

China's Role On "All-weather Friendship" Policy: Zimbabwe Inclusive Economic Growth Analysis (2020-2024)

Dawud Attho'i, Juan Canon, Aaron Christiansen Hitijahubessy

International Relations

Universitas Pembangunan Nasional “Veteran” Jawa Timur

dawudath@gmail.com, juancanon1515@gmail.com, ronchristh04@gmail.com

ABSTRACT

We cannot deny China's domination on the world economic sector, but that does not mean China has not any interest or looked down upon other countries, in fact China has provided foreign aid to many underdeveloped countries through its "All-weather Friendship" policy. China has been keeping this official bilateral relationship up to 13 countries with providing investments, building infrastructures, security, even in military, and Zimbabwe is one of them. China have been keeping relationship with Zimbabwe through this policy since 2015 and looking in Zimbabwe's economic situation it's safe to say that Zimbabwe significantly rely on China aid and looking for a long-term relationship with how China being a major driver of Zimbabwe's economic growth and development to the point it creates some sort of dependency with how it connects according to dependency theory by Andre Gunder Frank about how this relationship its conceiving in the development of underdevelopment relationship between these two countries. Looking at Zimbabwe dependency with China, the authors purpose is to give a comprehensive description about China's role in developing Zimbabwe economic growth with this bilateral relationship.

Keywords: All-weather Friendship, Bilateral, Dependency, Foreign Aid

INTRODUCTION

The world economy is surely one of the main sectors that any nation requires to ensure a sustainable and good welfare for its people, and that is the case about how China has been helping Zimbabwe to the point it creates a strategic partner since the days of Zimbabwe's struggle for independence. Robert Mugabe, the second President of Zimbabwe from the year 1980 to 2017 took China's aid as a shifting course in its foreign policy due to the "Look East" policy after Western sanctions about human rights violations were imposed on Zimbabwe. This policy aimed to attract investment and trade from the East, leading to a surge in economic relations because on how a significance of China's role on the military training and logistical support of Zimbabwe African National Union (ZANU) to fight against white oppressive colonial government to the point it leads to the Zimbabwe independence in 1980 (Colville, 2023).

Since the implementation of this policy from 2002 to 2013, trade between the two countries increased by 476%, reaching a value of \$1 billion, which helped mitigate the effects of the sanctions. Additionally, this policy makes China the largest investor in Zimbabwe and now controls approximately 90% of Zimbabwe's mining industry, including lithium mines, which are crucial for the electric vehicle battery industry. These investments have helped Zimbabwe overcome its economic crisis, but they are often criticized for poor labor practices. Although China does not dominate all of Zimbabwe's

trade, investments in key sectors such as mining and energy have had a major impact on the economy, often at the expense of local interests (Colville, 2023).

Due to China's support on its mining project, China is involved in assisting with the construction of power plants, hydroelectric projects, and coal-fired power plants. Behind these projects lie concerns and speculation that the power generation projects are larger than necessary, raising questions about the financial strength of the projects. In achieving agricultural technology reform in Zimbabwe, China provided financial support to develop tobacco farming in Zimbabwe, which is one of the country's sources of income. However, this assistance often became a turning point that made life difficult for local farmers, who found themselves trapped in unfair debt due to poor loan agreements (Colville, 2023).

The term "All-weather Friend" refers to the close and stable diplomatic relationship between China and the other 13 countries including Zimbabwe by 2015, this title is the embodiment of how China demonstrating a commitment to maintaining long-term strategic partnership despite various economical and geopolitical challenges to the point it creates a "win-win" cooperation to the countries that have been receiving China's aid. This policy started and famously applied to bilateral relations of China and Pakistan reflecting on China's deep mutual collaboration across economy and political spheres but it's expanding due to China's unique aid approach to underdeveloped countries by giving them large support (Ministry of Foreign Affairs People's Republic of China, 2024).

A study of "All-Weather Friends: How China Transformed Zimbabwe's Tobacco Sector" (Fang, Souza, Smith, & Lee, 2020) explain how China and Zimbabwe bilateral relationship changed the Zimbabwe economic situation by reviving Zimbabwe's tobacco industry to be part of its agricultural development but it creates a dilemma about the public health concern on tobacco consumption to delay sustainable environment to its people.

