Chinese Foreign Assistance and African Political Elites

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Abstract

This paper examines how Chinese foreign assistance impacts the political development of African states. The emergence of China as a major trade and aid partner in Africa has drawn popular criticism that Chinese aid practices are detrimental to African democratization and governance reform. I examine these claims by first constructing a model of African elite interactions, in which Chinese foreign assistance serves as an unearned revenue stream that incumbents may use to retain power and avoid reform. I test this model in descriptive case studies of Angola and Zambia, as well as the comparative case of Algeria. I find little significant evidence that Chinese aid plays an important role in reinforcing the power of incumbent elites. There is little evidence that aid is used as a source of institutionalized patronage, and the effects of aid in other areas are insignificant relative to other variables, particularly the presence of nationalized hydrocarbons revenues. I conclude that governance concerns over Chinese aid are overstated, and that future study of Sino-African political interactions should concentrate on the effects of FDI, trade, immigration, and oil as well as aid.

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1 Introduction

In the past twenty years, China has become a growing source of aid and investment to many developing countries. African states in particular have embraced Chinas use of non-conditional, resource-backed loans and investment, after decades of ineffective and highly conditional aid from OECD lenders. States like Angola who accept this assistance have seen rapid economic and infrastructure growth, which the PRC is quick to point to as evidence that Chinese aid is win-win. Yet Sino-African aid and investment has attracted significant criticisms from established donors, who argue that Chinese aid will allow elites in many developing African states to ignore western calls for good governance, and block institutional reforms or electoral competition. These criticisms, however, lack both clear causal foundations, and empirical verification.

Does Chinese aid negatively impact African political development? This paper investigates the question of how Chinese aid impacts African political development. I first group the theorized effects of Chinese aid on African politics into a set of testable hypotheses, informed by the existing literature on the political effects of western aid, while taking into account the unique characteristics of Chinese foreign assistance. I then test the validity of these hypotheses in the cases of Angola and Zambia: two states undergoing political transitions that have received significant amounts of both western and Chinese assistance, albeit at different ends of the 'democratization' scale. A third case study, Algeria, is also included to test the significance of oil rent as compared to aid flows. I find that the effects of Chinese aid on politics is relatively insignificant compared to factors such as nationalized oil industries, the political conditions of the recipient states, and the degree of preexisting investment interaction between African states and western lenders. Evidence that aid plays a role in African patronage politics is incomplete or inconclusive, compared to the prominent role that oil plays as as a revenue source for incumbent patronage and corruption. However, evidence indicates that aid played a prominent role in Angola's rejection of western aid conditionalities, and that competition with the Chinese is forcing western aid regimes to evolve, while empowering African incumbents with greater leverage to pick and choose reform strategies.

While empirical data on African elites and aid interactions is limited, this paper will improve upon the existing framework for understanding Sino-African aid, and suggest variables and mechanisms for future empirical study of aid and democratization. This paper also has implications for foreign aid policymakers, by suggesting that politically-focused aid that empowers ordinary Africans can indirectly strengthen democratic norms and governance in spite of aid competition from China.

2 Background and Research Question

Denis Tull's (2006) work on China in Africa provides a starting framework for understanding the impact of Chinas aid on African politics. Tull identifies three separate interactions: the effect of aid on democratization in politically transitioning states; the effect of aid on governance standards in resource-rich states; and the effect of Chinas peacekeeping missions on states recovering from conflict. Tull concludes that China will have a negative impact in all three areas. The PRCs disregard for democracy will discourage aid for political development; Chinese aid will empower elites to avoid western conditionalities while selling oil and mineral resources to China; and peacekeeping missions will be mitigated by the role Chinese weapons manufacturers play in arming combatants across Africa.

Tull's framework, while consistent with some of the literature on developmental aid, is not supported by anything more than anecdotal evidence. Detailed analysis of how Chinese aid may suppress democratic development within African political institutions is lacking. Empirical studies that measure the impact of Chinese aid on African politics are not provided, and a clear and comprehensive breakdown of the causal mechanisms behind aid's influence has not been undertaken, yet both are essential for further study of evolving African democratization and to inform policy choices regarding foreign aid and diplomatic relations with the Chinese.

This paper focuses on the following question: *does foreign assistance from China negatively impact the political development of African states?* The subsequent sections review the literature on foreign aid and development, and what is known about Chinese aid. I then propose a model of sino-African interactions that emphasizes the effects aid may have on ruling political elites relative to electoral competitors and external calls for reform. This will then be followed by a specification of several hypotheses derived from this model, which I will test in two divergent south African states. An additional case study, Algeria, will also be discussed to determine the significance of aid relative to nationalized oil revenue on political development. The paper will conclude with a discussion of the models' and case studies' limitations, and a path for future empirical research emphasizing new datasets on aid and politics.

3 Foreign Aid and Democracy

Quantitative investigations of aid and democracy have so far produced contradictory findings. Bermeo (2011) finds that aid from traditional Western donors increases the probability of democratic transitions in recipient countries. Wright (2009) verifies this trend, finding that aid positively influences liberalization in dictatorships supported by broad stakeholder bases with distributional demands. Goldsmith (2001) and Dunning (2004) observe positive correlations between aid and Freedom House scores in African states, most strongly during the Cold War period, where threats to rescind aid were most credible.

On the other hand, Knack (2004) observes no correlation between aid and democracy using Freedom House scores from 1990 to 2000. Djankov et al. (2008), Brautigham and Knack (2004), and Moss et al. (2006) all find that higher ratios of aid to GDP associate with declines in democracy. These authors all argue that aid harms democracy by undermining vertical accountability between governments and citizens. Aid becomes an unearned, non-tax revenue stream for the ruling elites, permitting them to dictate policy independent of citizens' concerns. Brautigham and Knack (2004) elaborates on this mechanism, arguing that aid undermines democratic development first by tying recipient institution policies to what foreign donors want, rather than the wishes of domestic citizens. Secondly, the availability of aid funding undermines incentives to overcome collective action problems inherent in controlling corruption or enforcing balanced budgets. Morrison (2009) identifies another mechanism affecting both aid and non-tax oil revenue, in which incumbent elites use aid and oil money to delay reforms while stabilizing their regimes through redistributive transfers.

Western aid regimes are not monolithic, however, and only a handful of studies have attempted to disaggregate between donors and aid types. Scott and Steele (2011) find a positive effect between democracy aid issued by USAID and democratic development, while observing a negative effect for purely economic aid. Nielson and Nielson (2010) find that democracy aid leads to higher democracy scores in recipient countries, albeit only in states most likely to receive government aid in the first place. Other studies (Kalyvitis and Valachaki 2009, Resnick 2012) corroborate the finding that political (democracy) aid has a positive effect on democracy, while purely developmental economic aid has a negative or no effect.

The quantitative literature on democracy and foreign aid is currently of limited empirical usefulness. Both Resnick (2012) and Wright (2009) note that existing quantitative studies are split across varying time frames, country samples, variable measurements and conceptions of democracy. Pooling data across states and time periods may fail to capture discrete political effects that occur as aid fluctuates and democracies incrementally develop. Furthermore, no existing quantitative studies are able to capture the interactive effects between democracy and developmental aid, or the effect of competition and fragmentation across aid donors on recipient states' political development.

Case study comparisons, while limited in their generalizability, remain useful in determining the causal mechanisms behind aid's influence on recipient political development. Resnick (2012) examines several cases in Africa, including Kenya and Malawi, to identify aid's channels of influence on politics. Resnick first identifies that conditional development aid did facilitate democratic transitions during the 1990s in countries that faced economic or domestic crises, and were dependent on foreign assistance. However, development aid has inconsistent, often negative effects on democratic consolidation, through identified mechanisms like the undermining of vertical accountability via independent revenue streams (11). Democracy aid has a more direct and positive influence on preserving democratic institutions such as elections and civil society organizations, though it does not counteract the problem of excessive elite strength that may be exacerbated by development aid (15). Resnick concludes that the interplay between democracy and development aid is not entirely clear, and that the two may coexist or conflict depending on the political and economic circumstances of the recipient state.

The literature on foreign assistance and political development indicates several things. First, that quantitative studies have so far been inconclusive at proving the effects of aid on democracy, due to inconsistent time frames and measurements of aid and development. Second, there exists qualitative evidence that both conditional developmental aid and politically-minded democratic aid can facilitate political development and better governance, though purely economic aid can reinforce incumbent elites' resistance to reform or competition. Finally, the interplay between aid types and donor competition is not fully understood, and requires careful examination of individual cases in order to identify interactive effects.

4 The Chinese Aid Regime

Chinese foreign assistance to Africa is not a new phenomenon. The PRC began supplying aid to African states in 1956 following the Bandung Afro-Asian Conference (Bartke 1989). Initially, China financed African independence movements and supported resistance against colonial powers with loans and arms. China also sought diplomatic support from African states to isolate Taiwan and achieve political recognition; China obtained Taiwans seat on the U.N. Security Council in 1971, supported by many African states which had received Chinese aid (Davies 2007). Megaprojects such as the Tarzara Railway were undertaken during this period, with China spending an estimated $350 million a year on aid (Brautigham 2008).

Deng Xiaopeng's liberalizing reforms reshaped the Chinese aid regime to focus on economic benefits, efficiency and market principles. Large-scale construction projects were discouraged in favor of technical assistance programs, infrastructure maintenance and the provision of spare parts and machinery. Chinese aid ties to Africa remained smaller and less visible than that of established western donors until the 1990s, when the PRC began rapidly expanding its global trade and investment ties. China's Go Out strategy, announced in 1999, incentivized domestic firms to invest internationally, both to expand Chinese trade ties and relieve overcrowded domestic markets. Foreign aid, now emphasizing 'strategic economic partnerships' based on 'win-win cooperation' (State Council 2011), was expanded significantly into African states, along with bilateral trade and FDI. Diplomatic ties were also expanded and strengthened, with China establishing the Forum on China-Africa Cooperation (FOCAC) in 2000 as a means of coordinating their economic and political engagement with the continent.

Chinas methods of providing foreign aid are difficult to compare directly to those used by established western donors. While statistics on OECD DAC donors are freely available, the Chinese state only recently released general statistics regarding external foreign aid flows (State Council 2011). Detailed aid figures have not been made available by the Chinese state, possibly to avoid domestic criticisms of foreign spending (Lancaster 2007). The large majority of Chinese foreign assistance is financed by grants and interest-free or concessional loans. However, aid projects often use nonstandard methods that are difficult to classify, such as export credits, natural resource-backed loans and package financing projects that mix aid and FDI (Strange et al. 2013). China also engages heavily in debt cancellation agreements with African states, which defy standard OECD classification (Brautigham 2008).

