Exam group nr. V2427187028

Roskilde University

International Bachelor in Social Sciences

Basic Project 1

Railway to Dependency?

Analysing China's Involvement in Ethiopia

Aske H. L. Smed

Johann V. C. Vive

Mikkel V. B. Hansen

Tobias D. H. Odgaard

William A. Westergaard

Supervisor – Seline van de Wouw

Character count: 94.940

Abstract

This paper researches how China's investments and the Belt and Road Initiative in Ethiopia can create or reproduce a situation of dependency. Our motivation for undertaking this project was to understand why China is investing in Ethiopia, rather than assuming a situation of exploitation. Our theoretical approach consists of dependency theory, which we have utilized to conduct our analysis of the main characteristics of the theory. Our methodological approach is composed of a single-case design with multiple units of analysis by which we investigate the Addis Ababa-Djibouti Railway and Special Economic Zones in Ethiopia. This project concludes that large-scale infrastructure projects in Ethiopia are predominantly conducted by Chinese contractors. Consequently, Ethiopia heavily relies on Chinese technology, expertise, and finance to further develop, thus reproducing dependency. Additionally, we conclude that while Chinese involvement in Ethiopian infrastructure aligns with Ethiopia's developmental aspirations, it exposes Ethiopia to the ramifications of dependency.

Table of Contents

Abbreviations

ADR – Addis-Ababa –Djibouti Railway

BRI – Belt and Road Initiative

CCECC – China Civil Engineering Construction Company

CCP – Chinese Communist Party

Chexim – Export-Import Bank of the Republic of China

CREC – China Railway Group Limited

EDR – Ethio-Djibouti Standard Gauge Railway Share Company

ERC – Ethiopian Railway Corporation

Forex – Foreign exchange

MoU – Memorandum of understanding

PLA – The Chinese People's Liberation Army

TPLF – Tigray People’s Liberation Front

SEZ – Special economic zone

SOE – State owned enterprise

Introduction

Since the 1970s, China has gone from being a poor global south economy, to becoming the world's second-largest economy. As China has expanded its economic influence globally, its influence is evident through state-owned entities such as Chexim and various state-owned enterprise’s involvement in Ethiopia (Wang, 2024).

Ethiopia's relationship with China has been subject to much debate and speculation. Ethiopia presents a unique case in Sino-African relations, as it lacks valuable natural resources that are typically desired by China. Ethiopia is a late developer. Ethiopia's economy is largely agrarian, with the agricultural sector employing about 60% of the population, in contrast to 8% employed in industry. These sectors respectively make up 30,2% and 28,8% of GDP (African development Bank Group, 2024). Growing its industrial sector has tremendous potential for economic growth in Ethiopia. For Ethiopia to industrialize they have sourced outside help from China through the BRI to accelerate their development. While some have argued that Chinese investments have made Ethiopia dependent on China and created unequal relations, others have highlighted how Chinese assistance has been crucial to Ethiopia’s motivations of transforming their nation’s economy.

In this study, we investigate the development of Sino-Ethiopian relations and the ramifications of Chinese investments and infrastructure projects in Ethiopia. By analysing the BRI through the scope of dependency theory, this paper seeks to understand if Ethiopia suffers from core-periphery dynamics. The analysis highlights how the BRI, particularly the ADR and SEZs, create technological, financial, and expertise dependency along with other dependency characteristics. Furthermore, by evaluating Ethiopia’s growing relationship with China in light of their ambitions of developing its economy from agricultural subsistence towards an industrialized and modern middle-income country, the article seeks to highlight the balance between infrastructural progress and dependency dynamics (Kvangraven, 2021; Tarrósy 2020).

Problem Area

In this project we aim to investigate and analyse China's involvement in Ethiopia through the lens of dependency theory. We seek to understand the consequences of Chinese investments in infrastructure and how this impact both China and Ethiopia.

Although several studies have examined China's involvement in Africa and one study has analysed the debt implication of the ADR, there is limited research on the implications of the technological- and expertise dependency characteristics in relation to the BRI in Ethiopia. Therefore, the primary focus of our project will be on the characteristics of dependency by analysing them via the BRI as well as specific cases within the BRI in Ethiopia, thereby addressing the identified knowledge gap.

With Chinese investments in Africa continuing to increase, this topic is highly relevant as the possible ramifications of these investments need to be further investigated. In terms of relevance for our field of study, the chosen topic relates directly to our overall social-scientific study area while also utilizing a both sociological and economic theory.

Problem formulation with working questions

Our overall problem formulation is:

How does China's involvement in Ethiopian infrastructure foster conditions of economic, technological, and expertise dependency, and what are the broader implications of these dynamics within the framework of dependency theory?

We aimed to answer our problem formulation with the following working questions:

1. *What are the main characteristics of dependency theory?* We aim to answer this by looking at general discussions within the field of dependency theory. Using reference papers, we aim to find the main characteristics and major debates within the research. This relates to the problem formulation as we aim to accurately understand the framework of dependency theory and how to effectively utilize it.

2. *How has the Sino-Ethiopian relationship developed over time?* This paper aims to answer this by looking at historical development of the diplomatic as well as bilateral relations and account for internal Ethiopian factors that have led to their current 'All-

Weather Strategic Cooperation Partnership'. This relates to our problem formulation as it is important to understand how the conditions of dependency were shaped over time.

3. *How does the construction and operation of the ADR foster Ethiopian dependency on China*? - To answer this, we examine different research papers and sources in regard to the characteristics posed by our theory. We highlight how each relevant characteristic is expressed through the implementation of the BRI in Ethiopia. This relates to our problem formulation as we investigate how Ethiopian dependency on China is reproduced by Chinese involvement in Ethiopian infrastructure.

4. *How does the establishment of SEZs in Ethiopia contribute to Ethiopian dependency on China?* We will analyse foreign financing of SEZs and how Chinese companies develop industrial zones in Ethiopia. This is generally to find patterns of overreliance on external expertise, as it can translate into several dependency dynamics that our problem formulation aims to answer.

5. *How is Ethiopia's internal development affected by Chinese involvement?* - This project aims to answer this question by looking into how Chinese entities and enterprises shape Ethiopian infrastructure and policy transfer. This relates to our project formulation as internal development in Ethiopia is important for the nation to not continually rely on China.

Literature Review

Dependency theory

There are many differences and disagreements amongst dependency theorists. However, some aspects of dependency theory are generally accepted. Some of them being that the world is divided into two parts, the developed (core) countries and the underdeveloped (periphery) countries (Agbebi & Virtanen, 2017). Trade between the core and periphery countries are characterized by unequal exchange, which has resulted in the underdevelopment of the periphery. Among dependency theorist, it is a broadly accepted statement that underdevelopment has been caused by the expansion of the world capitalist system (Agbebi & Virtanen, 2017).

There are two main branches of dependency theory, Marxist and non-Marxist. The non-Marxist school emphasizes core-periphery dynamics, reformation of the global economy to accommodate the Global South, and North-South developmental cooperation (Agbebi & Virtanen, 2017). Non-Marxist theorists argue that the international economic system can be beneficial to the South and that the North should facilitate structural changes as a more economic independent South would be of interest to the North and the global economy (Agbebi & Virtanen, 2017).

The Marxist school does not subscribe to the idea of structural change being possible as the world capitalist economy is inherently exploitative and controlled by the North (Agbebi & Virtanen, 2017). Core-periphery dynamics is an expression of an unfair system that extracts surplus values from the periphery, which decreases the periphery's possibilities for development. Elite classes in both the core and periphery maintains these dynamics by an unequal division of labour as both benefit from the status quo, furthering the exploitative nature of capitalism and prolonging the periphery's emancipation from exploitation (Martins, 2022).

A central distinction between the Marxist and non-Marxist branch of dependency theory is whether dependency is predominantly caused by external or internal factors. The Marxist branch emphasizes the significance of cultural issues such as class dynamics and politics. The non-Marxist branch highlights the importance of external factors such as unequal trade in the capitalist system and how such trade deficits reproduce dependency. Dependency theorists have combined these internal and external factors to argue that both global capitalism and labour exploitation exacerbate dependency (Ellner, 2024).

The non-Marxist branch argue that the industrial bourgeoisie can promote progressive policies that can alter the significance of external capital, which can reduce core-periphery dynamics. The branch proclaims that liberalization and democratization will follow industrialization, which will create a cycle of development (Ellner, 2024).

The Marxist branch contends that the industrial bourgeoisie comply with foreign capital holders and prioritize this cooperation instead of national development. Rather than reducing dependency, they maintain it by compliance with global capitalist powers. To decrease dependency, a confrontation with the bourgeoisie-led model is required (Ellner, 2024).

In the earlier days of dependency theory, South American nation's hierarchical position in the core-periphery dynamics was mainly focused on, but 21st century literature on dependency has expanded to include Chinese foreign operations and investments (Ellner, 2024).

Kvangraven (2021) combines these different perspectives to create a research programme. The research programme synthesizes economic structures, historical processes, and social dynamics. The research programme poses a core hypothesis for dependency theory: "The core hypothesis associated with the research programme is the polarizing tendency of capitalist development, related to both structures of production and the common constraints related to peripheral development." (Kvangraven, 2021, p. 80).

Kvangraven (2021) presents four main characteristics of the research programme: "1) the global historical approach; 2) economic theorizing that addresses the polarizing tendencies of capitalist development; 3) the attention to structures of production; and 4) the attention to the constraints that result from being a peripheral economy in the global economic system." (p. 81).

Within dependency theory, historical circumstances also act as a form of conditioning. The historical approach helps determine how an economy came to be conditioned and in which ways. Its focus is on ownership of production, technological dependence, the uneven effects of foreign investment, consumption patterns, and financial constraints (Kvangraven, 2021).