Review about the previous study on China and Zimbabwe mutual relationship, concludes on how China approach on world economic development by being its largest country investor and create a mutual cooperation, so it creates author's purpose on writing this study by analyzing how significant China influence to Zimbabwe in the year 2020, when COVID-19 virus is a prioritized subject of the international world until its recovery to the year 2024 and how Zimbabwe locals is affected to the job creation and employment rate that is available by Chinese-led companies so that it increase the inclusive growth of Zimbabwe.

METHODS

Upon making this research, it is clear that the authors intended to use the descriptive qualitative method rather than quantitative research type. Through the first collected data that has been described, the author's intention is to give a description of the actor's behavior. Authors collect the data with the source of secondary data collection technique and how the data is analyzed through literature review of the previous research and with how the data is sourced from a legitimate and national government news media.

1. Inclusive Economic Growth through Dependency

Underdeveloped country according to Andre Gunder Frank is a phenomenon that is not a natural state of a country rather than a consequence of exploitation by wealthier countries, and Frank argued that unequal distribution of resources, thinkability and power causes a dependency through economic domination. This method keeps peripheral or underdeveloped countries to create some sort of dependency by creating cheap labor from the core nations (Frank, 1966).

Inclusive economic growth can be defined as the "pro-poor growth" meaning that growth is considered to benefit poor people in poverty reduction and creating productivity through governmental investments and increasing employment opportunities. Inclusive economic growth is not always defined in terms of economic income distribution, these are potential outcomes for a long-term goal and yet the government also plays a role by facilitating them in searching the pattern for sustainability of that growth to all societal segments (Ianchovihina & Gable, 2012).

RESULT AND DISCUSSION

A. Zimbabwe Pandemic Challenges on Productivity

Since the replacement of Zimbabwe president in 2017 where Robert Mugabe is replaced by Emmerson Mnangagwa, there's been many changes in the way Emmerson being the new public hope for the Zimbabwean where's Emmerson priorities are for reviving the economic situation by boosting mining, agriculture and improving the relationship between investors (Republic of Zimbabwe, 2018). China as being the biggest investor in Zimbabwe since Robert Mugabe is still in Xi Jinping's "All-weather Friend" watchlist and how the governmental changes of Emmerson did not affect the bilateral relations between them and in fact China keeps bringing more support on how COVID-19 crisis strikes on Zimbabwe in 2020-2021. The complexity of challenges Zimbabwe faced in 2020-2021 particularly caused by the pandemic causing Zimbabwe to face a double crisis; economic instability and the impact of COVID-19 (The World Bank, 2021). High unemployment rate has peaked during this period, where the reduced mobility is affecting Chinese operations in Zimbabwe but Chinese companies have continued and maintained their operations while implementing strict health protocols (Chigudu, 2020).

B. China-Zimbabwe Between Labour Rights

Report from (International Labour Organization, 2021) in its Decent Work Country Program report for Zimbabwe revealed complex employment patterns in Chinese investment. Although this investment provided stable employment during the crisis, there were significant gaps in working standards and wage levels compared to Western multinational companies. In terms of skills development, the ILO notes the existence of technical training programs covering mining operations, construction technology transfer, and management skills development for local supervisors. However, program evaluations show that skills transfer is still limited to basic operational levels, while high-level technical and managerial positions are still dominated by Chinese workers.

Challenges in Chinese-funded projects during 2020-2021 include labor rights issues, such as extended working hours without appropriate compensation, occupational safety issues, particularly in mining operations, and limited union representation in

some Chinese-operated facilities. The work environment often faces challenges due to language barriers between Chinese management and local workers, different management styles and cultural expectations of work, and differing interpretations of labor regulations and standards. The Zimbabwean government's role in managing Chinese labor practices during 2020-2021 involved implementing a special labor monitoring system for foreign investment projects, conducting regular inspections of working conditions and safety standards, and mediating labor disputes. The government introduced several policy measures to increase the employment benefits of Chinese investment, including local content requirements in staffing, mandatory skills transfer for foreign investors, and improved labor protection guidelines. The employment patterns that emerged during 2020-2021 have several long-term implications, including the creation of new job categories in technology-intensive sectors, the development of specialized skills aligned with Chinese industry practices, and the formation of new industrial clusters around Chinese investment. Sustainability considerations include the need for balanced local entrepreneurship development, the importance of sustainable employment practices, requirements skills development and sustainable technology transfer and balancing out labour competition.