Nonetheless, the literature on Chinese aid motivations and methods draws several conclusions regarding Chinese foreign assistance. The first is that Chinese aid is developmental in nature, with almost no aid spent on political development, disaster relief or the facilitation of democracy. Chinese aid philosophy is principled on political non-interference and strict respect for state sovereignty, juxtaposed against the colonial histories and conditional aid regimes of the West (Brautigham 2008). The PRC does not see itself as a donor like western states, but rather as a 'strategic partner' cooperating with fellow developing states with an emphasis on principles of mutual benefit and respect for recipient sovereignty (State Council 2011). The majority of Chinese aid is therefore granted for purely economic projects, irrespective of the character of the recipient state's government. Chinese aid finances physical turnkey projects in infrastructure and agriculture, grants for physical goods, or technical cooperation programs held for African students or workers. Non-economic assistance such as food or medical aid represents only a small fraction of Chinese assistance, reflecting the PRCs policy of providing relief aid sparingly and only in times of great need (State Council 2011).

A second conclusion is that Chinese aid is facilitated by and tied to incumbent elites in recipient states. The process of obtaining aid from China begins with a recipient country approaching the Chinese state, often through an embassy. Requests for aid are received and passed through several relevant agencies responsible for overseas aid and investment (Brautigham 2008). While numerous Chinese ministries, banks and companies may be involved in negotiating and financing and aid agreement, elite diplomatic interactions are preferred for initiating aid negotiations. The Tazara Railway, a massive rail project constructed in the 1970s to link Tanzania and Zambia, was made possible by Tanzanian president Julius Nyerere, who obtained Chinese construction and and financing after diplomatic visits to Beijing. Alden (2012) argues that China predominantly engages with incumbent African presidents when negotiating aid, facilitating diplomatic and trade ties while also enabling the PRC to do business with illiberal single-party states such as Sudan and Zimbabwe. Power, Mohan and Tan-Mullins (2012) find that while joint Sino-African partnerships do arise to manage PRC-funded industries and trades, Chinese aid is rarely negotiated via African NGOs or civil society organizations. Kobayashi (2008) define Chinese aid as reactive; it is driven by requests from recipient countries, leading to aid regimes that are tailored to the politics and circumstances of each state. African political elites are thus essential gatekeepers and beneficiaries of Chinese foreign aid.

Thirdly, Chinese foreign assistance is primarily carried out to develop African economies and infrastructure in ways that economically benefit China. Chinese foreign assistance is almost entirely bilateral, and most aid is 'tied,' as funds given to African states find their way back to China to purchase labor, construction materials and equipment. While the OECD pursues a policy of untying aid, MOFCOM instructs aid contractors to purchase and import from China as much equipment, technology and services as possible (Hubbard 2008, 255). Foreign aid deals are often backed by trade or export deals involving oil, fishing or mineral rights, trade concessions and FDI investment packages. Infrastructure deals also indirectly facilitate African trade with China by improving roads, access to electricity, and the health and education of the African workforce. Six (2006) argues that Chinas position as both a developing nation and an emerging economic power allow the state to honestly engage in interest-driven development assistance. While the West seeks to legitimize foreign aid through ideological discourse of catching up states and righting past wrongs of colonialism or foreign intervention, the Chinese freely admit their self interest in providing aid to Africa without any moral justifications. This has fueled criticisms that Chinese aid is less development-oriented, more politically-driven, and more self-interested than western aid (Naim 2007). However, empirical comparisons by Dreher and Fuchs (2011) show that Chinese foreign aid is no more correlated with economic variables, or less correlated with governance variables, than other major donors.

5 Research Design

5.1 Variables and Model

The presence of Chinese foreign aid serves as the explanatory variable for this study. Existing studies of Chinese foreign aid in Africa have established that it is almost entirely economic in scope, usually negotiated through incumbent elites in recipient countries, and motivated primarily by win-win motivations that improve bilateral trade, investment and diplomatic ties with China. While the content and methodologies of delivering aid may vary across recipient states, these above characteristics are observed consistently enough to be assumed as constant for all Sino-African aid regimes.

Despite varying progress in political development since decolonization, many African states can be described as 'competitive authoritarian' or 'hybrid' regimes, which combine elements of democratic and authoritarian systems (Hyden 2006). While these states maintain democratic institutions such as parties and elections, incumbent presidents often hold disproportionate power, and varying ability to manipulate the state, including elections, to retain power (Gandhi and Lust-Okar 2009). The president can maintain his power by utilizing state resources, either through coercion or the formation of networks of patronage and loyalty across other public and private elites. These elites support the incumbent leader and keep him in power, while using their political connections to the state to obtain wealth and influence (Bayart 1993). Incumbents may also channel government revenue or media in ways that disproportionately benefit the ruling party, while denying the same support to opposition elements (Levitsky and Way 2010, 66).

The incumbent and his supporters face threats from rival politicians, domestic pressure to reform from citizens and civil society groups, and external pressure from international actors. These threats are specified by Brautigham and Knack (2004); the first is the threat of competitive elections, which is fueled by well-funded or popular oppositon parties. The second is the threat of improving governance, including elite-citizen accountability, anti-corruption measures and transparency by governments. The degree to which these forces have been successful or unsuccessful at challenging or reforming incumbent power is the dependent variable of this study.

5.2 Hypotheses

Based on what is known about foreign aid and African political organization, I propose two mechanisms in which Chinese foreign aid can influence the politics of African states. These mechanisms focus on the degree to which aid flows influence the ability of elites to avoid or deflect democratic pressures that threaten their incumbency. The first mechanism involves the effect that aid has in reinforcing the ability of elites to secure domestic loyalties, therefore undermining the formation of effective opposition parties or protest movements dedicated to democratic reforms or political competition. The second mechanism involves the effect of aid on reinforcing elites' resilience to external calls for reform, via conditional or democratic aid made available by foreign states or international organizations.

I then divide these mechanisms into several testable hypotheses, based on the potential channels aid may take in influencing domestic politics. The first hypothesis involves the ability of elites to coopt domestic businesses with access to aid resources. Arriola (2012) argues that the degree to which African governments control capital influences the ability of domestic business to contribute to opposition movements. Financial liberalization of capital unties businesses from incumbent-controlled resources, freeing domestic elites and investors from the ruling party and enabling them to openly fund and support opposition coalitions.

Incumbent African presidents serve as essential diplomatic linkages in obtaining and negotiating aid from China. Considering that Chinese aid is used to facilitate trade or investment deals, elite aid negotiations have the same effect as a 'capital control' in that they tie domestic businesses to the incumbent party in order to obtain the most benefit from Chinese foreign assistance and investment. Industries that directly benefit from Chinese aid, such as oil and extractive industries who are involved in resource-backed loans, as well as telecommunications and agriculture businesses, would be forced to work hand in hand with the ruling party or else lose out on lucrative deals and opportunities to benefit from foreign aid and trade. This loyalty via aid deals deprives opposition candidates of sources of commercial funding to facilitate voter mobilization, while enriching the ruling party's own financial support. This will therefore lead to a greater imbalance in resources between incumbent and challenging parties, greater difficulty in negotiating party coalitions, and ultimately a weaker challenge to incumbent candidates during national elections.

It is important to note, however, that this effect is expected to influence only a narrow scope of domestic businesses, given that most aid is non-economic in nature. The end products of PRC aid include schools, roads, and other non-fungible assets that may not immediately benefit many industries. Additionally, careful attention must be paid to the effect of aid in tying businesses to ruling parties, versus the effect of ethnic, regional, familial, or other preexisting explanatory variables.

H1: Increased Chinese aid will provide African incumbents with more leverage to coerce or coopt certain businesses against political opponents.

Incumbents also coopt or coerce opponent politicians themselves, through networks of patronage influenced by foreign aid. Van de Walle (2003) finds that in most African political systems, parties that do form are often clientelist in nature, and form ties with incumbent parties in order to obtain state resources for their constituencies, rather than win them through electoral competition. It is therefore theorized that incumbents may use the promise of aid deals to 'buy' the loyalty of opposition parties or individual politicians within the legislature. Incumbents may negotiate for infrastructure projects to be built in specific areas to cultivate the political support of regional elites or party representatives. Aid projects function as another non-tax revenue stream or patronage resource, which are distributed to regions to secure political loyalty in exchange for state-sponsored aid benefits.

The distribution of project-level aid like schools, hospitals, stadiums, and transportation networks is opaque and not well understood by contemporary researchers. Previous authors have discussed the possibility of aid being channeled for patronage purposes by elites (Brautigham and Knack 2004, Svensson 2000), though there is little clear empirical evidence that this occurs regularly with the Chinese. The lack of reliable information on how Chinese aid is negotiated and distributed is a significant limitation for this paper and subsequent research, though new data being made available through the AidData project may (Strange et. al. 2013) may change this.

H2: Increased Chinese aid will provide African incumbents with more leverage to directly coopt political opponents with patronage deals.

The next effect is derived from Morrison's (2009) argument that states utilize non-tax revenue such as aid to prolong their regimes through redistributive transfers. African incumbents may direct Chinese aid projects for infrastructure, education or healthcare towards the people themselves in the hopes of purchasing electoral loyalty. Lack of infrastructure, housing, roads, communications etc. is a commonly-cited weakness of African economies, and improvements offered by Chinese aid deals are welcomed and viewed very positively by African citizens according to survey data (Rebol 2010). Licht (2010) finds that negotiated aid deals have a significant, though impermanent effect on leader survival, most prominently following democratic elections. This effect is demonstrated to taper off further into a leader's term, allegedly as competition and dissatisfaction with late distribution of resources leads to political instability, particularly for small party coalitions. Therefore, this effect is expected to be most salient during and immediately after elections. Incumbent parties may be observed using promises of aid to bolster political campaigns and secure votes, or play up past public good or infrastructure improvements, financed and built by the Chinese, as signs of integrity and competence. Populations are expected to respond positively to Chinese aid, and therefore express support or votes for the party that negotiated them.

H3: Increased Chinese aid will allow African incumbents stronger channels of popular support through redistributive aid transfers.

The final hypothesis involves external pressures, either from OECD donors or international aid organizations, to reform African states through conditional developmental aid. Previous authors (Resnick 2012, Wright 2009) have noted that while past structural adjustment programs and aid regimes have had little positive consequences, new models of conditional aid have had some recent success at facilitating democratic transitions. A common complaint among western donors is that Chinese aid, being nonconditional and easier to access, are more attractive than conditional aid and end up 'crowding out' traditional aid regimes (Brautigham 2008). Thus, access to Chinese aid will make western aid comparatively less attractive, and lead to a decline in that states' willingness to accept conditional aid packages from traditional donors. The recipient state will prefer Chinese aid that comes with no strings attached, rather than a Western-sponsored aid package that contains conditions for political transparency, financial liberalization, or political reforms that could weaken a regime's dominance. The state will be less likely to undertake reforms, and less likely to see greater electoral competition or deepening of democratic norms. This effect is expected to be the most significant, as it is a prominent complaint among OECD donors.