Kvangraven (2021) emphasizes how the global historical approach and all dependency approaches are a critique of linear or stagiest views of development. The linear view of development is comprised of the idea that all countries follow the same stages of growth, where the developed countries show the underdeveloped “the image of its own future” (Kvangraven, 2021, p. 82). In opposition to this, dependency theorists reject the idea that undeveloped countries can simply follow the same path of development as the richer countries. Dependency theorists argue that historical and structural factors, such as colonialism, imperialism and capitalism has created a system of unequal development, which has ultimately shaped the social and economic structure in the periphery.

In depth, structural thinkers of dependency-theory examine the legacy of colonialism through the historical circumstances, in which the colonial powers have shaped the economies of peripheral countries to serve and enrich the richer and industrialized core countries (Kvangraven, 2021).

Global capitalism has caused unequal trade relationships that has perpetuated uneven development between core and periphery. The periphery’s raw material exports are declining in relative to the core countries whose industrial goods exports are rising. With its deuterating terms of trade, the periphery risks getting technologically and financially dependent on the core (Agbebi & Virtanen, 2017). It is difficult for the periphery to escape its situation as the structures of production are against them. The peripheral economies produce low-value, labour-intensive industries while the core economies produce high-value, technology-intensive industries – meaning that the peripheral export and production deficits are a symptom of monopoly capitalism. Due to the abovementioned factors, the peripheral experience detrimental constraints to their development. Some of these constraints are financial dependency, technological dependency and trade deficits (Agbebi & Virtanen, 2017).

African nations are a victim of unequal exchange. The lack of valuable technological export goods is unproductive for their economy but beneficial to the core countries’ economy (Agbebi & Virtanen, 2017).

Dependency theory has been criticized for being ‘simplistic’ and ‘circular’. Critics argue that it lacks nuance and misinterprets cases for the sake of analysis. Kvangraven (2021) poses two criteria by Lall (1975) that dependency theory must encapsulate to be useful: “1) it must identify characteristics of peripheral economies that are not found in centre countries; and 2) those characteristics must be shown to adversely affect the pattern of development of the periphery countries” (Kvangraven, 2021, p. 90).

According to critics', dependency theory does not meet these criteria due to theorists selectively addressing features that fit the phenomena of capitalist development. The 'circular' aspect of dependency theory is that periphery countries are poor because they're dependent and any feature the periphery possess is an expression of dependency (Kvangraven, 2021). Furthermore, the critique emphasizes dependency theory's lack of cultural factors and the generalization that social and political structures are a product of a country's economic capabilities (Kvangraven, 2021).

Kvangraven (2021) responds to this critique by pointing out the strengths and the vastness of dependency theory. First off, the theory can highlight how the production structures and their geographical character are a determent for a countries hierarchical position in a capitalist world system, which Kvangraven (2021) explains is an important aspect of development research that isn't focused on in contemporary literature.

Secondly, cultural and political factors have been a part of dependency theory from the beginning. Dependency theorists have researched the impact of national leader's adopting ideologies such as developmental nationalism and developmentalism and how they led to a situation of dependency (Kvangraven, 2021). Kvangraven (2021) does not specify how these ideologies lead to dependency.

The literature on dependency theory also emphasizes gender, race and colonialism. Although a small part of dependency theory research, cultural factors such as gendered structures and racial inequalities bear responsibility for peripheral challenges (Kvangraven, 2021).

The Belt and Road Initiative

China is currently conducting a large-scale infrastructure project, 'The Belt and Road Initiative' (BRI). Through the BRI, China is funding large international infrastructure projects that can increase global trade networks. These trade networks can reduce production and transportation costs, thus creating a more interconnected system. The BRI is projected to involve as many as 60 countries, 32% of global GDP and 39% of global merchandise trade (Himaz, 2019). The BRI is not only economically beneficial for China but also geopolitically as it can change power dynamics across nation-states. China's geopolitical influence would increase as they would improve energy security, flow of goods and services and overall higher welfare across the globe. Although not factual, China's investments are expected to reach an estimate of US$4 trillion over the course of the BRI (Himaz, 2019).

Spill-over effects from enhanced trade networks and large-scale infrastructure projects can increase internal- and external economies of scale. 'Internal economies of scale' refers to a company's efficiency of production, which can be increased through large-scale projects such as those the BRI generate (Himaz, 2019). 'External economies of scale' refers to improvement of production due to an increase in the concentration of companies in a specific region, which is beneficial due to an increase in specialized skills, an expanding workforce and more accessible supplies (Himaz, 2019).

A possible ramification of the BRI is unequal development between the countries that are involved. If the circumstance of trade creates an unequal exchange and the possibility of a debt trap, potential asymmetrical growth may occur – in China's favour (Himaz, 2019).

China's trade volume in Africa has skyrocketed over the last two decades. In the year 2000, it totalled US$10.6 billion and in 2018 it reached a total of US$204.19 billion. China has effectively increased its number of trading partners and its volume of commodity exchanges (Tarrósy, 2020). Although the BRI has increased trading among nation-states in Africa and beyond, there's has been a concerning rise in 'debt-to-GDP ratios.' Many African countries face the risk of accumulating an unbearable indebtedness to China. Dependency theorists are concerned this debt accumulation will lead to a crisis in African nations. With African nations struggling to pay their debt, China has allowed them to repay with resource concessions (Tarrósy, 2020).

As China progresses the BRI through vast amounts of investments, the debt accumulated by African nations, may produce a situation of dependency. The Export-Import Bank of the Republic of China (Chexim) offers concessional loans with potentially unfruitful demands to African economies and development (Tarrósy, 2020). These concessional loans require that at least 50% of equipment and resources utilized for construction of infrastructure projects must originate in China. Recipients are required to use their loans to purchase goods from Chinese state-owned enterprises (SEOs) and to hire a Chinese SOE as the contractor or exporter. Finally, the recipients are obligated to repay their loans within eight to twelve years with a four-year grace period – otherwise recipients may have to repay loans with resource concessions as in Angola (Tarrósy, 2020).

Besides growing debt and the potential for economic dependency, large-scale infrastructure projects can also foster dependency as African nations might find themselves becoming dependent on Chinese manufactured advanced technology for maintenance and construction (Tarrósy, 2020).

Ethiopia is one of the African nations which are heavily indebted to and in cooperation with China. China has invested in infrastructure projects such as the Addis Ababa-Djibouti Railway (ADR), hydroelectric dams and the Addis Ababa Master Plan – a plan for the expansion of Addis Ababa (Tarrósy, 2020). With a total amount of US$13.5 billion in loans from China as of 2018, Ethiopia has had difficulty repaying their loans and have faced financial problems before finishing their projects (Tarrósy, 2020).

As mentioned, loans from Chexim require that a Chinese contractor is hired to oversee the project and, in this case, the ADR is being supervised by the China Railway Group Limited (CREC) and the China Civil Engineering Construction Corporation (CRCC) (Tarrósy, 2020).

Ethiopia does not possess vast amounts of natural resources, but nonetheless, the ADR will be responsible for the extraction of such resources by connecting landlocked Ethiopia to ports on the Indian Ocean, thus benefitting China (Taylor & Zajontz, 2020).

Taylor & Zajontz (2020), notes that the BRI's main objective is to increase China's economy and not necessarily the development of recipients. The BRI risks adverse development of recipient countries by processes such as profit extraction, exploitation, export deadlock and lack of developmental strategies for domestic industry sectors (Taylor & Zajontz, 2020).

Chinese investments and the BRI have not converted African nation's position in the global economy and African nations remain subordinated within the international divisions of labour (Taylor & Zajontz, 2020).

The literature clearly states that countries involved with the BRI face the risk of dependency through the same processes, namely extraction, debt, exploitation, export deadlock and lack of developmental strategies (Himaz, 2019; Tarrósy, 2020; Taylor & Zajontz, 2020).

SEZ and policy transfer.

Special Economic Zones

Special economic zones or SEZs are zones that differentiate themselves from general legislation by making special tax laws only applicable in the SEZs (Wang, 2024). SEZs are a part of the larger BRI strategy that connects developing nations to the Chinese economy. This strategy is advantageous for China as companies with experience in operating within Chinese SEZs will find it easy to work in SEZs abroad, if their policies are not dissimilar (Moberg, 2015; Tang, 2023). SEZs are defined as ‘’geographically delimited areas within which governments facilitate industrial activity through fiscal and regulatory incentives and infrastructure support’’, this means governments can reduce ‘red tape’ and incentivize concentrated development through tax-legislation and clustering industry (Tang, 2023, p.1). SEZs can be referred to as ‘industrial parks’ and have during recent years grown popular in the global south. Tang (2023) references the writers Dolowitz’s & Marsh’s (2000) definition of SEZ policy transfer as ‘’a process in which knowledge about policies, administrative arrangements, institutions, and ideas in one political setting is used in the development of policies, administrative arrangements, institutions, and ideas in another political setting’’ (p.3), this explains how Chinas experience with SEZ can be translated from one country to another. SEZs offer a liberalized market with lower taxes and tariffs. This allows for foreign companies to create clusters within SEZs and spread technological know-how (Tang, 2023; Wang, 2024; Moberg, 2015).

This development of an industrial sector through SEZ’s can attract foreign companies from core countries (Wang, 2024). As a peripheral country, Ethiopia might not be able to compete in the core dominated monopolistic global market, without a core country partner (Wang, 2024; Kvangraven, 2021).

