Commerce, Fu Ziyzing. At the same occasion, the Chinese Government donated electronic office equipment worth N$1.1 million to the Namibian Parliament. The Chinese Government has further agreed to provide Namibia with medical equipment and materials, and to sponsor an economic seminar to be held for Namibian Government officials in China later in 2011. In addition, the Chinese Government donated US$500,000 (N$3.5 million) towards flood relief efforts in northern Namibia in the first half of 2011.67

Conclusions

China’s advance from the economic periphery into the core group of the global economy means that, in virtue of its economic size and dynamism, its foreign policy has little choice but to assume an ever greater role in shaping the course of current world events. We are witnessing a shift towards a more flexible, differentiated and proactive foreign policy, also on Africa in general and on Namibia in particular. It is evident in China’s diverse spectrum of interests, ranging from energy, trade, investment, education, culture, peace and security to the transformation of global multilateral institutions.

In common with other global economies, China’s foreign relations, supported by a vibrant economy, show dynastic tendencies,68 but these are based on ‘soft’ as opposed to ‘hard’ power.69 China uses a combination of diplomacy, soft loans, credit, development support, trade, investment and political support in its relations with Africa overall and Namibia in particular.

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68 In terms of historical precedent, Africa is to China today what Australia and Argentina were to the United States and Continental Europe in the late 19th century: a resource-rich region supplying a resource-short region going through its most resource-intensive stage of economic development, namely industrialisation and the massive urbanisation associated with it. Africa, whose own dynasty of economic development is far closer to that of China, now has a unique opportunity “to hitch its resource-rich wagon to that rising eastern star” (Stephan et al. 2006:27).
69 The construct of soft power comes from the work of Keohane (1984), and was developed in his seminal study titled After hegemony: Cooperation and discord in the world political economy.
One of China’s key foreign policy objectives is to service the needs of its dramatic economic modernisation and industrialisation, and its economy’s growing appetite for natural resources and access to export markets. As far as Namibia is concerned, the local retail market and political support in multilateral arenas outweigh China’s engagement in the mineral economy of the country. For political and infrastructural reasons, Namibia offers China access to the much larger SADC regional economy. Energy security, in particular, has emerged as a key element in the modernisation and industrialisation of China. For now, China has not invested much in the Namibian energy sector, but may do so once the country becomes one of the most significant uranium producers in the world.

While the US’s hegemony and how to manage it has remained an overriding concern for Beijing, China sees globalisation as a way of transforming great power politics and establish more cooperative forms of state- and non-state-based relations with a growing number of African states, inclusive of Namibia. Consequently, Africa occupies an increasingly important space in China’s foreign relations. As pointed out earlier in this contribution, in January 2006, China made public its first major policy document on its relations with Africa. It lists 30 initiatives in the political field; in the economic field; in education, science, culture, health and social development; and in peace and security. This policy frame also emphasises cooperation within a multilateral framework, calls for UN reform, and appeals to the international community to accord more attention to Africa and to peace and development on the continent. Chinese support for regional bodies such as SADC is also highlighted.

Since 2000, when China initiated FOCAC, the Forum emerged as the principal mechanism for dialogue and cooperation between Africa (specifically Namibia) and China. Since 2006, with the comprehensive FOCAC policy framing on Africa, relations between Namibia and China – although these have a longer lineage – mirrored this policy framing.

Consistent with the objectives and undertakings provided for in the 2006 FOCAC policy statement, China has also emerged as a significant development partner for Namibia. Chinese assistance worldwide is concentrated on three principal areas:

- The provision of physical infrastructure such as telecommunications, roads and railways
- Capacity-building in the social sector, especially related to health, science, education and culture, and management training for the public service, and
- Funding for the construction of politically and symbolically important public buildings such as stadiums, state houses, buildings housing parliaments, court buildings, and military infrastructure.

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70 Of late, Chinese companies have signalled an interest in the nascent energy economy of Namibia, especially in uranium mining.
Chinese companies using Chinese labour are also winning tenders for the construction of a number of public and a growing number of private buildings in Africa.

Peace and security have emerged as an increasingly important dimension of Sino-African relations. Not only have more than 1,310 Chinese peacekeepers participated in UN-mandated operations in Africa, China has also been providing professional training to senior military officers in the NDF, while Namibia has procured military hardware from China since Independence in 1990.

As a relatively small but expanding donor, China provides Namibia with interest-free loans for low-cost housing, while Namibia has borrowed at a nominal interest rate of 1% from the Export-Import Bank of China for the purchase of locomotives and to meet other transport requirements.

How should Namibia manage this expanding relationship with China? What implications could the relationship have for Namibia and its foreign and development policies? It is clear that the relationship with China will and does have implications for Namibia’s relations with other African countries and with the EU, the country’s most important trade and development partner. Over time, the relationship with China will influence Namibia’s multilateral agenda in the UN, the AU, and other multinational fora. The nature of the bilateral relationship between Namibia and China may also undergo further amplification, especially if China were to become a major player in Namibia’s nascent energy-based economy.

Based on the history of the relationship between China and Namibia, it may become ever more imperative for Namibia to develop its capacity in trade negotiations and economic diplomacy in order to collaborate with other SADC member states in respect of negotiating and cooperating more effectively with China. Namibia stands to gain by supporting initiatives that stimulate China’s participation in multilateral institutions such as the UN and donor fora, and by developing and engaging in bilateral relations with China in areas of mutual benefit.

Finally, while relations with China do indeed offer benefits to Namibia, such relations should not be entered into and sustained if they undermine potentially productive and more egalitarian relations with India, the EU and the US.71 China may indeed rely on ‘soft power’, and in this sense, may not be a ‘hard’ hegemon; but the achievement of its core foreign relations and development objectives may not always be in Namibia’s interests. In 1944, an Austrian scholar, Karl Polanyi, wrote a seminal book with the evocative title, *The Great Transformation*,72 in which he pleaded passionately for “the primacy of society, the inclusive coherent unity of human interdependence as a means to transcend the perplexities and the contradictions of our times”. Polanyi resonates

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71 For an excellent analysis of the changing nature of India–China relations, see Singh (2011:1–14).
72 Polanyi (1944).
powerfully when it comes to the evolution and deepening of relations between Namibia and China. It is in this context that the latter will have to ensure its foreign policy towards Africa in general and Namibia in particular has a normative foundation that provides for the meaningful recognition of Africans’ – i.e. including Namibians’ – hard-won human rights and freedoms. Simply to perpetuate the historic pattern of commodity extraction and to use Namibia as a ‘dumping ground’ for lower-quality consumer goods would not be adequate and might in the long run turn out not to be acceptable to Namibians.

References