H4: Increased Chinese aid will decrease African incumbent willingness to concede to western conditionalities and pressure to reform.

5.3 Testing Hypotheses and Case Selection

The African continent contains a diverse range of states in varying stages of political development. While the characteristics of the independent variable of Chinese aid can be held mostly constant across cases, its effects may be magnified or tempered by intervening variables within the states in question. Ideally, the four identified mechanisms of Chinese aid could be tested within a large sample of African states. Unfortunately, reliable and detailed data on Chinese aid flows is difficult to come by, and Resnick (2012) has emphasized that previous large-n empirical attempts to identify the effect of foreign aid on political development have given mixed results. Several qualitative studies of Sino-African interaction have instead chosen to examine a few African states in detail (Power, Mohan and Tan-Mullins 2012, Alden 2005). This study will adopt the same methodology, while focusing on more recent data and on the specific effects of narrowly-defined 'aid' supplied by China. To do this I have chosen to test the hypothesized variables and mechanisms within the aid-receiving states of Angola and Zambia, and the oil-rich state of Algeria.

The most different systems design allows for the identification or falsification of causal relationships through the comparison of a range of very different cases. This strategy was chosen, both to improve the generalizability of any observed conclusions across African states, and to better test for intervening variables of African political, economic and social characteristics. By examining two significantly different cases in detail, this study hopes to separate the effect of Chinese aid in particular from other variables which influence the political development of African states who receive development assistance from China.

Angola and Zambia first differ in what Levitsky and Way (2010) define as 'leverage;' the degree to which external international forces can exert political reform pressure on states. Angola notably broke off IMF negotiations in 2003 for conditional aid, instead accepting Chinese nonconditional aid backed by oil wealth. In comparison, Zambia remained tied to western debt repayment and conditional reform agreements through the 2000s, and remained a prominent aid recipient until very recently. Zambia's high debt granted high leverage for the West to impose conditional reform, while Angola-s debt-independence, supplied by oil revenues and Chinese lines of credit, prevented western reform from making headway. This degree of linkage is controlled and accounted for in the examination of Chinese aid, as linkage varies across aid-receiving states, most notably between oil exporters and non-oil exporters (237).

The presence of oil is also an important consideration. The link between oil revenues and stalled political development is well-observed in comparative politics (Ross 2012, 7). Angola's economy is dominated by oil exports, whereas Zambia's economy is dominated by copper. Both are important export commodities and are the main reasons why China has invested heavily in both countries. Angola can be considered similar to other oil-rich states like Gabon and Nigeria who also receive Chinese aid, while Zambia is similar to non-oil exporters who nonetheless export important commodities to Chinese markets. Controlling for the impact of export commodities, particularly oil, will be important in discerning the impact of aid from commodities investment and resource rents within African states. Special attention will be paid to the presence of nationalized industries, which generate easily accessible revenue for incumbent regimes, exacerbating differences in power between incumbents and opposition parties.

Finally, the Angolan and Zambian cases were chosen for their variation across the variable of political development itself; while Zambia has enjoyed several years of peaceful democratic transitions, Angola's democratization has largely stagnated. Danielle Resnick (2013) identifies three stages of democratization within African countries after the successful transition to a multi-party government: 'avoiding breakdown,' 'avoiding erosion,' and 'deepening democracy.' Based in Resnick's criteria, Angola occupies the 'avoiding breakdown' category of this trajectory, having instituted democratic reforms and opposition candidates, yet remaining at risk for falling back into single-party rule, as had previously happened following contentious elections in 1992. The Angolan state has been slow to reform since its 2002 transition to democracy, and notably rejected IMF conditional aid plans in 2003, though large oil reserves are fueling strong economic growth aided by Chinese investment. In contrast, Zambia occupies the 'avoiding erosion' category. Several successful elections and transitions of presidential power have occurred since the establishment of multiparty rule in 1991, including the first victory of a major opposition party in 2011. Zambia is unlikely to fall into single-party rule, given the state's history of nonviolence, recent economic progress, and lack of a traditional ruling political party. However, current norms and institutions remain weak or untested, and Zambia faces challenges of corruption and disproportionate elite power common to many African states.

Algeria is included as a third case in order to determine the significance of oil revenues compared to economic foreign aid in influencing political development. Angola maintains a large nationalized oil industry, yet and receives significant quantities of foreign assistance from China. Algeria, in contrast, receives significantly less foreign aid, mostly from France and the European Communities, and almost no aid from China. Algeria follows a similar political path to Angola, maintaining single-party rule after independence, undergoing a nominal transition to multiparty rule in the 1980s yet remaining dominated by a single political party until the present day. Algeria also operates a large nationalized oil industry, and uses oil revenues to maintain domestic power and avoid conditional reforms leveraged by the West. The Algerian case will be used to illustrate the effect of nationalized oil alone on political development, in the absence of significant economic aid.

The scope of this empirical examination is limited to 2000-2014, the time period in which Chinese aid and investment programs have achieved significant expansion and competition with western aid in these states. Prior to the 2000s Chinese aid to the continent was significantly lower, and Sino-African economic activity was comparatively much smaller. The Polity IV dataset currently ranks Angola as a 'closed anocracy,' and Zambia as a 'democracy' on its scale of individual country regime trends. The dataset indicates that between 2000 and 2014, Zambia moved from '1' to '7,' indicating an upward trend of democratization, albeit with a period of 'factionalism' lasting from 1991 to 2009. Angola by contrast has only moved from '-2' to '-1' since 2000, indicating a slight decrease in authoritarianism following a period of factionalism from 1999 to 2003. Zambia has therefore experienced significant democratic consolidation since first accepting Chinese aid, while Angola has remained consistently, mildly authoritarian since 2000.

Angola and Zambia therefore encapsulate a range of economic and political conditions experienced by states which currently receive foreign assistance from the PRC. Discounting well-established democracies such as South Africa and Ghana, conclusions regarding the effect of Chinese aid in Angola and Zambia could be generalized across those states still undergoing democratic transitions, provided that the effect of these political and economic conditions are controlled for. The third case of Algeria helps disaggregate between aid and oil, improving the generalizability of observations across African oil exporters who receive Chinese assistance.

An ideal experiment would involve using process tracing, combined with detailed qualitative data regarding African elections and state-party interactions, to test how aid is channeled and used by African elites to potentially forestall democratic competition and reform. Unfortunately, qualitative data for African states is also in short supply, owing to the expense and difficulty of field work, and the general opacity of both Chinese and African elite interactions. This paper is limited in terms of time and resources, and therefore concentrates on providing descriptive evidence to verify the validity of the proposed hypotheses regarding Chinese aid. Data available is limited by a lack of empirical investigation within the case states, but includes limited opinion poll data as well as relevant field data regarding the conduct of elections as well as the makeup and behavior of incumbent and opposition parties. Secondary reports regarding aid-related negotiations and activities are also available, as there are often no primary documents regarding Sino-African aid agreements.

6 Case Study Evidence

6.1 Angola

Contemporary Angolan development has been most significantly shaped by a history of conflict. Following independence, Angola was torn by power struggles between three formerly anti-colonial movements: the MPLA, FNLA, and UNITA. Fueled by significant foreign intervention from Cold War powers, the Angolan Civil War continued from 1975 until 2002, with the death of UNITA's leader Joseph Savimbi and a subsequent ceasefire with the MPLA. In the wake of a disrupted

1992 attempt at elections, after 2002 the Angolan government adopted a gradual timetable for democratization, with parliamentary elections being scheduled for 2008, and presidential elections in 2009. Presidential elections were ultimately postponed to 2012, to coincide with the next legislative election cycle, following the passing of a new Angolan constitution driven by the MPLA (De Brito 2012, 7). This new constitution solidified the power of the executive and the MPLA, with new rules stipulating that the candidate whose party controlled 2/3 of the legislature would become president. The MPLA has continued to be the dominant party in Angolan politics since the ceasefire, with party leader José Eduardo dos Santos serving as Africa's longest-serving president, having ruled Angola since 1979.

During the war, the PRC provided modest military aid, mostly to UNITA. Angola-China relations improved slowly during the course of the conflict, with diplomatic ties and economic aid flows dramatically expanding after the 2002 ceasefire. The Angolan state accepted a $2 billion oil-backed loan from China's ExImBank in 2004, the first of many loans directed at rebuilding infrastructure and an economy ravaged by almost three decades of civil war. Angola has since become China's largest African trading partner, fueled predominantly by exports of crude oil; Angola is now the second largest supplier of oil to China. As of 2009 oil represents 85% of Angolan GDP, 95% of exports and has allowed the economy to grow at rates of up to 10% from 2006 to 2010 (Zhao 2011). Oil-backed loans and aid from China have been predominantly directed towards rebuilding infrastructure, providing housing and improving healthcare and education (Kiala 2010). Since 2000 Angola has received $9.88 billion in official developmental assistance from China, including oil-backed loans (AidData 2014).

6.1.1 Elites and Businesses

The political impacts of Chinese aid in Angola is difficult to study, given the opacity surrounding the negotiation and distribution of aid. Negotiation of aid deals in Angola have been conducted as narrow elite business dialogues (Campos and Vines 2008, 15) whose specifics are seldom disclosed to domestic or international observers. The World Bank has estimated that $8 billion in loans made by the China International Fund for Angolan reconstruction have not been made public (Power, Mohan and Tan-Mullins 2012, 168). This is complicated by the bundling of aid and investment, plus allegations of misappropriation of funds by members of the Angolan government.

Nevertheless, an examination of the structure of Sino-Angolan aid and investment interactions shows they are entirely negotiated and carried out through ruling elites and state-affiliated enterprises. The Chinese state, through Exim Bank, began providing oil-backed lines of credit to the Angolan state in 2004, with an initial loan of $2 billion to be spent almost entirely on rebuilding Angolas war-ravaged infrastructure. To date Exim Bank has provided $4 billion in oil-backed loans, to be managed by the Angolan Ministry of Finance. In 2005, the Angolan state created the Office of National Reconstruction (GRN) to manage an additional line of credit from the China International Fund, a privately-owned Hong Kong management fund. General Helder Vieira Dias, a leading member of the MPLA and military advisor to the president, was appointed director of the GRN. The GRN was explicitly established to expedite and more efficiently manage large infrastructure projects financed by the CIF credit line. In addition to being managed by a top MPLA leader, the GRN is a gabinete, an office established by the executive that answers exclusively the Angolan president (Corkin and Burke 2006). The linkage between the GRN and CIF financiers is therefore almost entirely insulated from popular forces outside of the president and prominent MPLA members within the Angolan government.