The transfer of expertise can materialize through the transfer of financial policies, such as Special Economic Zoning (SEZ). SEZs are broadly agreed upon as an effective way for developing countries to grow their industrial sector (Tang, 2023; Wang, 2024). It is a financial instrument developed in historically global south nations such as China and South-Korea.
Today the policy transfer from China towards African developing nations has become more fluid, as developing nations such as Ethiopia hold more agency in finding what lessons to

learn from (Tang, 2023; Wang, 2024). In practice, SEZs are not necessarily a direct nation-to-nation transfer of policy and expertise, which is seen in the case of SEZ policy transfers. Wang (2024) Highlight that special advisor to the Ethiopian government Arkebe had issues with finding relevant SEZs with comparable development to that of Ethiopia. For instance, Bangladesh tried to focus on high-tech industry in its SEZ and ultimately failed, until garment industry was allowed within the SEZ. While High-tech industries can be immensely profitable; it is critical for developing nations to reflect upon their stage of development before specializing in industries that realistically can succeed. (Tang, 2023; Moberg, 2015). Arkebe, wrote extensively on how late developers such as Ethiopia can learn from the structural implementations of SEZs, their industrial policies, and legislation as a tool to catch up to more developed countries (Wang, 2024). It is important to note that in his effort to develop Ethiopian SEZs, Arkebe explored outside of China. This find SEZ implementation in nations that resemble Ethiopia's state of equal level of development such as Vietnam, Mauritius and Nigeria (Wang, 2024). Arkebe carefully considered Ethiopia's stage of development and looked towards nations such as Vietnam as a reference point for SEZ implementation as a comparable peer and nation to emulate (Wang, 2024).

South-South Policy Transfer

South-south cooperation as a narrative is meant as a way for the global southern nations to help each other improve their economic standing and cooperation in a balanced non-exploitive manner. For successful ‘south-south’ policy transfer to work, China needs to push its expertise. Ethiopia then must pull from the Expertise provided by China and integrate the learned lessons. It is the role of the nation that is transferring their policies to exert an example of positives from their experiences. The South-South cooperation narrative has several critics that claim the size of the modern Chinese economy inherently makes this cooperation uneven and unbalanced in terms of power and economic influence (Tesfaye, 2020; Moberg, 2015).

Wang (2024) highlights structuralism as an example of the need for ‘South-South’ cooperation, between emerging powers such as China and Brazil, as they still do not possess the same structural advantages such as traditional Global North nations. With experiences of rising from a global South nation to an emerging power, Wang (2024) argues China could be an example for the global South to emulate.

‘’...Networks in South-South policy transfer are radically different from those involved in North-South knowledge exchange...’’ (Tang, 2023, p. 2).

It is also important to highlight Chinese ‘South-South’ cooperation is a point of contention such as Tesfaye’s (2020) critique of Chinas image of themselves as an equal global South nation compared to the developing African states. Multiple sources on South-South policy transfer critiques that unlike North-South transfer does not increase market liberalization and democratization (Tang, 2023; Tesfaye, 2020).

There is a lot of fear that with major investment corruption could rise, especially within developing countries with weak institutions. Without liberalisation and strengthening of institutions some critics point to increases in corruption through rent-seeking in Sino-African SEZ development as an increased risk factor (Moberg, 2015). If executives of SEZs start demanding higher rent, starts practicing patronage and increasing rent seeking there will be greater chance of SEZ failure (Moberg, 2015).

Theoretical Framework

As our main theoretical approach, we have chosen dependency theory. Rather than assuming that China is trying to exploit Ethiopia, our theoretical approach is focused on how Chinese investments and strategies can create a situation of dependency in Ethiopia.

As we want to investigate the effect of China's investments in Ethiopia, we will use the scope of Kvangraven's (2021) research programme. By choosing this research programme, we are not constrained by one single branch of dependency theory and therefore we can utilize different perspectives that all argue for the perpetuation of unequal development. Through the research programme we will pick apart the structure of the relation to clarify how each part is an expression of potential dependency.

It is important to note that dependency theory is both an economic and a sociological theory. Its economic focus centres on capitalist development, core-periphery dynamics, unequal exchange and terms of trade. Its sociological focus delves into power dynamics, core-periphery dynamics and internal class and political relations (Kay, 2019)

Methodology

Data collection and literature search

In the preliminary research phase of our project, we conducted a comprehensive literature search to uncover relevant information regarding our project. This was done mainly through the recommended databases such as: SocIndex and Det Kongelige Bibliotek. In the research phase we focused on using specific key terms relevant to our project such as "Chinese investments in Ethiopia", "Ethiopian dependency", Sino-African cooperation" and "BRI projects in Ethiopia" for finding the needed literature. By searching for literature through designated databases we also avoided our research being influenced by our personal data-history (cookies) on search engines such as Google and Safari.

Inclusion and exclusion criteria

For this project, our inclusion criteria have focused on peer-reviewed academic articles. Our exclusion criteria have been focused on non-peer-reviewed articles with few exceptions, mainly news articles on up-to-date information and data from economic institutions such as the IMF and The World Bank. We have also been weary of articles and information originating in mainland China, as Chinese scholars and writers employed by Chinese state-owned institutions could be unwilling to accurately discuss the negative impacts of Chinese involvement in Ethiopia due to the risk of losing their jobs. Therefore, we wanted to ensure the validity of Chinese sources by comparing them with additional information available to us.

Philosophy of Science

Structuralism

Structuralism can be applied to any analysis that emphasizes structures and relations. It rejects the idea of analysing social and cultural phenomena one-by-one as social and cultural phenomena are not physical objects themselves but rather manifested in the relations and underlying structures (Jacobsen et al., 2015).

In its broadest sense, structuralism is a way to describe the human world in terms of structures – the underlying systems that shape our reality. We can think about it in terms of culture – how does each element contribute to the way we understand the world and how do they shape our behaviour. It guides us in dissecting the complexity of human experiences and our interpretations (Jacobsen et al., 2015). Ontologically, reality is 'hidden' in the underlying structure of a cultural or social phenomena, and to interpret them, provides us with our epistemological understanding of said phenomena (Jacobsen et al., 2015).

When we deal with cultural or social phenomena, we are not always aware what exactly is happening. We don't view them as systems of value (structures) that could've been different and are different in other cultures. In this sense, structuralism is anti-positivist and anti-empiricist, as it examines what 'lies beneath' the surface levels of observations (Jacobsen et al., 2015).

When researching how China's investments in Ethiopia can create a situation of dependency, we analyse the different structures that perpetuate or reproduce dependency. Such structures are the implications of the BRI, the polarizing tendencies of capitalism and dependency characteristics. The world is divided into the core and the periphery, which dynamically subordinates the periphery through unequal terms of trade. These manifests through large-scale infrastructure projects and unequal exchanges e.g. Ethiopia exporting sesame seeds and other raw goods, while China exporting vital, high value technological goods, thus concentrating economic value in the core (Chakrabarty, 2016; Kvangraven, 2021; Tarrósy, 2020).

Case study

Our methodology for our case study focuses on the article by Yin (2018), where he introduces a new idea of a case study having formal designs. Yin (2018) presents the distinction between single- and multiple-case designs including either unitary or multiple units of analysis. This results in four types of designs for case studies: (Type 1) single-case (holistic) designs, (Type 2) single-case (embedded) designs, (Type 3) multiple-case (holistic) designs, and (Type 4) multiple-case (embedded). For our project we have decided to utilize Type 2, a single-case design with multiple units of analysis (Yin, 2018).
In this project, our chosen single-case for analysing Chinese involvement in Africa is Ethiopia. This is due to us wanting to analyse the theoretical characteristics set forth by

dependency theory. We have chosen to include the case of the ADR and SEZ's as subunits of analysis to gain a deeper understanding of the characteristics of dependency evident in Ethiopia. We believe that our chosen subunits will assist us in contextualising the specific components and obtaining a broader understanding of the case.

Our rationale for choosing the single-case study is based on a blend between the critical- and unusual case. Regarding the critical case, we wish to examine the characteristics of our theory and find concrete examples to contextualize dependency characteristics. As for the unusual case, the relationship between Ethiopia and China is different than that of other African countries. Therefore, it poses as an interesting case study, where we can potentially draw unique conclusions about their relationship and how dependency theory is expressed (Yin, 2018).

Background on the case

To gain a better understanding of the Sino-Ethiopian relationship, we will explain the historical development of their diplomatic as well as bilateral relations and account for key factors that have led to their current state of relations. Furthermore, we explore their strategic relationship in relation to internal conflicts in Ethiopia.

Historical Development

The People's Republic of China–Ethiopia relations were officially established on November 24, 1970, when a deal was struck, that involved Mao Zedong's recognition of Eritrea as belonging to Ethiopia in exchange for Haile Selassie's recognition of Taiwan as Chinese (Modern Diplomacy, 2024). Their relationship saw little progress from the 1970s to the 1980s due to Ethiopia's affiliation with the Soviet Union and internal political turmoil (Cabestan, 2012). It was first in 1991 when the Ethiopian People's Revolutionary Democratic Front (EPRDF) came to power under Meles Zenawi, prime minister from 1995-2012, that bilateral relations began to improve. However, the EPRDF's rise to power was originally backed by the US, and the regime favoured market economy. For this reason, the regime did not initially seek to improve its ties with China (Cabestan, 2012). It was not until 1995, following a long debate over strengthening its hand in dealing with the West, that the EPRDF shifted its foreign policy in favour of China (Cabestan, 2012). Inspired by China's rapid industrialization, infrastructure development, and economic modernization, Ethiopia's interests initially lied in understanding “socialist market economy” and agricultural development. As a result, an ambitious agreement on trade, economic, and technological cooperation was formed. While this agreement granted Ethiopia ‘most favoured nation’ status it also fostered the creation of a Joint Economic Commission which meets every other year (Cabestan, 2012). The diplomatic relationship has ever since been characterized by frequent high-level visits of ministers, ambassadors, and top officials (Bilate & Zou, 2021). In 2000, during a meeting in Beijing of the newly established China Africa Cooperation Forum, Ethiopia was chosen to host the second forum in 2003. That being so, Ethiopia began to find itself in a more privileged position with China.