C. Zimbabwe Pandemic Recovery on Productivity

The year 2022 where the pandemic starts to reducing, China continues to make massive investments in Zimbabwe, investing in infrastructure, mining, and industry on a large scale, further strengthening diplomatic relations between China and Zimbabwe. One example of the development and tangible results of China and Zimbabwe's cooperation is the construction of the New Parliament Building, which adapts China's expertise in infrastructure development with traditional Zimbabwean architectural styles (Belt and Road Portal, 2022). The construction of Zimbabwe's New Parliament Building is part of a program called "China Aid." In the mining sector, Chinese steel producer Tsingshan Holding Group established a subsidiary called Dinson Iron and Steel Company (DISCO) in the city of Manhize, Midlands Province, with an investment value of \$1 billion USD. DISCO has become a new innovation in the city of Manhize, which is known as a mining city but is now developing into a modern city with the construction of infrastructure such as housing, health centers, and social facilities (Belt and Road Portal, 2022). The project involves around 14,000 workers and is targeted to produce 5 million metric tons of steel, which will have a direct impact on local economic growth and transform Zimbabwe into an iron and steel exporting country. China is also developing a lithium mining project funded by Huayou Cobalt, which is estimated to generate \$500 million USD (Belt and Road Portal, 2022).

In December 2022, the Zimbabwean government, through President Emmerson Mnangagwa, imposed a ban on the export of raw lithium in a move to stop mineral mining activities that would then be exported to meet market demand. Zimbabwe is one of the world's largest lithium producers, dominating 20% of the global market (African Business, 2023). This move by Zimbabwe is a first step towards developing domestic lithium production, taking advantage of rising lithium prices on the global market. Zimbabwe has granted Chinese companies' permission to build lithium processing plants in Zimbabwe, a move that is seen as an act of nationalism in the processing of a country's resources (African Business, 2023).

D. Zimbabwe's Inclusive Economic Growth Through Dependency

The Chinese and Zimbabwean governments collaborated to enhance bilateral relations between the two countries by holding a China-Zimbabwe business exhibition that invited 50 Chinese companies offering more than 1,000 jobs to the Zimbabwean people, especially young people, held in Harare, the capital of Zimbabwe, in 2023. This job fair is considered a positive step and a great opportunity for Zimbabwe to employ competent and skilled human resources in their respective fields, creating a platform to discover and explore abilities in the world of work. The Zimbabwean government aims to increase job opportunities so that the people can achieve a decent standard of living. China has reiterated its commitment to assisting Zimbabwe in enhancing its economic and social growth, which not only encompasses development but also encourages the Zimbabwean people to grow in terms of their capacity and talents (Xinhua English News, 2023). The Zimbabwean people have been trained by the Chinese government in human resource development programs. Furthermore, the Zimbabwean government has praised this program because the Zimbabwean people have been taught to develop the agricultural and forestry sectors as well as technologies such as 5G communication systems, satellite navigation, and Artificial Intelligence (AI). This has been welcomed because Zimbabwe has access to training and education in the field of modernization for the advancement of the country. In the last 20 years, the Chinese government has successfully trained 160,000 talents from the African continent, 6,000 of whom are Zimbabweans. Furthermore, the Chinese government will continue its efforts to produce competent young talents from Zimbabwe in realizing the progress of modernization and industrialization (About People's Daily Online, 2024).

Job creation and further employment rate in Zimbabwe is still increasing in 2024 by a significant rate, where investments from Chinese companies for example, China Minmetals Corporation invested \$200 Million USD in the Bitika Lithium Mine, where this leads to additional employment rate whose currently employs 1,078 locals and other Chinese companies like Kamativi Mining Company and Southern Mining Limited has been contributing direct and indirect jobs in 2024 to the point where salaries have also improved where the company's monthly average wages risen by 55,8% marking its improved living standards of their employees and their families (Zimbabwe Now, 2024).