Most infrastructure and assistance projects that can be classified as aid are carried out by Chinese contractors. The original loans from Exim Bank stipulate that 70% of all financed construction contracts be carried out by Chinese firms; between 50 and 70 percent of all construction materials and labor from Exim-financed projects are from China (Power et. al. 2012, 144). The most significant evidence of joint venture between Angola and China is in oil extraction, with the partnership of Chinese firm Sinopec with Angolas Sonangol Group. Sonangol is Angolas national oil company, having been established in 1976 by the MPLA, and since maintaining close ties with prominent party members, in particular President dos Santos (Oliviera and Soares 2007). Sonangol is the primary financier of the Angolan government and responsible for supplying the oil for all Chinese backed loans. A 2006 partnership with Sinopec, formed Sinopec Sonangol International (SSI), which currently maintains controlling stakes in two of Angolas offshore oil blocks, and is financed by a number of Chinese and non-Chinese investors (Power 2012). Former SSI president Manuel Vicente is a prominent MPLA politician, and currently serves as the Angolan vice president.

The bilateral aid relationship between China and Angola is thus dominated by the presence of the president and prominent elites within the ruling MPLA. Both the administration for negotiating and financing aid, and the oil industry that predominantly funds Chinese lines of credit, are owned or controlled by MPLA elites. The MPLA and the president form an enclave of gatekeepers for Chinese loans and infrastructure projects, which remain isolated from scrutiny by opposition parties or the general Angolan public. Chinese assistance did not cause the formation of this elite network; the contemporary dominance of the MPLA has its roots in the conduct and outcome of the Angolan Civil War. However, nonconditional Chinese loans have allowed ruling Angolan elites to maintain control over how aid is distributed, while Chinese willingness to trade infrastructure projects for oil have permitted the Angolan state to maintain and grow a nationalized oil company with a controlling interest in the countrys petroleum trade and a powerful source of financing. Chinese aid serves as a reinforcing factor for the dominance of the executive and MPLA-connected elite patronage networks within the Angolan state.

6.1.2 Competitive Elections and Parties

In terms of elections, the control that the incumbent Angolan government has over aid flows adds to the disproportionate resources the state can bring to bear to win elections, while maintaining restrictive laws regarding the financing and campaigning of opposition parties. The National Electoral Commission (CNE) is charged with conducting Angolan elections and managing party competition and campaigning. The CNE allocated $170 million in government funds to approved parties for campaigning prior to the 2008 elections, and dispersed around $1 million per party during the 2012 elections (De Brito 2012, 7). All political parties were budgeted time on public radio and national television channels for political advertisements prior to both elections. However, during the 2008 elections opposition parties have protested that the incumbent MPLA had a 'head start;' dispersal of campaign funds was allegedly delayed until after campaigning was allowed to begin, and the MPLA held several politically-driven rallies/concerts in Luanda and other cities prior to the start of the campaign season (Amundsen and Weiner 2008, 11). Opposition also alleges that state-affiliated media such as newspapers, whose content is not mandated by law, give disproportionate space to campaign material from the MPLA. The MPLA was also 'unable' to provide absentee ballots for Angolans outside the country, allegedly to keep expatriate Angolans who would support opposition parties from voting (Amundsen 2008, 3). Most of the above complaints of unfair resource distribution were repeated in Angola's 2012 elections, despite lower voter turnout and fewer votes for the MPLA (De Brito 2012).

Outside of state-controlled and allocated sources of funding, Angolan political parties are chronically short of funds. A report on Angola's political parties prior to the 2008 elections (Amundsen and Weiner 2008) finds that aside from state-allocated campaign funding and allowances from party members that hold seats in parliament, most parties have little sources of income. Membership dues are difficult to collect in significant amounts; only a few parties such as the Social Renewal Party (PRS) and the reinvented FNLA obtain significant contributions from long-time wealthy donors. No party was observed as having strong ties to large Angolan businesses, banks or the domestic oil industry, with former MPLA rivals the FNLA and UNITA being forbidden by law from owning private companies. Amundsen and Weiner allege that Private business donors would go bankrupt if they financed a political party other than MPLA (26), though detailed data on all sources of funding could not be obtained for many parties.

The above factors have kept Angolan political parties profoundly weak relative to the MPLA, allowing the proliferation of clientelist relationships rather than true opposition movements. Despite being the second-largest party in Angola and being allowed ministerial positions and seats in parliament since the 2002 ceasefire, the MPLA does not recognize UNITA as an official opposition party. UNITA ministers and legislators have no direct political power, are usually usurped or ignored by MPLA politicians, and are denied a significant say in government. Those Angolan parties who held legislative seats prior to 2012 usually lacked the political or financial capacity to challenge the MPLA (the FNLA, PRS, PLD, and PPD). These parties have instead voted with the MPLA on most issues, in exchange for retaining power and obtaining resources for their constituencies. Numerous other smaller parties remain outside of parliament, such as the democratic reform-oriented FpD, but face significant difficulties in obtaining funding or name recognition. Many of these smaller parties have merged or died out since 2002, with the number of parties currently recognized by the CNE reduced to 7 from an original 14 (Vinese and Weimer 2011a, 7). Several of these smaller parties have since merged into coalitions (CASA-CE and New Democracy), with the former obtaining 16 seats in the 2012 election.

Unfortunately, it is difficult to produce evidence that Chinese-sponsored aid agreements directly factor into patronage deals between Angolan businesses or opposition legislators and the ruling MPLA. It is clear that the MPLA has benefited significantly from Chinese aid, and that the PRC's infrastructure-for-oil deals have been a lucrative economic boon to the president and his party. Oil revenues have generated billions of dollars in revenue for the government, supplying over 80% of the budget in 2004 alone (OECD 2006, 19). Political opponents of the MPLA have seen very few dividends of Angola's oil deals with the Chinese. However, there is no evidence available to suggest that aid projects specifically are directed towards rival party constituencies or private businesses in exchange for political loyalties. Such evidence may become available with the completion of geolocated aid maps in progress by the AidData Project. However, as of now this paper cannot definitively reject the null hypothesis regarding H1 and H2.

6.1.3 Popular Opinion

Education, employment, poverty reduction and infrastructure expansion are prominent concerns for the people of Angola. Three decades of civil war destroyed much of the states' infrastructure and stagnated its economy, leaving Angola as one of the poorest countries in Africa by GDP at the time of the 2002 ceasefire. It is this destruction that prompted the MPLA government to accept aid and investment from the Chinese. The Angolan economy has since seen some of the fastest growth in Africa, due largely to oil and diamond revenues, which have dominated Angolan exports and have fueled annual GDP growth rates between 10 and 20 percent since 2004 (OECD 2006, 20). Infrastructure has improved as well, though insufficient road maintenance and the lack of electrical infrastructure is argued to be a significant bottleneck on further growth (Pushak and Foster 2011, 4).

A 2008 survey of Angolans across twelve provinces (n=3,678) reported that four in ten respondents identified unemployment as a major problem in the country, with two in ten identifying poverty (IRI 2006). Despite 59% of respondents indicating that their own economic status had not changed since 2002, 73% felt Angola's economy was improving, with over 90% approving of the government's role in addressing problems. This result is similar to what was observed in a 2008 follow-up poll (IRI 2009) conducted in seven Angolan provinces (n=1,200); 78.8% said their country was heading in the right direction, with respondents citing infrastructure construction (57.2%), improved education (42.5%), and peace (40.7%) as signs of improvement. However, over 70 percent of respondents who indicated that the country was headed in the wrong direction cited persistent poverty as the reason, with around 40 percent citing 'not enough jobs' and 'wages too low' as problems. The national government (52.8%) and president (25.1%) were identified as most responsible for these problems. Respondents unilaterally identified lack of jobs, insufficient education, and poverty as their top three most immediate and important concerns, with 21.1% calling for the creation of more jobs.

The MPLA identified itself as the party who brought peace to Angola after 2002, as well as promising to rebuild the country's economy and infrastructure. This rhetoric has continued to appear in subsequent MPLA legislative elections (Perez-Nino and Le Billon, 2011). The proliferation of Chinese aid projects in Angola has allowed the MLPA government to attempt to make good on its promises of improving education, health and other infrastructure. Chinese-sponsored aid projects are almost universally well-regarded in African countries (Rebol 2010), and the above survey data suggests that a significant portion of positive opinion of the MPLA is due to aid-fueled infrastructure improvements. The MPLA went on to win the 2008 elections by garnering over 81%

of the vote, a majority 30 points larger than they received in 2002.

However, these gains have been slowly offset by dissatisfaction with the Dos Santos government's failure to inclusively share the country's economic growth with the people. Angola's economic recovery has been concentrated almost entirely in oil exports, which generate limited employment opportunities for native Angolans. Chinese aid has done little to encourage Angolan domestic industrial development, and despite the government's efforts sectors outside the oil industry remain underdeveloped. Distribution of wealth in Angola remains extremely unequal. Angola's population is rapidly growing and rapidly urbanizing, challenging to government to provide services and employment to its people (Vines and Weiner 2011). Popular Angolan opinion is critical of the lack of jobs, the slow pace of non-oil economic development, and the opacity and perceived corruption of the MPLA regime. In the wake of the Arab Spring, several youth-led demonstrations against the Dos Santos government were held in late 2011 and 2012. These protests were met with poorly-attended pro-government rallies, then with arrests and pre-emptive attacks on demonstrators (Marques de Morais, 2012). Contemporary opposition to the Dos Santos regime has continued to rise, coalescing into an informal organization known as the 'Angolan Youth Revolutionary Movement,' which has continued to stage anti-MPLA protests and publish complaints against alleged corruption and police brutality.

The above indicates support for H3, that Chinese aid has had a positive effect on popular opinion regarding the ruling MPLA. Faced with a war-devastated country, the party campaigned on a platform of peace and reconstruction. The availability of Chinese aid and oil deals allowed the MPLA to improve infrastructure and secure sources of revenue, initially winning significant support from the Angolan people. This support was capitalized on by the incumbent MPLA, allowing them to remain in power throughout the 2000s. However, their failure to adequately reduce poverty and provide jobs for the Angolan people has led to new protest movements and an apparent loss of this political goodwill. This failure to improve employment prospects and diversify economic growth may contributed to future instability, in line with Licht's (2010) conclusions regarding redistributive transfers and aid; however, this is the fault of the MPLA and has little to do with the effects of China's assistance itself.

6.1.4 Interaction with Western Aid

The MPLA government relied almost entirely on oil-backed loans to finance their state during the Angolan Civil War; by the time of the 2002 ceasefire, Angola owed at least $10 billion to numerous international creditors (Brautigham 2009, 274). Beginning in 2002, the International Monetary Fund (IMF), in league with western donors, proposed establishing a staff-monitored program (SMP) as a first step to rebuilding Angola's infrastructure and paying off its' debts. The SMP included provisions for increasing transparency, raising taxes, reducing corruption and liberalizing trade; if Angola made good progress on these conditions in six months, they would be eligible for further negotiations regarding aid and debt rescheduling through the Paris Club donors (Campos and Vines 2008, 18). Angola had previously failed to meet reform goals in the 1990s, and ultimately rejected the proposal, replying that they would no longer seek a deal with the IMF. High commodity prices bolstered the Angola's position in negotiating oil-backed loans with international creditors. While most donors refused to supply loans or aid to Angola, several German and French banks compromised and negotiated new oil-backed loans with Angola. China subsequently entered the market with its 2004 loan of $2 billion, negotiated with significantly more favorable grace periods and LIBOR rates, to be spent almost entirely on infrastructural aid.