Furthermore, the Ethiopian election of 2005 marked a key event in creating a new phase of close diplomatic, political, and economic partnership (Cabestan, 2012). Though the EPRDF won the election, the opposition took a third of the parliament seats.

The election was accompanied by much violence and irregularities and as a result, Ethiopia faced much backlash from its traditional Western donors, The United States and EU, who began to attach conditions, if not suspend their assistance (Cabestan, 2012). In the larger Sino-Ethiopian context, the election was a turning point for Ethiopia’s adoption of becoming a developmentalist state and ‘choosing’ China as its main partner. For Ethiopia, a close partnership with China mainly served internal political and economic purposes: the sharing of technical, economic, and diplomatic assistance (Cabestan, 2012). The close relationship was seen as crucial in the country’s ambitious development and poverty-reduction projects launched in the same era (Cabestan, 2012). China's rapid development during the past 30 years; its success story of lifting over 200 million people out of poverty along with its economic reform posed an exemplary model for the developmental state of Ethiopia (Bilate & Zou, 2021).

Major achievements in the economic, infrastructural, and social sectors

In 2006, Ethiopia signed a major framework agreement of financial cooperation with Chexim, paving the way for more Chinese infrastructure projects. Concurrently China became Ethiopia’s main trade partner and trade saw a tenfold increase from 2001 to 2010, growing from 153$ million to almost 1,7$ billion (Bilate & Zou, 2021). However, the commercial relationship between the two is characterized by a degree of asymmetry. Although Ethiopia has significant market potential, it lacks the natural resources that China requires, limiting its ability to balance the trade deficit. The agreement led to a significant increase in the number of Ethiopian products exported to China tariff-free. In detail, the number of products exported rose from 130 to 440, covering 95% of Ethiopia's exports to China (Cabestan, 2012). Nevertheless, the economic structure of unequal cooperation persists. As a result, China benefits more from trade than Ethiopia, which is evident through their phenomenal trade growth and infrastructure projects that help maintain a trade surplus for China (Cabestan, 2012).

The Ethiopian government prioritized infrastructure to drive economic growth, benefitting from Chinese expertise and funding. In detail, the partnership was deemed more advantageous since projects would come at a lower cost compared to Western options, be more rapidly executed, and have more favourable financing terms, such as low-interest loans with partial grants (Cabestan, 2012). So far, Chinese investments in infrastructure have mainly been in the manufacturing, agricultural, construction, and service sectors (Bilate & Zou, 2021). In this procedure, Chinese companies undertake the construction of projects. Examples of Chinese-built projects are the National Stadium of Ethiopia, industrial parks, bridges, roads, railways, dams, schools, governmental buildings, non-governmental private office buildings, and the headquarters of the Commercial Bank of Ethiopia, currently the largest building in Ethiopia (Bilate & Zou, 2021).

Tigray war 2020-2022

The next segment is dedicated to explaining the strategic relationship between China and Ethiopia. The Tigray War represents an example of understanding how Ethiopia benefits from a close strategic relationship with China, particularly its non-interference foreign policy. In 2018 Abiy Ahmed's new government in Ethiopia implemented a new policy detaching the country's politics from ethnic federalism. In December 2019, several parties under Abiy Ahmed's leadership merged as the Prosperity Party and issued a recognition certificate, legitimizing their newly formed party (Bayu, 2022). The newly formed party went on to take several measures, such as distancing the country's politics from ethnic federalism and negotiating a peace agreement between Ethiopia and Eritrea. The agreement would return several territories in North Tigray to Eritrea: an effort that led to Abiy Ahmed winning the Nobel Peace Prize in 2019 (Bayu, 2022). However, this clashed with the political visions of The Tigray Peoples Liberation Front (TPLF) and tensions rose even further, when Tigrayan leaders were charged with corruption (Bayu, 2022). Tensions rose as Ethiopia suffered a constitutional crisis in March 2020 when the Prosperity Party justified postponing the national election due to the outbreak of Covid-19. TPLF considered it unconstitutional and saw the action as an illegal attempt to keep Abiy Ahmed in power. As a result, the TPLF would go on to hold an election of their own, reporting a 98% victory in the popular vote. However, The Prosperity Party deemed the elections illegitimate and in November 2020 the conflict escalated into an armed conflict (Bayu, 2022).

In the wake of the conflict, international opinion was split between pessimistic and optimistic views of Ethiopia's ability to handle its internal affairs. While Western countries, such as the UK and the USA responded negatively, advising citizens to return home, China maintained its support for Ethiopia. Indicative of its non-interference policy, China’s State Councilor and Foreign Minister met with Ethiopian Deputy Prime Minister and Foreign Minister Demeke Mekonnen in Adidas Ababa on December 1, 2021 (Bayu, 2022). During the meeting, the Chinese foreign minister reiterated that external factors or domestic change, referring to the ongoing war would not affect the present and future of bilateral relations between Ethiopia and China. Additionally, the foreign Minister added that China would continue their non-interference policy as it stands against interference by other countries in Ethiopia's internal affairs (Bayu, 2022).

More recently, the countries have committed themselves even closer politically and economically. In October 2023, during Abiy Ahmed's visit to Beijing, an ‘All-Weather Strategic Cooperation Partnership’ was announced, a title designated only for China’s closest allies (The Reporter 2023). According to Billene Seyom, a press secretary at the Office of the Prime Minister, who accompanied Abiy Ahmed on his visit to Beijing, the term implies that both nations will always guarantee each other’s safety (The Reporter, 2023). Bilene Seymon further elaborated that China given Ethiopia’s post-war status, China has committed to providing in the reconstruction of Ethiopia and alleviating its external debt burden (Endale, 2023).

In 2024, During the 3rd Sino-Ethiopian Joint Committee Meeting on Scientific and Technological Cooperation, the two countries agreed to enhance their collaboration in Technology Transfer, Human Resources Development, and Scientific Laboratories (The State Council of the People's Republic of China, 2024).

To further consolidate the agreement, a memorandum of understanding (MoU) was agreed upon. The MoU includes long-term education initiatives aimed at advancing professional development to secure sustained growth and expertise in the technological sector. Besides enhancing technological and economic growth, the agreement also holds significant strategic importance. Belete Molla, Ethiopia’s minister of innovation and technology, emphasized the importance of the agreement for Ethiopia’s goal of becoming a regional hub for technological excellence (The State Council of the People's Republic of China, 2024).

Analysis

The Belt and Road Initiative in Ethiopia

The Influence of the BRI in Ethiopia

The implementation of the BRI in Ethiopia has become one of the nation's largest sources of debt to China. With Ethiopia being China's second largest trading partner in Africa, the amount of Ethiopia's debt owed to China, sits at a staggering US$13.5 billion as of 2018. The current BRI projects in Ethiopia involves the ADR, hydroelectric dams, an expansion of Addis Ababa and Addis Ababa Light Rail Transit (LRT). All of which are meant to serve the purpose of Ethiopia's development and Ethiopia's gateway to maritime trade routes. Following the infrastructure projects, Ethiopia has seen a 'boom' in private sectors such as growth in small businesses, construction of apartments, malls and two petroleum depots along the ADR (Tarrósy, 2020).

The amount of debt Ethiopia currently holds may come with devastating consequences. Ethiopia's debt repayment uses up their forex from export earnings, meaning that it will get increasingly harder to import vital resources such as medicine and social welfare. The possibility for Ethiopia to repay their debt is decreasing with plans being too ambitious and difficult to manage. If these struggles continue, it is possible Ethiopia will appropriate 'Sinophobic narratives' which is the case in Kenya (Tarrósy, 2020).

With Ethiopia obtaining more debt, there's an increasing possibility of falling into a debt trap, which may come with the consequence of Ethiopia having to borrow more money to repay existing debt or possibly defaulting on their loans, which can result in Ethiopia giving China control over large-scale infrastructure, thus giving China excessive political power within Ethiopia – as is seen in the case of Sri Lanka having to hand over one of its ports funded by China due to a lack of repayment capacity. Similarly, Kenya may lose the port of Mombasa due to the Kenyan Railway Corporation defaulting on their loans (Tarrósy, 2020).

Possible Ethiopian development opportunities

Cooperation between China and Ethiopia does not only foster potential dependency characteristics. As Tarrósy (2020) mentions that large-scale infrastructure can work as a breeding ground for development within Ethiopia. The ADR can enhance Ethiopia's access to global supply chains and thereby increase Ethiopian construction of infrastructure, making resources more available in Ethiopia (Tarrósy, 2020). Chinese investment in Ethiopia contributed to its leather industry from 2003 and 2012, which led to technological sophistication within Ethiopia, reducing production costs and enhancing local supply chains. Ethiopia's exports of sesame seeds to China greatly increased its forex and Ethiopia have seen an increase in equipment utilized for critical infrastructure (Chakrabarty, 2016).

While these aspects of Sino-Ethiopian cooperation in themselves provides opportunity for Ethiopia's development, the broader picture can exemplify how these aspects can reproduce Ethiopia's dependency.