CONCLUSION

Looking in how China unique diplomatic form and approach by being the biggest investor for Zimbabwe, it is clear that how job creation and employment rate in Zimbabwe is increasing throughout the years even with how it is fit with the qualification of dependency theory according to Andre Gunder Frank where China is exploiting Zimbabwe through “All-weather Friendship” policy agreement but in the other hand Zimbabwe is dependent on China investments in exchange for China to controls approximately 90% mining industry of Zimbabwe but so it can realize their Zimbabwe's 2030 Vision Progamme which is boosting their economic situation.

Inclusive economic growth from this case based on Elena Ianchoivhina study where Zimbabwe moves on managing the help from China emerged as being the ideal partner by increasing productivity even though many of Zimbabwe locals is facing low wages in

the specific years. Infrastructure development and mining sector development projects funded directly by China and Zimbabwe indicate that China remains consistent in advancing Zimbabwe to push Zimbabwe towards the gates of underdevelopment and poverty. However, this could increase Zimbabwe's dependence on China, which could backfire in the future. Zimbabwe needs to develop local capacity and renew its sustainability policies to avoid undesirable outcomes, and with China controlling the majority of the mining industry it is clear that it needed the involvement of Africa foreign policy by giving more alternative livelihoods in job prosperity rather than becoming miner due to high wages from comparation to the other job aspect so it creates sustainable environment health in Zimbabwe for a long-term.

REFERENCES

About People's Daily Online. (2024, January 30). *China, Zimbabwe cooperation enhances human resources development*. From About People's Daily Online: <https://en.people.cn/n3/2024/0130/c90000-20128460.html>

African Business. (2023, January 17). *Will Zimbabwe's ban on unprocessed lithium exports advantage China?* From African Business: <https://african.business/2023/01/resources/will-zimbabwes-ban-on-unprocessed-lithium-exports-advantage-china>

Belt and Road Portal. (2022, December 31). *Yearender: Strengthened cooperation with China supports Zimbabwe's socioeconomic development*. From Belt and Road Portal: <https://eng.yidaiyilu.gov.cn/p/299794.html>

Chigudu, D. (2020). Public sector corporate governance: Zimbabwe's challenges of strategic management in the wake of sustainable development. *Academy of Strategic Management Journal*.

Colville, A. (2023, August 29). *China's many projects in Zimbabwe, its 'all-weather friend'*. From The China Project: <https://thechinaproject.com/2023/08/29/chinas-many-projects-in-zimbabwe-its-all-weather-friend/>

Fang, J., Souza, L. D., Smith, J., & Lee, K. (2020). "All-Weather Friends: How China Transformed Zimbabwe's Tobacco Sector". *International Journal of Environmental Research and Public Health*.

Frank, A. G. (1966). The Development of Underdevelopment. *Monthly Review Press*.

Ianchovichina, E., & Gable, S. L. (2012). What is Inclusive Growth? *World Bank Publications*.

International Labour Organization. (2021). *Zimbabwe Decent Work Country Programme 2021-2024*.

Ministry of Foreign Affairs People's Republic of China. (2024, September 16). *Writing a New Chapter of All-Weather China-Africa Community with a Shared Future for the New Era*. From Ministry of Foreign Affairs People's Republic of China: https://www.fmprc.gov.cn/eng/wjb/wjbz/jh/202410/t20241021_11510754.html

Republic of Zimbabwe. (2018). *VISION 2030*. Republic of Zimbabwe.

The World Bank. (2021, June 10). *Zimbabwe Economic Update: COVID-19 Further Complicates Zimbabwe's Economic and Social Conditions*. From World Bank Group: <https://www.worldbank.org/en/country/zimbabwe/publication/zimbabwe->

economic-update-covid-19-further-complicates-zimbabwe-s-economic-and-social-conditions

Xinhua English News. (2023, November 4). *Chinese companies hold job fair for Zimbabwean youth.* From Xinhua: <https://english.news.cn/africa/20231104/81a5240241654b5fb6b009bf2e16c2aa/c.html>

Zimbabwe Now. (2024, October 20). *Chinese Companies Fuel Job Growth in Zimbabwe.* From Zimbabwe Now: <https://zimbabwe-now.co.zw/articles/12672/chinese-companies-fuel-job-growth-in-zimbabwe>