Subsequent Chinese debt relief and 'ODA-like' lines of credit have helped maintain the oil-backed system of finance that is controlled solely by the Angolan government. This allowed the Angolan government to resist several calls for reform from the IMF, claiming interference in state sovereignty (McMillan 2005, 160). This provides support for H4, that Chinese aid loans bolstered the ability of Angolan elites to resist western attempts at enforcing reform through conditional aid.

There are several caveats to this finding. The first is that Chinese investment was not alone in circumventing the IMF's attempts at enforcing conditional reform. While Paris Club donors initially agreed to withhold additional loans from Angola until an IMF SMP was completed, both German and French banks eventually broke this agreement and offered new lines of credit to Angola in 2003. The 2004 Chinese credit line was followed several months later by a $2.35 billion loan from several western banks, including Barclays and Royal Bank of Scotland (Brautigham 2009, 275). French and American banks have subsequently made loans to the Angolan state. The IMF's attempts at conditional reform were therefore undermined not only by the Chinese, but by other western lenders who provided their own oil-backed lines of credit. While these western loans were not strictly counted as aid, they nonetheless had the same reform-circumventing effect as China Eximbank's oil-for-infrastructure loans.

A second caveat is that, despite the initial failure of the IMF to establish a staff-monitored program, the Angolan state did begin some reforms starting in 2002 to improve the government's economic transparency. Angola signed the Kimberly Process Certification scheme to curtail conflict diamonds, and began publishing limited statistics regarding oil trade receipts in 2004. This increase in transparency allegedly reflected a split between MPLA old guard and reformists led by then finance minister Jose Pedro de Morais (McMillan 2005, 163). Angola subsequently began paying off its debts to western donors with oil revenues. Following a downturn in commodity prices and the global financial crisis, Angola reopened negotiations with the IMF in 2008; a Stand-By Arrangement (SBA) was ultimately negotiated in 2009 to provide Angola with up to $890 million in fiscal aid, along with a commitment to further improve transparency in the oil sector and public economic accountability.

Nevertheless, the Angolan government retains the final say in accepting or rejecting aid. The state picks and chooses aid project bids on a case-by-case basis, allowing projects that suit its needs while rejecting others (Ferreira 2009, 27). Angola has accepted numerous small aid projects from western donors involving AIDS and disease prevention, landmine removal, improving education, micro credit, and employment organization through several hundred domestic and international NGOs (Amundsen and Abreu 2006, 20). Angola has received an estimated $7.8 billion in 'international aid' from developed countries and NGOs since 2000 (AidData 2014). Yet the government, through the compulsory registration and monitoring of NGOs, has blocked or restricted projects directed towards empowering civil society. Ruling MPLA officials, including prominent ministers, have made disparaging or hostile comments regarding the role of NGOs or civil society organizations in Angolan politics, seeing their role as aid or service delivery instead of political participation (8). This policy is not visibly influenced by Chinese aid deals, though it is an extension of the Angolan government's preference for investment over explicit aid.

6.1.5 Conclusions

Overall, Chinese aid can be shown to have a facilitating effect on the power of Angolan ruling elites. However, the principal causal factors behind Angola's slow pace of democratic development are tied to oil exports and the legacy of the Angolan Civil War. The MPLA's clear victory over its rivals in 2002 placed the party in a strong controlling position over the Angolan state, and gave the party some popular support as the bringer of peace to a war-ravaged nation. The party's control over a nationalized oil industry allowed it to perpetuate their dominance by securing oil-backed lines of credit from international investors. Chinese ODA-like deals fed into this environment beginning in 2004, providing not just another line of credit, but numerous badly-needed construction projects to help rebuild Angola's war-ravaged infrastructure. China's involvement therefore strengthened an already dominant MPLA, providing it with a means to rebuild without submission to IMF conditional reforms, while generating popular support through economic and infrastructural development. Chinese aid may also directly contribute to patronage politics between the MPLA and opposition politicians, though this cannot be conclusively determined with current data.

6.2 Zambia

Unlike Angola, Zambia's post-colonial history lacked major war or conflict, and its transition to democracy has been one of the most peaceful in Africa. After independence, the United National Independence Party (UNIP) under Kenneth Kaunda came to dominate Zambian politics, eventually ruling as a single-party state. Rising foreign opposition to the UNIP, domestic dissent, and economic weakness led to multiparty elections being held in 1991, where the opposition party

Movement for Multiparty Democracy (MMD) won large parliamentary and presidential majorities, deposing Kaunda. The MMD was a cross-ethnic opposition party which initially enjoyed support from many prominent Zambian political and labor leaders. Zambia has since experienced several successful elections since 1991, yet the MMD remained predominant until 2011, with the ascension of Michael Sata of the Zambian Patriotic Front (PF) to the presidency.

The PRC's relationship with Zambia predates independence, but was solidified in the 1970s with the construction of the Tanzam Railway. President Kaunda cooperated with Tanzania's Julius Nyerere and the Chinese government to construct 1100 miles of rail across their two countries. This provided landlocked Zambia with an essential freight and transit route to the Pacific Ocean, while bypassing the apartheid states of Rhodesia and South Africa. Zambia has historically been diplomatically allied with China, and has been a key supplier of copper to the PRC. Sino-Zambian investment and aid was expanded significantly since 1999, when the China Non-Ferrous Metals Corporation (CNMC) bought a controlling stake in Zambia's Chambishi copper mines. Zambia is China's 8th largest trade partner in Africa, a major recipient of Chinese FDI and developmental aid, and currently supports two China-financed Special Economic Zones (SEZs) in Lusaka and Chambishi. Since 2000, Zambia has received $2.95 billion in official developmental assistance from China, including debt relief (AidData 2014). The major difference between Angolan and Zambian aid flows is the presence of $6.5 billion in multi-sector projects in Angola reported by AidData. These represent the previously discussed oil-backed lines of credit provided by China to rehabilitate Angolan infrastructure, . Like in Angola, Chinese aid has been traditionally focused on maintaining and expanding transportation systems (particularly the Tarzawa railway), increasing health and education infrastructure, debt cancellation and facilitating export industries. Yet despite the significant growth of Chinese aid and investment since the 1990s, it is still significantly less than the amount of aid Zambia has received from western donors since independence.

6.2.1 Elites and Businesses

Like in Angola, direct measurement of the political effects of Chinese aid in Zambia are difficult to uncover, as the terms of these agreements are confidential. Aid deals are again negotiated almost entirely between Chinese lenders and prominent elites in the incumbent Zambian government. The Zambian Ministry of Finance and National Planning is responsible for overseeing aid contracts from all international lenders, including China. Yet the Zambian president and occasionally other ministers are solely responsible for negotiating and approving aid deals from China (Mwanawina 2008, 21). Diplomatic visits by elites are common between the two states; Chinese president Hu Jintao visited Zambia in 2007, while all post-independence Zambian presidents including the PF's Michael Sata have themselves visited China.

Zambia's economic history differs significantly from Angola, due to the presence of copper, and not oil, within the country's borders. The post-independence Zambian state operated nationalized copper mines, ideologically promoting their operation as a source of domestic employment (Limpitlaw 2011, 737). As copper prices fell in the 1970s, the mines became unprofitable and fell into disrepair; attempts to reorganize mine organization failed, and the country faced a long-term depression. The state accrued massive foreign debt from western lenders and the IMF through the 1980s, while failing to increase mining productivity and revenue. Following the elections in 1991, President Chiluba's government sold off its controlling interests in the state's copper mines and attempted to privatize the economy. In the absence of capital flows, Zambia's mining infrastructure had fallen into significant disrepair, slowing the process of privatization by increasing the investment (and risk) needed to make them profitable again (738). CNMC's purchase of the Chambishi copper mine in 1998 was followed by a $130 million investment in rehabilitating the facility, almost seven times the purchase price. Chinese partnership and investment, along with rising commodity prices after 2004, have significantly rehabilitated the Zambian copper industry. CNMC has since expanded its operations into smelting and copper processing at Chambishi, with an additional mine at Luanshya.

The Zambian state was unable to maintain controlling interests in extractive industries after democratization, unlike Angola, where oil revenues continue to be nationalized. The aid-for-infrastructure deals and oil-backed lines of credit seen in the 'Angola model' are unavailable to a government that does not directly control industrial outputs. Chinese aid is instead directed at facilitating trade and investment with a privatized, Chinese-owned firm in which the Zambian government only holds a minority (15%) interest. Taxes on mining industries are the only direct link the Zambian government has to extract revenue from Chinese-sponsored industries. These taxes are low and difficult to raise effectively, due to legal challenges from mining companies and the desire to limit disincentives on further mining investment (Collier and Venables 2011, 337). Chinese aid investment does not directly facilitate revenue for the ruling party in Zambia through commodities-backed loans, as it does in Angola.

6.2.2 Competitive Elections and Parties

Zambian political organization since independence has been based on a tradition of avoiding ethnic mobilization through patronage and 'tribal balancing' of political positions. The MMD was initially a wide coalition of political dissidents, intellectuals, business and labor leaders who expressed dissatisfaction with Zambia's economic stagnation and UNIP's failure to address it. The coalition had little to unite them after winning large majorities in the 1991 elections; the MMD slowly splintered as coalition members became dissatisfied with the Chiluba regime's rejections of reform proposals to reduce executive power or control of the government (Erdmann and Simutanyi 2003, 13). In order to prevent ethnic mobilization or inter-ethnic conflict, presidents since Kaunda have relied on maintaining proportional representations of all domestic language groups in government positions (Lindemann 2011, 1855). These balancing strategies were often undertaken at the expense of economic efficiency, either through a massive public sector under UNIP, or through alleged private corruption and patronage under Chiluba's MMD (1864). Nevertheless MMD's ability to maintain support across most ethnic groups and provinces helped the party to persist in power until 2011.

Contemporary Zambia is nominally a democracy, with a history of competitive elections and transitions of power between parties. Yet despite this, all political parties can be described as weakly institutionalized and organized. Political affiliation is highly fluid in Zambia, and swapping party allegiance is historically routine among both citizens and politicians (Tobolka 2013, 17; Erdmann and Simutanyi 2003, 33). The ruling MMD and most opposition parties have avoided pursuing issue-driven campaigns, instead endorsing general promises of 'development' or 'leadership change' (Tobolka 2013, 23). Zambian opposition parties receive no official government funding; party finance is dependent upon either contributions from wealthy members or the salaries of party members who hold public office. On the other hand, while in power the MMD regularly utilized state funds as payment to party members for campaign activities (22). Analysis of Zambian media sources during the 2008 election indicated that public media was biased towards positive coverage for the incumbent MMD; private media sources were alternatively biased against the incumbent party (Nkandu 2009).