The Structure of Chexim's Concessional Loans

One dependency characteristic suggests that dependency may occur if the terms of trade are based on an unequal relation or non-developmental agreements (Kvangraven, 2021). Following Chexim's loans are a set of commitments recipients must follow, Ethiopia is required to specifically buy Chinese manufactured goods from Chinese SOEs (Tarrósy, 2020). This means that Ethiopia is not able to use money lent from China on goods from other countries, limiting Ethiopia's possibilities of foreign expertise diversification and therefore increasing risk of technological dependency on China. Nor is the money lent from China being used to increase Ethiopian technological contractors or exporters, as Chexim's beforementioned requirements compel Ethiopia to hire Chinese contractors, as we've seen with the ADR being managed by CRCC and CREC (Tarrósy, 2020). Although the BRI has brought the construction of apartment buildings, malls and growth in small time businesses, these are not viable for the development of Ethiopia's technological capabilities, as one might assume that Ethiopia already bears the capabilities for small-scale manufacturing.

Due to the limitations imposed by the Chexim's structuring of concessional loans with regards to the BRI, Ethiopia is not benefitting from external economies of scale. China's expertise and development is enhanced when it is their contractors i.e. CRCC and CREC who's hired and due to the BRI making natural resources more available for China. The lack of Ethiopian contractors in the BRI, reduces their probability of strengthening technological domestic sectors, thus limiting expertise and the chances of competing on an international level. Factors such as these reproduce dependency in form of relying on Chinese exports and expertise, rather than promoting sustainable markets and independence (Himaz, 2019; Kvangraven, 2021; Tarrósy, 2020).

When investigating internal economies of scale, the limitations of Chexim's concessional loans apply as well. As mentioned, Ethiopian contractors aren't hired for infrastructure projects, which in effect subordinates Ethiopian companies and their possibility of reducing production-costs on a national scale, as they aren't able to pare costs of equipment (Himaz, 2019).

Unequal Exchange

Ethiopia's exports to China mainly consists of coffee, sesame seeds, cut flowers, dried chickpeas, dried beans and vegetables, while importing high value technological goods from China (Chakrabarty, 2016). As of 2022, the value of Chinese exports to Ethiopia has reached an estimate of US$3 billion, while Ethiopia's exports to China is estimated to have reached US$175 million – China being the ranked no.22 in the 'Economic Complexity Index' (ECI) and no.1 in total exports reaching an amount of US$3.73 trillion (OEC, n.d). Ethiopia becomes dependent on Chinese manufactured technological goods, as it can't produce its own high-tech apparatus due to its low revenue from low value, labour intensive exports. China's export value expresses the benefits of having the ability to produce high-tech goods and the vast competitive potential it carries on the international market (OEC, n.d). Therefore, a cycle of dependency is created, where Ethiopia repeatedly must import Chinese technology, instead of developing the capacity to manufacture such goods themselves.

This paints a clear distinction of the core-periphery relation, where China by great lengths exceeds Ethiopia's economic and export value capabilities. With Ethiopia being obligated to import at least 50% of equipment from Chinese SOEs, and knowledge of Ethiopia's main export goods, we can speculate that the equipment and resources utilized for large-scale infrastructure exceeds 50%, as Ethiopia isn't able to provide such resources themselves. This form of exchange leads to uneven benefits, where Chinese exports to Ethiopia fosters development within China and Chinese SOEs, exemplifying the dependency characteristic of unequal exchange (Tarrósy, 2020).

Chinas and Ethiopia’s Core-Periphery Relationship

Although large-scale infrastructure projects can be beneficial to Ethiopia, the requirements of Chexim’s concessional loans combined with unequal exchange and China’s and Ethiopia’s respective rankings in the ECI, we can assume that China’s investments and the BRI creates a basis for exploitative behaviour and the subordination of Ethiopia’s development. China’s large economy enables them to undermine Ethiopia’s economy and development due to how China is managing their operations in terms of production structures, terms of trade and China’s accessibility to gain technical expertise through the BRI (Tarrósy, 2020).

As mentioned, Ethiopia’s export revenue to China has reached an amount of US$175 million as of 2022 (OEC, n.d), which on the surface seems positive, but when investigating the last seventeen years or so, we see that it has only developed US$100 million additional revenue since 2006 (Ndzendze & Monyae, 2023). In comparison, China’s exports to Ethiopia by far transcends this amount with a development from US$600 million as of 2006 (Ndzendze & Monyae, 2023) to US3.73 billion as of 2022 (OEC, n.d), which is an expression of China’s position in the global capitalist system, but it also shows which kinds of exports create the most revenue and therefore development. This could also be an implication pointing towards dependency when referring to the fact that China doesn’t allow for Ethiopian contractors to operate infrastructure projects, neither do their loans promote development within the Ethiopian technological sector (Tarrósy, 2020).

Investigating the dependency narrative, we can claim that China is extracting surplus values from Ethiopia. The beforementioned trade imbalances provide China with substantial revenue for its companies and China’s economy as well as increases its forex. Regarding technological expertise and the management of Ethiopia’s large-scale infrastructure projects by China, China extracts technological know-how and enhancement in trading networks, which ultimately benefits China as it reduces production-costs, transportation and potential access to political power within Ethiopia and countries involved with the BRI (Himaz, 2019; Kvangraven, 2021; Tarrósy, 2020; OEC, n.d).

ADR

What is the ADR

On the 5th of October 2016, the brand-new Addis-Ababa-Djibouti Railway finished construction and was officially inaugurated despite it not being fully operational till January 1st, 2018. The railway stretches roughly 752 km and connects the capital of Ethiopia, Addis Ababa, to the deep-water port in Djibouti. The idea for an Ethiopian railway-network connecting Addis Ababa to maritime trading routes was conceived before the launch of the BRI in 2013. The Ethiopian government established the Ethiopian Railway Cooperation (ERC) in 2007 due to the need for optimization in the Ethiopian transport sector. For over a decade, Djibouti port handled more than 90% of Ethiopia's international trade without an efficient way of transportation between the two countries (Carrai, 2021).

In the early years of the Ethiopian Railway Cooperation, little to no progress was made on the national railway-network. It wasn't until 2011, when Chinese cooperations got involved, that construction was initiated. In 2011, the China Railway Group approached the Ethiopian Transport Ministry and began preliminary tests to determine the feasibility of the project. Soon after, three Chinese state-owned enterprises, were awarded engineering, procurement, and construction (EPC) contracts to spearhead the construction of the railway. The following SOEs are all under the control of the China Railway Group Limited: The China Railway Engineering Corporation and the China Railway Eryuan Engineering Group (CREEC) were awarded contracts of US$1.52 billion to build and design the 328 km section between Addis Ababa and the small town of Mieso. The contract for building the remaining 339 km section between Mieso and the border of Djibouti was awarded to the China Civil Engineering Construction Corporation (CCECC). According to Chexim, Chinese SOEs controlled everything from construction and design to supervision and operation. The ADR is seen by Chexim as an artery for Ethiopian economic development and as a gateway for Djibouti's regional development. In total, US$4 billion went into the ADR with 70% being paid by Chexim and 30% by the Ethiopian government.
After the ADR became operational in 2018, it is the first electrified railway in Africa and effectively serves as Ethiopia's main transport corridor connecting several industrial parks to the deep-water port in Djibouti which also houses the Chinese People's Liberation Army's first over- seas Naval base (Carrai, 2021; China Exim Bank, 2016).

How can the ADR foster Ethiopian dependence on China?

Technological dependency

As mentioned, the construction of the ADR was carried out solely by three Chinese SOEs under the control of the CREC. The CREC is one of the largest and most valuable companies in the world and a leader in the field of construction and engineering (China Railway Group Limited, n.d.). As no Ethiopian corporations contributed to the construction of the ADR, Ethiopia relied heavily on the technological expertise of the Chinese SOEs. This unequal cooperation between Chinese SOEs and the Ethiopian government can lead to exacerbated dependency for Ethiopia. When CREC imports only Chinese-manufactured technology, Ethiopia's own technological development is sidelined. There is no apparent need for Ethiopia to develop their own high-tech and demanding manufacturing processes if China already supplies them with high-quality machinery and technology. This leads to a power imbalance as China controls Ethiopia's access to technology and consequently, development (Carrai, 2021; Kvangraven 2021).

Expertise dependency

The ADR was to be managed and operated by the same Chinese SOEs who constructed it, with Ethiopia gradually paying management fees. The deal was set to expire in 2023, where the Chinese SOE's would have accomplished the goal of training local personnel to overtake the operation of the railway. At the end of 2023, CREC and its subsidiaries officially handed over the operational rights to the joint Ethio-Djibouti Railway Corporation (EDR). However, the EDR still employs Chinese experts to guarantee the operation of the Railway. These experts have been given a contract set to expire in 2025.

Chinese expertise has now been heavily involved in the operation and management of the ADR since its completion in 2016. This in turn means that Ethiopia has not been able to develop its owned skilled workers and experts as China has continuously met this need. The ADR, one of Ethiopia's largest infrastructure projects, is therefore still greatly dependent on China for its success. With the current political climate in Ethiopia, ravaged by wars in countryside, it is to be expected that the EDR will continue to employ and rely on Chinese expertise beyond 2025. This will further reinforce Ethiopia's status as a peripheral country as their own expertise-development is stunted leading to continued dependence on core countries, especially China (Tarrósy, 2020; Tarrósy, 2024; Kvangraven 2021).

Financial dependency

The ADR was primarily financed by Chexim which also loaned several billions to the ERC. Due to these loans, the ERC found itself in substantial debt constituting US$3.7bn by the end of 2016. This in turn lead to the ERC beginning to repay their loans before they could finish constructing the remaining railway connections and surrounding infrastructure. The ERC was also unable to pay the Chinese experts maintaining and managing the ADR at this time. The desired effect of the ADR was to boost the Ethiopian economy by connecting it to the port of Djibouti and the rest of the BRI. By creating an influx of capital, Ethiopia was supposed to be able to repay their Chinese loans gradually. As the ADR has not functioned to the extend yearned for by Ethiopia, they now find themselves struggling to meet their financial obligations to China.

The creation of high external debt is a key aspect of dependency theory as it serves to exacerbate the reliance of the periphery on the core. Therefore, the loans from China come at a high price for Ethiopia as there are tremendous ramifications of a peripheral country's financial dependency as is seen in the case of Sri Lanka and Kenya, where both countries faced negative consequences for not repaying their loans. While Ethiopia may retain their autonomy over the ADR in the event of a collapse of the ERC, China could still gain decisive power over the Ethiopian government creating a debt-trap scenario.

As Ethiopia’s financial resources are tied up in loan repayments to China for the foreseeable future, the development of Ethiopia will be increasingly limited and a greater dependence on China for capital infusion is to be expected (Tarrósy, 2020; Kvangraven 2021).

SEZ and Sino-Ethiopian expertise exchange.

Special economic zoning has been a hugely successful economic policy implemented by China. More than 7000 SEZs have been created inside Chinas own borders (Wang, 2024). SEZ's can create separate legislation, which serves to increase trade balances, investment, employment and development. Ethiopia has been inspired by China as an example of successful implementation of SEZ's.

Ethiopian adoption of SEZs began as a process in the 2000s as Ethiopia is trying to transfer the Chinese SEZ expertise to their own developing economy (Wang, 2024).
Through SEZs the Ethiopian government can choose to specialize these zones into different industries, such as textile manufacturing. This specialization is incentivized through tools such as zone-specific legislation, taxes, and benefits. These specific industries are incentivized to centralize and develop within these special zones. Attempts are made to centralize industries in the hope of improving efficiency. Through clusters and eco-systems, the industries can specialize the logistics and infrastructure to support the growing economic zones (Wang, 2024; Tang, 2023). China as a trading partner can grant loans that enable Ethiopia to develop their power production, infrastructure and communication. This helps making up for Ethiopian technological disadvantage, in a monopolistic global market. If Ethiopia are to develop a competitive industrial sector, they might have to depend on foreign investments such as Chinas, to expand their economic growth potential. Industrializing has the potential to raise Ethiopian productivity. The products and expertise that Ethiopia can source from foreign companies are needed if Ethiopia are to make up for their technological disadvantages (Tang, 2023; Wang, 2024).

In understanding the policy transfer of the SEZ economic policy from China to Ethiopia, we assess how Ethiopia's SEZs have been inspired by Chinese SEZs. Ethiopia and modern-day China can be seen as being too far apart in their relative stage of development. Today China has modernized itself and grown its production capabilities as well as its technological sector, venturing into high-tech expertise-dependent products such as software, micro-chips, and robotics (Wang, 2024).

In the late 2000s Vice President Justin Yifu Lin of the World Bank promoted SEZs as a method for ensuring rapid economic growth in developing nations, due to how successful SEZs had been in East-Asian development (Wang, 2024).

At the same point of time in the 2000s, Ethiopia started experimenting with developing industrial clusters, as an alternative to SEZs (Wang, 2024). In 2014 over 100 members of the Ethiopian government approved a motion of a White Paper, which entailed the development of two industrial parks in Ethiopia (Wang 2024). Ethiopian policy makers especially looked towards China as a key inspiration for the implementation of SEZs. Some regions of China have become industrial hubs that rivals production capabilities in the traditional core of the Global North such as Germany and the US (Wang, 2024). Three of Ethiopia's first five SEZs were developed by Chinese companies. Chinese companies also directly contributed to construction of necessary infrastructure and lend technocrats to help with legislation, administration and policy implementation (Tang, 2023).

Technological Dependency

Through financing from foreign donors interested in the possibilities of Ethiopian SEZ adoption, can facilitate possibilities for upgrading Ethiopia’s technological capabilities (Tang, 2023). One of the strategies used by China to reach a higher level of capability in Ethiopian SEZs is through initiatives that provide the hard infrastructure needed to carry these industries such as logistics and electricity (Tang, 2023). To develop the SEZs in Ethiopia, the Ethiopian government relied on foreign Chinese construction companies with expertise in building SEZs (Wang, 2024). One of them being the CCECC, along with four other Chinese companies helped develop four additional SEZs post 2017 (Wang, 2024). The goal of the SEZs is to improve capabilities to a point of being able to develop more complicated products efficiently. Ethiopian companies are challenged by their ability to compete globally. The capitalist global market is dominated by the core whose infrastructure and technology far surpass that of a peripheral Ethiopia. Once the production capabilities are established Ethiopia can hope to competitively produce finished products such as shoes and apparel. The transfer of knowledge between these foreign investors and Ethiopian management can translate into practical and applicable skills for the latter. The growth and centralization of industries in these SEZs can further improve Ethiopia's future technological capabilities with increased concentration of industry and skilled labour. Corporations such as the CCECC and other Chinese companies need to develop a skilled local workforce within the SEZs for Ethiopia to continue development on their own terms independent of skilled foreign experts. If the skills necessary for future expansion of the SEZ programs are kept from Ethiopian citizens, then the growth will slow down without reliance on foreign experts and companies.

Whether Ethiopia will stay dependent on Chinas assistance in development towards technological capability improvement, depends on the transfer of knowledge towards Ethiopian self-sufficient development (Tang, 2023; Wang, 2024).

Expertise Dependency

Ethiopia and other developing countries, such as peer nations like Vietnam were lacking technical expertise required for implementation of SEZs (Tang, 2023). The lack of expertise was helped through foreign donors with expertise in SEZ development that could provide the knowledge and expertise required to implement proper administration. As an example, China had administrative agencies that provided their services to the two aforementioned nations to help them set up proper administration and legislation (Tang, 2023). China also invited multiple high-level Ethiopian officials to learn from Chinese Technocrats with SEZ policy expertise (Wang, 2024). The Chinese entrepreneur Lu Qiyuan saw Ethiopia as a relevant place for investing and decided, out of his own funds to invite 28 agents from the Eastern Industrial Zone SEZ to China (Wang, 2024). These agents found that the barely existing legal and legislative frameworks in Ethiopia posed a challenge in Ethiopia realizing sufficient SEZs (Wang, 2024). Chinese managers frequently helped officials from the Ethiopian Investment Commission to deal with labour and environmental regulations (Wang, 2024). The transfer of knowledge between the core state of China and peripheral Ethiopia helped guide the latter. Within the companies that arrived in Ethiopia it is important that the local populace gain the necessary skills to run SEZ companies through upper management level positions. This touches upon the problems of structures of production and polarizing tendencies of capitalist development, wherein the labour-intensive positions will be filled by peripheral state citizens. This will entrench the expertise required positions in the hands of foreign expatriates. The highlighted industries transferring their production to Ethiopia are exactly labour-intensive industries such as apparel. In the long term, without a significant share of administrative role- and skilled labour-training given towards Ethiopian workers, we can assume the SEZs will stay reliant on foreign companies bringing their own expertise into Ethiopia (Wang, 2024; Tang, 2023).

Financial Dependency

Setting up SEZs is expensive due to both the administrative costs and the infrastructure needed to make SEZs operational (Tang, 2023). Foreign donors such as the Chinese helped realise these projects. Chinese companies were directly involved in the creation of three out of the first five SEZs in Ethiopia (Tang, 2023). Former prime minister Meles (1995-2012) directly invited Chinese companies to invest in Ethiopia (Wang, 2024). The involvement with these companies helps Ethiopia gain a network of investors and will foster continued cooperation (Wang, 2024). The SEZs are also dependent on legislative advantages to attract foreign investment. This can be seen in 2014 when 49 foreign textile and apparel manufacturers visited the prospect SEZs of Ethiopia, Kenya and Uganda, while finding that Ethiopia's SEZs outperformed the others due to proactive government legislation (Wang, 2024). With the required proactiveness of the government from foreign companies to keep making incentives through reduction of legislation - potentially removing worker protections or through tax breaks, the SEZ can make sure that they can compete with peer periphery SEZs. Foreign investment facilitates development and are the basis to judge if a SEZ is successful. The ability to attract foreign companies is key to determine the competitiveness of SEZs in developing nations. If foreign companies require every SEZ competing in Ethiopia to make large tax incentives and reduce labour costs we can assume that for a period, it will result in a 'race to the bottom', delaying profitability for short term interest. The capitalist core investors will then reap most of the profits made off the products produced in factories and workshops created in Ethiopian SEZs. If local companies and the populace is unable to compete with these foreign companies, it will create an environment that perpetuates the need for foreign capital (Wang, 2024; Tang, 2023).

Unequal exchange

Unequal exchange within Ethiopian SEZs is determined by which companies are able to develop and succeed. Foreign companies can outcompete Ethiopian companies with greater economies of scale due to their advantage in size. If that is the case, then it will not be Ethiopian companies entering the global market, but rather the foreign companies using the labour of Ethiopian workers for profit. If so, it will be the capital of the core countries that stand to gain from the incentives that SEZs can provide. Neither Tang (2023) or Wang (2024) mention Ethiopian companies being setup within SEZs. Ownership of the products produced by the labour in the peripheral state of Ethiopia will fall into the hands of Core capital. This plays into problems of the polarizing tendencies of capitalist development, wherein the periphery will not truly elevate themselves into becoming part of the capital holders in the global market. The short-term gains of the foreign companies are dependent on the constant low-labour costs within Ethiopia. For Ethiopia to stay competitive it will have to keep its worker wages low further diminishing Ethiopia's growth. If the capital raised through loans taken to create these SEZs, are given to Chinese companies developing the infrastructure necessary for production and the foreign companies leave, then Ethiopia will be left with debt, without industry to utilize its newfound infrastructure and will likely default on maintaining the development (Tang, 2023; Wang, 2024).