The weak institutionalization of party rules, lack of issue-driven mobilization, and use of public funds for electoral advantages creates an environment that encourages corruption and the elite incumbent advantage, despite the presence of regular and uncontested elections (Burnell 2001, 245). Major electoral turnovers, such as the accession of the MMD and later the Patriotic Front, have occurred only due to widespread dissatisfaction with incumbent performance and domestic economic conditions. While this environment provides a potential avenue for aid revenues as a source of patronage for opposition elites and business, the opacity of aid and party revenue statistics prevents a definite conclusion from being made. As with Angola, there is currently not enough evidence to reject the null hypothesis that Chinese aid plays no role in patronage politics in Zambia.

6.2.3 Popular Opinion

Though free of the decades of civil war experienced by Angola, depression and mismanagement of copper resources left Zambia as heavily indebted and impoverished by the time of democratization. Like Angolans, Zambians are prominently concerned about economic issues such as poverty and employment (Helle and Rakner 2012, 60). However, any goodwill Chinese aid may have generated in the early 2000s has since been overshadowed by negative popular sentiment towards Chinese management of Zambia's copper industry. Several high-profile incidents attracted Zambian attention towards the behavior of Chinese companies; in 2005, an explosion in the BGRIMM explosives factory owned by Non-Ferrous China Africa (NFCA) killed 52 workers, resulting in the worst industrial disaster in Zambia in 30 years. National media sources reported widespread outrage that low-paid Zambian workers were employed in such a dangerous environment (Larmer and Fraser 2007, 627). Another incident in July 2005 involved a disturbance at the Chinese-owned Non-Ferrous Metals Corporation in Chambishi, where four workers were injured in a shootout, the responsibility for which was never established. These incidents incited national discussion regarding low miner wages, poor labor and safety regulations, and allegations of corruption between mine owners and Zambian regulators (628). Subsequent incidents included the 2010 shooting of a Chinese manager by a Zambian mineworker at the Collum Coal Mine in Sinazongwe, and the October 2010 shooting of several mineworkers by two Chinese managers during a dispute over unpaid wages.

These anti-Chinese sentiments were inflamed by the rise of populist candidate Michael Sata and the Zambian Patriotic Front (PF). The PF had been formed in 2001 in opposition to Mwanawasa's MMD, and drew significant support from Chambishi and Zambia's northern provinces. In the weeks before the 2006 election, Sata drew attention to the BGRIMM disaster and to the plight of Zambian mineworkers, using anti-Chinese populist rhetoric to criticize the MMD for favoring Chinese investors over native businesses (Larmer and Fraser 2007, 628). Sata campaigned on a populist platform of expelling Chinese businessmen and other foreigners from Zambia, at one point even calling for the diplomatic recognition of Taiwan (Kopinshi and Polus 2011, 188). The campaign stressed Sino-Zambian relations; the Chinese ambassador accused Sata of receiving campaign aid from Taiwan, and threatened to sever diplomatic ties and investment with the country. Sata ultimately lost the presidential race, though the PF gained significant support in the urban Lusaka and Copperbelt provinces. The PF reemerged in 2011 to obtain a majority in the legislative elections, with Michael Sata defeating the MMD incumbent Rupiah Banda. Sata toned down his anti-Chinese rhetoric since 2011, but nonetheless ran on a populist platform mobilizing the urban and rural poor, emphasizing native jobs and wealth creation over foreign investment, and tempting voters to switch allegiance despite receiving favors from the ruling party (Helle and Rakner 2012, 12).

A 2012 open-ended survey of Zambians in the towns of Livingstone, Lusaka, Chambishi and Mufulira (n=155) indicates a mixed, nuanced contemporary view of Chinese activity in Zambia (van Bracht 2012). Of those questioned, 60 positive statements about Chinese financial assistance, loans and nonconditional as good for Zambia were recorded. 66 statements identifying general infrastructure development, 59 statements mentioning roads or bridges, and 27 citing stadiums specifically as good for Zambia were also recorded. In comparison, 74 mentions of job creation by Chinese-owned business, and 113 mentions of Chinese investments (FDI) as positive benefits were recorded. The most commonly recorded negative statements involved poor treatment of Zambian workers (157), verbal or physical abuse by Chinese nationals (44), or amoral behavior including sexual misconduct (96). Only a handful of statements regarding personal benefits from infrastructure projects (35) were recorded. While this survey was nonrandom and from a relatively small sample, it indicates a relatively mixed reaction among respondents to China's involvement in Zambia, with aid projects playing a minor positive role in public opinion. Another survey of Zambian university students (n=195) indicated that around 82 percent were 'satisfied' to 'neutral' regarding Chinese companies that work on large projects in Zambia (Rebol 2010, 742).

The above surveys provide limited evidence that Chinese aid projects have generated some goodwill towards both China and the incumbent government that procured them. However, the effect of aid on popular opinions of Zambian incumbents is offset by negative perceptions of Chinese nationals and employers, which have been played up by the PF to generate populist support against the former incumbent MMD. This negative perception actually worked against incumbent elites, empowering Sata's opposition to win a plurality of the vote and the presidency in 2011. Therefore, any evidence supporting H3 cannot be considered significant in the context of greater political and economic interactions between the Chinese and Zambian people.

6.2.4 Interaction with Western Aid

Unlike Angola, Zambia has accepted large quantities of bilateral and multilateral aid from western lenders since the 1960s. The collapse of copper revenues and reliance on international borrowing in the 1980s led to very high levels of aid dependence and debt for the Zambian economy (Rakner 2012, 3). The World Bank first allowed borrowing from Zambia in 1983 with the imposition of a wide range of policy conditions and structural adjustment programs. These structural adjustments and conditional reforms did little to improve economic conditions in Zambia; the World Bank's president for Africa admitted in 1991 to the 'chaotic' management of Zambia's loans, owing to the fluctuations and overestimation of copper revenues (Wohlgemuth and Saasa 2008, 4). Aid had also largely failed to alleviate Zambia's outstanding debt or address deepening poverty in the national population (Saasa 2002, 16). Aid to Zambia has fluctuated significantly between years, while dissatisfaction with Zambia's failure to improve economic conditions led to more program-focused aid and stronger conditionalities for good governance throughout the 1990s (Wohlgemuth and Saasa 2008, 5). However, President Chiluba and MMD's attempts at political decentralization and economic privatization were met with generous aid pledges (Rakner 2012, 4). Since 2000, Zambia has received $18.5 billion in international aid from developed countries and NGOs (AidData 2014).

Chinese aid projects to Zambia were expanded significantly after the entry of PRC corporations into Zambia's mining industry, and again in 2006 following that year's FOCAC meeting. Presiden Mwanawasa was quoted as challenging the West to meet the levels of nonconditionality and cooperation seen from the Chinese government (Davies et. al. 2008, 46).

However, the resurgence of Chinese aid in Zambia has coincided with both significant economic growth, and a reorganization of western aid and debt relief to the African country. Copper and mineral commodity prices rose from 2004 to 2009, which combined with expanded taxes on extractive industries have provided both economic growth and greater public revenue for the Zambian state (Collier and Venables 2011, 339). In 2005 Zambia completed reforms under the Heavily

Indebted Poor Country (HIPC) and Multilateral Debt Relief Initiative (MDRI) programs, triggering the cancellation of billions in foreign debt and ultimately reducing the country's total external debt to around $500 million (Wohlgemuth and Saasa 2008, 4). Bilateral and multilateral aid contributions from western sources have decreased significantly since 2006, as large aid payments are no longer needed to cover long-standing foreign debt (Rakner 2012, 15). This places western economic aid in competition with Chinese developmental assistance. Due to the lack of nationalized extractive resources, aid deals with China have also incurred public debt. However, the PRC is sympathetic to Zambia and has communicated a high willingness to reschedule or write off owed debts, with several debt remittances and cancellations being signed since 2001 (Mwanawina 2008, 20). Remittances on debts to China have been both easier and faster to obtain than similar services offered by Western lenders (22).

Yet despite this potential for aid competition, there is little empirical evidence that Chinese aid is turning the Zambian state away from western lenders. On the contrary, economic growth and the significant reduction of debt have seemingly empowered the government to set clear terms for future aid and investment. The Zambian government has advanced its development strategies and aid goals in three major documents: *Vision 2030* (2006), *The Sixth Development Plan* (2011), and the *Aid and Policy Strategy* (2007). These documents emphasize infrastructure development, poverty reduction, and the promotion of a dynamic middle-income economy (Prizzon 2013, 5). The Aid and Policy Strategy specifically emphasizes country ownership of aid, grants and technical assistance as paramount (13). However, these documents also closely follow the conditions outlined in the OECD's Paris Declaration of aid effectiveness. While reports on Zambian aid coordination indicate that civil society and legislative participation in aid negotiation are still somewhat weak (Wohlgemuth and Sassa 2008, 9), the government remains an active participant in aid negotiations and has continued to sign aid agreements with EU lenders, albeit with a greater focused on Zambian oversight of development and governance goals (8). Significant quantities of democracy aid, focusing on disseminating economic and political information, overseeing elections, and empowering civil society groups, have also continued to flow to Zambia unimpeded by economic or political trends within the past ten years (Rakner 2012, 19). The Zambian legislature receives multilateral support through a Parliamentary Reform Program (PRP), which has reportedly increased citizens' access to MPs and making legislative proceedings more visible to the public (Amundsen 2010). While increases in OECD democracy aid spending do not seem to correlate with Zambia's increasing Polity IV score, reports from NGOs and other domestic sources indicate that democracy aid has had some positive impact on Zambian civil society strength, political participation and transparency within the past 15 years (Rakner 2012, 17; Amundsen 2010).

Case evidence from Zambia indicates little support for H4, that aid from China has negatively impacted the state elites' willingness to accept conditional aid. Zambia's long history of accepting western aid agreements and negotiating reforms with donors has provided a 'foot in the door' that the rise of China as a non-traditional lender seems unlikely to dislodge. Zambia's recent economic success has instead empowered government elites to take on a greater leadership role in promoting economic growth and debt sustainability under the conditions outlined by the OECD.