Discussion

China’s rationale for investing in Ethiopia

A major rationale for China’s involvement in Ethiopia and Africa in general, is strengthening their geopolitical position. As U.S investments and financial aid to Africa has been decreasing in past decades, China has detected a unique opportunity to gain new allies in the African continent. By 2006, China surpassed the U.S as the main donor of financial aid to Africa. Studies show that aid can be directly linked to voting consistency in the UN General Assembly showcasing how financial aid influences voting behaviour (Xu et al., 2024). Evidence of this can be observed in how African countries helped China supress a critical statement from the UN Human Rights Council regarding Tibet. African voting power is not to be dismissed as the continent has a voting capacity of 54 states (Bouzerouata, 2019). Therefore, we argue that China strategically donates aid to African countries to gain support on the international stage by challenging western hegemony.

Ethiopia provides an excellent gateway to examine how China strategically strengthens its geopolitical power via investments and aid. Due to Ethiopia’s economic boom, with GDP increasing by 195% between 2012 and 2022, and the doubling of their population since 2000, Ethiopia has become a major player in Africa, especially in the Horn of Africa. While Ethiopia’s internal strategies trump their foreign policy objectives, they have successfully dominated the African Intergovernmental Authority on Development (IGAD) to secure regional objectives. Ethiopia is the largest and most impactful state in the Horn of Africa and is seen as a stabilizing force in the region. China thereby increases their influence in the entire Horn of Africa by increasing their influence in Ethiopia (Cilliers et al., 2015; Worldometer, n.d; OEC, n.d).

Another way China secures geopolitical strength in Ethiopia through investments is showcased by the expansion of their military presence in the region.
As mentioned earlier in the project, the ADR connects Addis-Ababa to the port of Djibouti, which also houses the Chinese People’s Liberation Army’s (PLA) first overseas naval base. The official rationale for construction of the Chinese military base is, according to Beijing, that it is actually a ‘logistical support facility’ and not a military base. The CCP explains that the so-called ‘logistical support facility’ was constructed to assist PLA troops taking part in

anti-piracy operations off the coast of Somalia, as well as supporting UN peacekeeping and humanitarian missions in continental Africa. However, there has been no reports of Chinese peacekeepers being deployed through the base as of 2020 (Cabestan, 2020).
Unofficially, China's military base in Djibouti serves to enhance China's military presence in east Africa and to protect the 100.000 Chinese nationals living there, 60.000 of them in Ethiopia. The base also serves as a vessel for China to provide security to their many infrastructure projects in the Horn of Africa and along the BRI (Cabestan, 2020).
Therefore, we argue that a major rationale for China's investments in Ethiopia is strengthening their geopolitical standing in the Horn of Africa. By constructing the ADR, China provides a direct connection between their own military and the rest of Africa. China is now able to provide additional military support and training to its African allies, as it does in Ethiopia, protecting its economic interests and showing the countries connected to the BRI, that China can and will provide security if needed. Ethiopia is now able to rely on China for both monetary and military support (Cabestan, 2020; Cabestan 2012).

Ethiopia's rationale for cooperation with China

It could be argued, that while the Sino-Ethiopian strategic relationship aligns with Ethiopia's developmental aspirations, it exposes Ethiopia to the ramifications of dependency. There are many concerns regarding the asymmetry of the partnership and speculations about whether Ethiopia will be caught in a cycle of indebtedness and turned into a Chinese neo-colony (Verdonk, 2018).

In recent years, Ethiopia has become a key actor in the China-Africa strategic partnership due to its strategic position in the Horn of Africa and its economic ambitions. Given Ethiopia's status as a key actor and its developmental state model, we will in this section explore its motives for choosing China and discuss criticisms of their collaboration. Furthermore, we will discuss the implications of the 3rd Sino-Ethiopian Joint Committee on Scientific and Technological Cooperation. Lastly, we will discuss how Chinese collaboration has shaped Ethiopian self-determination and its geopolitical power.
As mentioned in the chapter on 'Historical Development', the beginning of the 2000s marked a new phase for the Ethiopian development strategies. The government implemented a strategy for long-term national development named the 'Growth and Transformation Plan',

where the main goal was to transform the Ethiopian economy from agricultural subsistence towards an industrialized and modern middle-income country by the year 2025 (Verdonk, 2018). Under Prime Minister Meles Zenawi, a new development strategy was articulated: Meles pointed out poverty as being Ethiopia's greatest enemy and was, therefore, determined to adopt a policy that would put its people into employment. Ethiopian motives were mainly driven by the aspirations of the state directing the private sector toward creating long-term value rather than encouraging rent-seeking behaviours. In this strategy, large-scale infrastructure projects, human resources, telecommunications, and hydroelectricity were to enhance industrial growth and reduce poverty. On the one hand, it can be argued, that to achieve these goals, the Chinese model which had achieved swift development and bypassed neo-liberal Western models, aligned well with Ethiopia's motivations (Verdonk, 2018). On the other hand, as emphasized in the literature review, prior studies of the BRI note the importance of maintaining a critical perspective when exploring Chinese investments in BRI countries. In line with this criticism, many arguments presented in the analysis, such as Financial- and Technological dependency, and unequal relations highlight the potential risks and ramifications of collaborating with China.

However, contrasting many of these sceptical arguments about Ethiopia's reliance on China are the outcomes of the recent 3rd Sino-Ethiopian Joint Committee on Scientific and Technological Cooperation. As The State Council of the People's Republic of China (2024) emphasizes, the recent agreement between China and Ethiopia seeks to further improve cooperation in the field of science and technology. In detail, the agreement entails the improvement of the sectors of technology transfer, human resources development, and the establishment of scientific laboratories.

In light of this, there is reason to believe that the agreement could be a significant leap forward in reducing Ethiopia's technological dependency on China. Notably, it aligns positively with Ethiopia's goals of transforming its country into an industrialized, modern middle-income country by 2025. In promoting this ambition, the Ethiopian minister of innovation and technology underlined, during the committee that Ethiopia aims to position itself as a regional hub for technological excellence and innovation by investing in research and development, promoting entrepreneurship, and fostering collaboration among key stakeholders (The State Council of the People's Republic of China, 2024).

A critical perspective suggests that one should be weary of what in reality is being done versus what is said to be done by the government. It is important to note that while the recent agreement offers a potential pathway to reducing Ethiopia's technological dependence on China, none of the plans have been carried out yet. As previously stated in the 'Inclusion and exclusion criteria' chapter; to ensure the validity of Chinese sources we compare them with additional information available to us. Therefore, ensuring the validity of future Chinese incentives proves difficult since information on the agreement is poor.

Ethiopia's pursuit of development and geopolitical power

For Ethiopia, leveraging Chinese financial support, expertise, and infrastructure investments has allowed them to meet their development priorities, modernizing crucial infrastructure, such as the ADR and LRT. Moreover, the collaboration with China allows for greater Ethiopian self-determination. By depending less on its traditional Western partners, Ethiopia increases its bargaining power with other potential partners. This stands in contrast to Western partners, where collaboration often comes with conditions restricting Ethiopia's development interests (Verdonk, 2018). The self-determination that spans from its relationship with China is evident in cases such as the abovementioned Sino-Ethiopian Joint Committee on Technological Cooperation and China's noninterference policy during the Tigray War.

In the same vein, Ethiopia also strengthens their geopolitical power from its collaboration with China. In detail the new 'All-Weather Strategic Cooperation Partnership', gives Ethiopia the ability to pursue their own internal interests. Ethiopia is heavily involved in the ongoing civil war of its western neighbours, The Republic of Sudan. Ethiopia is concerned about its own internal security, and in particular rebel groups along the South-Sudan border. Both Ethiopia and China are interested in securing political stability in South-Sudan since China refines oil there and Ethiopia's energy needs are dependent on this. However, both China and Ethiopia have encountered difficulties, since South Sudan's oil is currently exported through the northern part of Sudan (ISPI, 2019).

As 2025 approaches, how does Ethiopia's aspirations of becoming a middle-income country look? While agreements, such as the 3rd Sino-Ethiopian Joint Committee on Scientific and Technological Cooperation show promising Ethiopian initiatives for employing themselves at higher levels of technological professions, the Ethiopian government can still improve its competence and capability in infrastructure projects that still are carried out by Chinese companies. An ideal situation of Ethiopian engagement in infrastructure projects would involve Chinese banks only providing the funding. This would allow the Ethiopians to gain full control over the process, and as a result be able to maximize their profits (Verdonk, 2018).

Conclusion

This study has examined China's involvement in Ethiopia by analysing the significance of Chinese investments via specific cases within the BRI, and how these relate to the dependency characteristics posed in our literature review. Hereby, we have investigated the potential ramifications BRI infrastructure projects can have on Ethiopia's financial, technological and expertise dependency. Our main findings presents that the impact of China's investments reproduce dependency regarding Ethiopia not developing its domestic technological sectors, as Chinese concessional loans require Ethiopia to employ Chinese contractors and import Chinese manufactured goods. China's economy vastly exceeds Ethiopia's, which we have shown can lead to exploitative behaviour, as their bilateral agreements predominantly benefit China. Sino-Ethiopian cooperation contextualizes unequal exchange and terms of trade, thus reproducing characteristics of core-periphery relations, where the division of labour is detrimental to the periphery and capital is concentrated in the core.

In relation to the ADR, by analysing the characteristics of dependency we can conclude that the construction and operation of the ADR contributes to Ethiopian dependence on China. While the ADR signifies an important infrastructural achievement for Ethiopia, the conditions of financial, technological and expertise dependency could further exacerbate the unequal relationship between the core-China and the periphery-Ethiopia. Ethiopia has come to rely on Chinese technology and expertise to further develop their infrastructure sector as they do not possess the necessary tools and knowledge themselves. The financing of the ADR also fosters dependency as Ethiopia could be forced cede autonomy to China if it is not able to repay its loans.