6.2.5 Conclusions

Like Angola, the trajectory of Zambia's political development war largely a function of historical factors that predated Chinese involvement in the country. The state also had a long-standing aid relationship with western lenders and the IMF, which deepened significantly after the economic downturn in the 1970s. Finally, the presence of copper made nationalization unproductive, as fluctuating commodity prices precluded the mines from staying profitable and modern and ended up putting the Zambian state in massive debt. Despite Chinese presence in the country since independence and their construction of the Tanzam Railway, the Chinese played little economic or political role in the country's development compared to the large repercussions of western loans and structural adjustment programs. After 2000, there is little evidence that China has played a significant role in delaying Zambian democratic development. While patronage politics and corruption is a significant problem, there is again little direct evidence that Chinese aid factors into it. Despite recent Chinese investments making conditional aid look unattractive, Zambia has remained tied to western lenders and the IMF, and has in fact taken a more prominent leadership role in promoting national economic development, in light of recent economic success. Democracy aid sponsored by western donors has also continued unabated, with tentatively positive results for Zambian political development. Finally, any goodwill generated for the MMD by accepting Chinese aid was overridden by the reaction to working conditions in Chinese-owned mining companies, and their subsequent use in mobilizing Zambians under Sata's Patriotic Front against the incumbent government. Aid itself did little, while the fallout from the trouble with Chinese companies may have actually deepened democracy in Zambia, by facilitating issue-driven politics in 2006, and prompting labor rights and mine safety to become a national issue.

6.3 Dissecting Oil from Aid: the Case of Algeria

Evidence from Angola suggests that oil-backed Chinese foreign assistance has bolstered the MPLA regime, allowing them to avoid conditional reforms or empowering opposition groups in order to maintain power. However, from the evidence presented it is not clear how much of this regime-strengthening effect can be attributed to China's aid projects as opposed to oil revenue. The link between oil and authoritarianism is commonly observed in comparative political studies; hydrocarbons trading provides a lucrative and easily hidden source of revenue for incumbent governments to purchase loyalties and maintain power (Ross 2012, 63). Comparing the political development of an oil-rich African state which does not receive Chinese aid to that of Angola will make clear how much of an additive effect Chinese aid has on a state that already maintains a nationalized hydrocarbon industry. Therefore, a third case study of Algeria has been included to test the comparative significance of PRC aid.

Algeria bears significant political and economic similarities to Angola that are relevant to the question of political development. Like the latter, Algeria's economy has long been dominated by petroleum as well as liquid natural gas, with oil and gas accounting for 97% of Algerian exports and over half of the government's revenue (Stambouli et. al. 2012, 4447). The state is a member of OPEC and ranks as the 7th largest oil and gas exporter in the world . Like Angola's Sonangol, Algeria maintains the state-owned oil company Sonatrach; it is the largest African company and accounted for 30% of Algerian GDP alone in 2011 (4448). Politically, the Algerian state has been dominated by one party, the National Liberation Front (FLN), a party formed to obtain Algerian independence which has remained in power since 1962. Despite the end of single-party rule and the legalization of opposition parties in 1989, the FLN has retained control over the presidency and much of Algeria's legislature, similar to Angola's MPLA. Algeria also experienced its own protracted civil war from 1991 and 2002 between the FLN and a succession of armed Islamist groups, causing between 44,000 and 150,000 deaths (Hagelstein 2008). According to the Polity IV project, Algeria ranked '-1' on the regime trends scale, making it a 'closed anocracy,' until 2006, when it improved to '2,' ranking it as an 'open anocracy.' The data indicated Algeria as having a factionalized political system throughout the late 1990s up until the present day (Polity 2014).

Most relevantly, Algeria receives relatively low quantities of international aid from the west, and almost no aid from China. AidData estimates that the PRC pledged less thant $125 million in loans and project aid to Algeria since 2000, accounting for less than 1% of Chinese aid to Africa. By contrast, NGOs and developed states have pledged around $9.6 billion in international aid to Algeria since 2000 (AidData 2014). Western aid to Algeria has declined significantly, with around $300 million in aid pledged annually since 2006, mostly from France and the European Communities, but down from a high of $1.72 billion in 2002 (2014). This quantity of aid is comparable to western flows received by Angola, but represents a significantly smaller percent of GDP than in Angola, whose GDP is one fourth that of Algeria's (World Bank 2012).

Angola and Algeria differ significantly in terms of GDP per capita ($6500 versus $13,788, respectively); Angola also has a significantly smaller public sector and higher poverty levels (40.5% versus 23%, 2006 est.) (World Bank 2012). However, the two states are similar enough politically and economically along other relevant measures to merit a comparison between a petro-state that receives both Chinese and western aid, versus a petro-state which lacks the same significant aid flows.

6.3.1 Contemporary Algerian Politics

Despite acquiescing to economic liberalization and accepting democratic elections with legal opposition parties, the FLN has remained in control of the Algerian state since 1996. An essential contributing factor to the FLN's longevity is the competency and loyalty of the Algerian army. The Algerian military has played a role in politics since independence, and despite being depoliticized following the 1988 reforms army elites as seen as important informal wielders of power within the contemporary government and counterbalance to the elected president (Szmolka 2006). The Algerian military briefly assumed control of the government in 1990 during the initial years of the civil war; after negotiations and a 1996 election, the civilian FLN government was restored. The modern Algerian army is well trained, funded, and equipped with over 140,000 active members. Algeria has quadrupled its security forces since the mid-1990s, with over 200,000 officers in 2012. These officers are paid significantly higher than minimum wage and often enjoy good career prospects, ensuring their loyalty (Achy 2013, 12). Algerian police effectively cordoned off and arrested protesters during the Arab Spring, effectively defusing the protests without significant casualties. While exact budget figures are not available, it can be surmised that nationalized oil revenues have helped fund and arm Algeria's military.

Angola has maintained both presidential and legislative elections since 1996, however opposition parties are carefully managed by the ruling elite to avoid meaningful competition to the FLN. The 1992 civil war was sparked by the rise of the Islamic Salvation Front (FIS), a Muslim political movement which advocated Islamist law and traditions and criticized the incumbent government's socialist policies. The Algerian military staged a coup to avoid FIS victories in the 1992 elections, militarizing the latter and leading to a near-decade of guerilla warfare against Islamist factions. The postwar FLN government has engaged in a balancing act to appease populist Islamic factions, while keeping their own nationalist party in power (Volpi 2007, 443). While the FIS is banned from electoral politics, more moderate Islamist parties (Ennhada, Islah, and Wafa of Taleb Ibrahimi) are allowed to participate in elections or mobilize as civil society groups (445). Opposition parties and candidates who garner too much support are barred from electoral participation by the Constitutional Court, and in previous elections have been subject to electoral fraud and poll-rigging by the FLN (Volpi 2007, 447). Contemporary opposition parties essential self-select candidates and platforms that are seen as non-threatening to the FLN, therefore guaranteeing them a a place in the elections but preventing them from effectively challenging the incumbent party (448). Like in Angola, the state controls media promotion of political candidates, censoring publications who offer too much time to opposition candidates while using state-owned television and papers to disproportionally advertise the FLN's candidates. State resources are also utilized to allow FLN candidates to campaign earlier and longer than their opponents, as presidential candidate Bouteflika did during the 2004 election (448). Like the Algerian military, the ruling FLN's channels of patronage and political influence are well-financed and have successfully co-opted or marginalized real opposition threats to their incumbency. Given oil's large share of government revenue, it can be deduced that oil revenue plays and important role in supporting the FLN's political machine.

6.3.2 Oil and Businesses

Like in Angola, oil revenues have been nationalized for decades, with events such as the Algerian Civil War only driving the relationship between the government and oil closer together. After independence, Algeria emerged as a single-party state ruled by the FLN, who saw oil revenues as a means to expand the state and establish as socialized economy (Entelis 1999, 10). Algeria's second FLN president, Houari Boumedienne (1965-78), nationalized the oil and gas sectors by 1971, using hydrocarbon revenues to finance expanded social services and socialist government reforms. Boumedienne's successors, Chadli Benjedid (1979-92) and Liamine Zeroual (1994-1999), enacted reforms reducing state economic control and liberalizing many industries. Despite significant corporate restructuring and decentralization to increase profitability and responsiveness to market forces (21), oil and gas exports under Sonatrach remained nationalized, and the company continues to disproportionally supply the Algerian government with revenue. Former Sonatrach executives and officials are commonly given positions in government, and despite economic liberalization there has been almost no calls from Algerian politicians to denationalize the company

(18). Algeria has instead reformed Sonatrach from a vehicle for funding socialist and Arab nationalist objectives, to a market competitive corporation that abides by international business laws, in order to better attract foreign investment and partnerships with other transnational oil companies (26).

The immense profits generated from hydrocarbon trading grant the incumbent Algerian government with a significant advantage in funding. Oil and gas revenues have been recognized as essential to the government's survival and ideological agenda since independence. Even after adopting liberalizing reforms and abandoning socialist economic policies, Sonatrach remains purposefully entwined with the Algerian political system and the incumbent FLN. Despite a lack of foreign assistance, such as oil-backed lines of credit, Algeria has attracted billions in FDI towards developing its oil sector, receiving $1.8 billion in investment in 2006 alone (World Bank 2012). This in turn feeds back into government revenue, which is firmly under control of the incumbent elites.

6.3.3 Redistributive Transfers and Popular Opinion

The contemporary Algerian state is experiencing similar economic and social problems that afflict Angola; namely, high urbanization, a lack of employment and housing for an expanding and youthful post-independence population, and slow progress at diversifying the economy or adequately distributing oil prosperity (Achy 2013,5). The Algerian people are also becoming less satisfied with the status quo politics of the FLN; voter turnout has been decreasing in both parliamentary and presidential elections. Only 43 percent of registered voters participated in the May 2012 legislative elections, and of those 9.4 million voters, 18 percent submitted blank ballots as a form of protest (3). Arab Spring protests against corruption, living and economic conditions occurred in numerous Algerian cities throughout 2011 and 2012, including several dozen attempts at self-immolation by disaffected protesters, usually in front of government buildings (Al Jazeera 2011).

The Algerian government primarily attempts to redress public discontent through redistributive transfers and public sector positions, backed up by a strong military and police presence. These redistributive transfers include food subsidies, reduced customs duties on food and basic consumer products, cash support for farmers and interest-free loans to unemployed youth, as well as large sums of money invested into infrastructure and urban housing projects (Achy 2013, 10). Algeria maintains a large public sector, a legacy of the socialist governments of earlier FLN leaders, which employs an estimate 28 percent of the labor force (14). Around 37 percent of annual government oil and gas revenues are spent on civil servant revenues, with around 20 percent spent on fuel subsidies, and between 5 and 10 percent each spent on food and farm subsidies, veteran pensions, social housing, and other transfers, according to IMF estimates (13). Sonatrach sells fuel oil and gasoline to domestic Algerians at rates far below market prices. Algeria has a sizable microcredit system to provide loans to entrepreneurs for start-up businesses. However, these loans are small and often spent in low-value-added sectors such as transport and maintenance, creating short-term and underpaid jobs that do not meaningfully contribute to sustainable economic growth (15).

Housing is a significant contemporary problem in Algeria; high urbanization and labor force growth have driven home prices extremely high. The Algerian house price-to-income ratio is around 9, meaning a middle income family would need to save around nine years of income to afford an average housing unit in a large Algerian city (Deniz et. al. 2008). The government builds 175,000 low-cost public housing units annually for impoverished citizens, representing around 90 percent of the annual new housing supply (Achy 2013, 15). Interestingly, these housing projects are often carried out by Chinese construction firms, who were awarded $20 billion in contracts by President Boutefilika in 2010 along with Portuguese and Spanish companies (Washington Times, Jan. 2010). The quality and supply of housing in Algeria is estimated to be equal to other nations at the same development level, yet the aforementioned demographic shifts and an inadequate domestic mortgage industry continue to make housing affordability a major issue (Bellal 2009).

Judging the effectiveness of these programs in swaying public opinion is difficult to quantify, due to the lack of reliable recent survey data for Algeria. Scholars allege that public sector employment and public housing have bought some short-term loyalty from civil servants, elites connected to construction companies, and among the urban poor (Achy 2013, 15). Results from the Arab-Barometer I, a 2007 survey conducted in Algeria, indicated that 80% saw government economic policies had a positive impact on Algeria, and 33% saw government economic policies as benefiting them personally (Tessler et. al. 2007). However, trust in government institutions was low, over a quarter of respondents were completely unsatisfied with government political performance, and less than 20 percent of respondents believe that political leaders cared about ordinary Algerians. These low trust levels, combined with the recent Arab Spring protests indicate that redistributive transfers alone have not been enough to placate the Algerian people, despite their success at maintaining the Algerian economy and elite loyalties in the short-term.

6.3.4 Conclusions and Significance for Angola

The case of Algeria illustrates that an incumbent regime within a competitive authoritarian state is capable of suppressing reform and maintaining power through oil revenues alone. Since 2000 Algeria has received negligible foreign assistance from China, and a significant but limited stream of aid from France and the European Communities. Most of this aid is concentrated in security , infrastructure and budget finance improvement, with little evidence of democracy aid spending. This aid pales in comparison to the billions in international FDI and oil and gas revenues that Algeria obtains annually, and that have played an essential role in maintaining the FLN's control of government since independence. Oil and gas revenues have been used to finance a large public sector as well as financing redistributive transfers, fuel subsidies and public housing to purchase the loyalties of the population. In addition, Algeria has one of the largest and best-equipped armies in Africa, and a large and effective police force, financed with government funds which include oil revenues.

There is evidence that Algeria has more effectively fulfilled all of the mechanisms identified in this study compared to Angola, without access to significant nonconditional Chinese aid. The FLN has co-opted businesses and opposition parties through patronage backed up with military force, funded redistributive transfers to garner short-term popular loyalties and thwart protests, and through oil sales and FDI remained solvent enough to avoid the conditions that would necessitate accepting conditional foreign aid. However, like Chinese nonconditional aid, oil rents seem more effective at co-opting elites and avoiding international calls for reform, than placating the general population. Despite maintaining a system of oil-financed redistributive transfers and subsidies far in excess of Angola, Algeria exhibits low levels of popular satisfaction with the incumbent regime and low levels of trust in government.

A caveat to this observation is the disparity in economic development between Algeria and Angola leading up to the expansion of Chinese foreign aid and investment in the early 2000s. Algeria's projected GDP in 2000 was over $54 billion, in comparison with Angola's $10 billion. Algeria had several decades of stability during which to consolidate their hold on Sonatrach and expand networks of patronage and public sector programs. The Algerian Civil War, while deadly and traumatic, left much of the state's infrastructure intact. In comparison, Angola's civil war lasted for decades of conventional and guerrilla warfare, and left much of the country in ruin. While the MPLA maintained control of Sonangol, they had little revenue or economic development prospects to fall back on after the war's conclusion. In the absence of Chinese lines of credit and aid, Angola would not have recovered so quickly, and would not have the same level of oil revenues or political organization to fall back on to consolidate their power. Most importantly, the presence of Chinese aid allowed Angola to break off negotiations with the IMF and World Bank regarding structural adjustment, something which would likely not be possible with oil revenues alone in the early 2000s.

7 Discussion of Findings

Several observations can be made from the case studies of Angola and Zambia. The first is that Chinese aid has had a net positive economic impact in both states. Angola in particular has benefited from Chinese oil-for-infrastructure loans that have allowed Chinese firms to rebuild the former's war-ravaged roads and public services. Zambia has also benefited from aid projects, though

Chinese FDI has played a larger role in recouping its obsolescent and mismanaged copper mines. Both states have benefited from generous debt cancellation and remittances on behalf of the Chinese government.

Secondly, the political consequences of aid from China are often overshadowed or overridden by other variables, such as Chinese or international FDI, or popular reactions to domestic issues. These additional variables are context-dependent and often determined by historical causes native to each case. While Chinese FDI has been important in developing the economies of both states, Angola's preexisting nationalization of Sonangol has meant that partnership with the PRC and Sinopec has provided the ruling MPLA with a direct source of funding that facilitates the party's hold on political power. In contrast, Zambia was forced to privatize their copper parastatal, which was subsequently purchased by Chinese and other mining interests. Chinese FDI is therefore channeled towards these mining interests, with the government obtaining only meager taxes as a source of public revenue. Zambian approval of Chinese aid deals has been significantly overshadowed by populist concerns regarding the treatment and wages of mineworkers employed by Chinese companies, while Angolan goodwill towards the government for rebuilding infrastructure through Chinese aid deals is tempered by a growing youth movement against the autocratic president Dos Santos. Finally, direct access to oil wealth to pay off national debts has allowed the Angolan state to snub western aid conditionalities in favor of Chinese aid and investment, while in Zambia the lack of copper revenues effectively tethered the state to western lenders and their demands for reform from the 1980s onwards. Zambia has since never ceased to work with the IMF and World Bank, undertaking privatization reforms and ultimately canceling most of their debt through IMF programs by the mid-2000s.

Thirdly, the addition of Algeria as a comparative case indicates that oil rents alone can be utilized effectively along the same hypothesized methods described in this paper to prolong an incumbent regime's survival. Algeria's FLN clearly demonstrates that nationalized oil revenue is being used to purchase loyalties of elites and the military, and to fund large redistributive programs the provide at least some levels of economic stability and loyalty from the Algerian people. The significance of Chinese aid in Angola may be down to timing; Angola emerged from a protracted civil war and was in dire need of funds for reconstruction and debt relief at the same time China began expanding its aid and FDI programs internationally. Had the Chinese not extended oil-backed lines of credit and aid to Angola, the MPLA may have been able to consolidate its power through Sonangol's oil revenues alone, though it is unlikely that the Angolan government would be able to snub IMF and World Bank debt conditionalities so easily.

Finally, the progress of democratization and reform in general is slow in both these states. While Zambia is one of the most peaceful states in Africa, with a history of uncontested democratic turnovers since the 1990s, corruption and patronage over issue-based politics remains prevalent today. Both Angola and Zambia suffer from strong imbalances in funding and recognition towards incumbent elites, and maintain often unorganized or ineffective opposition parties and civil society groups. The case of Zambia demonstrates that historical applications of conditional aid have been ineffective or harmful to both democratic and economic development. However, aid competition from non-traditional donors and the increased bargaining power given to African states seems to have prompted positive changes in foreign aid regimes, as evidenced by Zambia's contemporary relationship with aid donors and its assertive statements regarding aid and economic priorities. The literature on Zambia also provides tentative evidence that multilateral democracy aid, focused on improving transparency and access to parliamentary politics and elections, have had a positive impact on Zambia's existing democratic institutions.

8 Limitations of this Study

A significant limitation of this study is the lack of any comprehensive data regarding the negotiation or distribution of sino-African aid deals. This absence of information means that hypotheses 1 and 2 have gone relatively untested in this paper; while I have demonstrated that corruption and unequal elite power is a factor in both test cases, there is no direct evidence to prove conclusively that elite-negotiated aid projects play a role in patronage politics between incumbents and rival elites or legislators. Exactly where African elites choose to direct Chinese developmental assistance is an unexplored area within the current literature on Africa and aid.

This lack of data could be addressed in the future with the inclusion of geocoded data from the AidData project. AidData is an attempt to compile a project-level database of aid regimes to developing states, with a focus on non-traditional donors such as China (Strange et. al. 2013). The program is currently in the process of producing geocoded maps of where Chinese aid is distributed across African states, though currently maps are only available for Malawi, the DRC, Nigeria and Sudan (AidData 2014). A future quantitative model of aid distribution by province could measure the correlation between aid projects and variables such as Chinese migrant population, poverty, election results and economic activity to determine what variables could influence where aid from China is directed within a recipient state. Qualitative study of individual projects and their proximity to elections or legislative votes could also provide an answer to where elites direct aid negotiated from China, or any other donor who chooses to negotiate aid in private.

9 Conclusions

This paper has examined the question of whether foreign assistance from China negatively impacts the political development of African states. Four hypotheses regarding how aid from China may influence the behavior of incumbent elites were tested in the cases of Angola, Zambia, and Algeria. These case studies indicate that Chinese aid has insignificant or inconclusive effects on political development in African states. No evidence was found that suggested Chinese aid was used as patronage to ally domestic businesses or political elites to the incumbent regime. Some polling evidence indicated that Chinese-sponsored development projects generated popular goodwill towards both China and the incumbent government; however, this effect was overshadowed by popular grievances regarding Chinese business practices or illiberal political practices. Chinese aid did influence Angola's decision to reject Western conditional aid in 2003, however this observation was not consistent across cases, as neighboring Zambia received Chinese assistance in roughly the same time period while remaining committed to Western debt relief and reform schedules.

The comparative case of Algeria illustrated that oil and gas revenues from nationalized industries play a much more significant and generalizable role in allowing incumbents to resist reform and remain in power. The Algerian state used hydrocarbons revenue to distribute public goods and avoid reforms in much the same way that Angola has using Chinese foreign assistance. The significance of Chinese aid in Angola may therefore be an outlier arising from the timing of China's involvement in the country, and the weak economic position of Angola at the conclusion of a decades-long civil war.

The results of this paper suggest that Chinese aid, while not explicitly encouraging reform, does not have a significant negative effect on African states undergoing political transitions. The degree to which incumbents may reform their governments, and multiparty competition or good governance may be accomplished, depends largely on factors that are not determined by Sino-Soviet interactions. Moreover, the rise of China and the evolution of traditional Western aid to become more focused on promoting good governance, have empowered African states to make their own decisions regarding debt, trade and reform negotiations.

In depth examination of Chinese aid flows remains hampered by a lack of data and the general opaqueness of Sino-African interactions. Further development of the AidData project may help alleviate these data gaps. However, this project illustrates that further studies of China in Africa should focus not just on aid, but on trade, FDI, business practices, and immigration together in order to fully comprehend the impact that China is having on African states, and on African political development.

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