Through cooperation with Chinese companies in the SEZs and strengthening trade networks Ethiopia might deepen their dependency on China. China can use its expertise and technological advantages to develop Ethiopian infrastructure and industry. Effort in developing Ethiopian expertise is critical to limit dependency on China. Chinas investments result in an increase in technological capacity, as the infrastructure provides necessary logistics and power for Ethiopia's industrial sector to expand its production capabilities. Net positives are contradicted by dependency on foreign investment for solvency and growth of Ethiopian SEZs. Debt incurred to develop infrastructure get unsustainable if that infrastructure stop facilitating industry and being a source of economic growth.

The future of sustainable Ethiopian development heavily relies on its ability to repay the Chinese loans. As mentioned, Ethiopian autonomy and control over critical infrastructure could be affected by a possible debt-default continuing the cycle of adverse development. Large-scale infrastructure is crucial for Ethiopia's future development and is critical for its access to global trading networks and natural resources. Additionally, we can conclude that China will continue to strategically invest and donate aid to African countries, especially Ethiopia, to increase its geopolitical power by influencing UN voting.

Alternatively, the recent Joint Committee on Scientific and Technological Cooperation offers an opportunity for Ethiopia to reduce its technological dependency on China. The All-Weather Strategic Cooperation Partnership could improve Ethiopia's self-determination, providing it with greater bargaining power for potential partners and reducing reliance on Western partners.

In conclusion, Chinese assistance in Ethiopia's development align with Ethiopia's motivations of transforming its economy and transitioning to a middle-income country. However, our analysis of the characteristics of dependency theory exemplifies the negative impacts of China's involvement in Ethiopian infrastructure. The future implications that this could have on Ethiopian development have yet to be seen.

Bibliography

African Development Bank Group. (2024). *African economic outlook 2024: Driving Africa's transformation: The reform of the global financial architecture*. African Development Bank. https://www.afdb.org/sites/default/files/2024/06/06/aeo_2024_-_country_notes.pdf

Agbebi, M., & Virtanen, P. (2017). Dependency theory: A conceptual lens to understand China's presence in Africa. *Forum for Development Studies, 44*(3), 429–451. https://doi.org/10.1080/08039410.2017.1281161¨

Amanuel, M., & Nurhusien, T. (2018). *Ethiopia-China diplomatic relations: Challenges and opportunities*. Retrieved from: https://www.diva-portal.org/smash/get/diva2:1231215/FULLTEXT01.pdf

Bayu, B. (2022). Ideological differences in the Sino-Ethiopian relations from the early 1950s to the late 1960s. *Open Journal of Political Science, 12*(2), 125–143. https://doi.org/10.4236/ojps.2022.122008

Bilate, G., & Zou, X. (2021). 50-year China-Ethiopia diplomatic relations: Achievements and challenges. *Journal of African Foreign Affairs (JoAFA, 8)*(1), 77–96. https://doi.org/10.31920/2056-5658/2021/v8n1a4

Bouzerouata, O. (2019, February 11). China's engagement in Africa: A realist perspective. *Future Globalist.* Retrieved December 10, 2024, from: https://www.future-globalist.org/issues/chinas-engagement-in-africa-a-realist-perspective

Cabestan, J.-P. (2012). China and Ethiopia: Authoritarian affinities and economic cooperation. *China Perspectives, 2012*(4), 53–62. https://doi.org/10.4000/chinaperspectives.6041

Cabestan, J.-P. (2020). China's military base in Djibouti: A microcosm of China's growing competition with the United States and new bipolarity. *Journal of Contemporary China, 29*(125), 731–747. https://doi.org/10.1080/10670564.2019.1704994

Carrai, M. A. (2021). Adaptive governance along Chinese-financed BRI railroad megaprojects in East Africa. *World Development*, *141*, Article 105388. https://doi.org/10.1016/j.worlddev.2020.105388

Chakrabarty, M. (2016). Ethiopia–China Economic Relations: A Classic Win–Win Situation? *World Review of Political Economy*, *7*(2), 226–248. https://doi.org/10.13169/worlrevipoliecon.7.2.0226

China Exim Bank. (2016). Exim Bank annual report 2016. Retrieved from http://english.eximbank.gov.cn/News/AnnualR/2016/201807/P020180718670634794046.pdf

China Railway Group Limited (CREC). (n.d.). Homepage. Retrieved April 12, 2024, from https://www.crecg.com/zgztywz/10199099/10199102/index.html

Cilliers, J., Schünemann, J., & Moyer, J. D. (2015). Power and influence in Africa: Algeria, Egypt, Ethiopia, Nigeria, and South Africa. *Institute for Security Studies and Frederick S. Pardee Center for International Futures.* Retrieved from: https://korbel.du.edu/sites/default/files/2022-02/AfricanFuturesNo14-V2.pdf

Ellner, S. (2024). Dependency theory and its revival in the twenty-first century. *Latin American Research Review*, *59*(3), 744–757. https://doi.org/10.1017/lar.2024.12

Himaz, R. (2019). Challenges associated with the BRI: A review of recent economics literature. *The Service Industries Journal*, *41*(7–8), 512–526. https://doi.org/10.1080/02642069.2019.1584193

ISPI (2019, September 20). *China-Ethiopia relations and the Horn of Africa*. Retrieved December 11, 2024, from: https://www.ispionline.it/en/publication/china-ethiopia-relations-and-horn-africa-23968

Jacobsen, M. H., Lippert-Rasmussen, K., & Nedergaard, P. (2015). Chapter 8: Strukturalismen. In *Videnskabsteori* (3rd ed.) (pp. 297–308). Hans Rietzel Forlag.

Kay, C. (2019). Theotonio Dos Santos (1936–2018): The revolutionary intellectual who pioneered dependency theory. *Development and Change*, *51*(1), 276–295. https://doi.org/10.1111/dech.12560

Kvangraven, I. H. (2021). Beyond the stereotype: Restating the relevance of the dependency research programme. *Development and Change, 52*(1), 76–112. https://doi.org/10.1111/dech.12593

Martins, C. E. (2022). The longue durée of the Marxist theory of dependency and the twenty-first century. *Latin American Perspectives, 49*(1), 39–56. https://doi.org/10.1177/0094582X211052029

Moberg, L. (2015). The political economy of special economic zones. *Journal of Institutional Economics, 11*(1), 167–190. https://doi.org/10.1017/S1744137414000241

Modern Diplomacy. (2024, April 26). What does Ethiopia learn from China? Retrieved 1/12/2024, from: https://moderndiplomacy.eu/2024/04/26/what-does-ethiopia-learn-from-china/

Ndzendze, B., & Monyae, D. (2023). Perspectives on Africa-China infrastructural and industrial cooperation: Empirical findings and conceptual implications. *Springer Nature Switzerland.* https://doi.org/10.1007/978-3-031-38395-3

Tang, K. (2023). The political economy of special economic zones: The cases of Ethiopia and Vietnam. *Review of International Political Economy, 30*(5), 1957–1983. https://doi.org/10.1080/09692290.2022.2152073

Tarrósy, I. (2020). China's Belt and Road Initiative in Africa: Debt risk and new dependency—The case of Ethiopia. *African Studies Quarterly, 19*(3–4), 8–28. https://doi.org/10.32473/asq.19.3-4

Tarrósy, I., & Voros, Z. (2024). The China-Built Addis-Djibouti Railway Gains Steam. *Tribune Content Agency LLC.* Retrieved from: https://thediplomat.com/2024/02/the-china-built-addis-djibouti-railway-gains-steam/

Taylor, I., & Zajontz, T. (2020). In a fix: Africa's place in the Belt and Road Initiative and the reproduction of dependency. *South African Journal of International Affairs, 27*(3), 277–295. https://doi.org/10.1080/10220461.2020.1830165

Tesfaye, A. (2020). Chapter 5: The long-term perspective; Chapter 6: Conclusion. In *China in Ethiopia* (pp. 93–115, 117-126). State University of New York Press. https://doi.org/10.1515/9781438478364-010

The Observatory of Economic Complexity. (n.d.). China and Ethiopia trade relationship profile. *OEC.* Retrieved December 12, 2024, from: https://oec.world/en/profile/bilateral-country/chn/partner/eth

The State Council of the People's Republic of China. (2024, July 27). China and Ethiopia deepen scientific and technological cooperation. Retrieved from: https://english.www.gov.cn/news/202407/27/content_enWS66a4341dc6d0868f4e8e97ec.html

The Reporter Ethiopia. (2023, October 21). Changing winds: A new era beckons for Ethio-China relations. Retrieved December 12, 2024, from: https://www.thereporterethiopia.com/37025/

Verdonk, T. (2018). *South-South cooperation: A case study of Ethiopia's political and economic relations with China and Turkey* [Master's thesis, Linnaeus University]. DiVA. https://urn.kb.se/resolve?urn=urn:nbn:se:lnu:diva-76680

Wang, Y., & Zhang, H. (2024). Individual agency in South-South policy transfer: China and Ethiopia's industrial park development. *Review of International Political Economy: RIPE*, *31*(5), 1544–1568. https://doi.org/10.1080/09692290.2024.2335994

Worldometer. (n.d.). Ethiopia population. Retrieved December 10, 2024, from: https://www.worldometers.info/world-population/ethiopia-population/

Xu, X., Wan, G., & Chen, Y. (2024). Sino-US competition for political influence in Africa: Can bilateral aid buy UN votes? *International Peacekeeping.* https://doi.org/10.1080/13533312.2024.2418068

Yin, R. K. (2018). *Case study research and applications: Design and methods* (6th ed.). SAGE Publications.