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Chinese Development Co-operation in Africa: The Case of Tembisa's Friendship Town

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ABSTRACT

Chinese development co-operation in Africa has invoked both admiration and criticism, much of it based on limited empirical or anecdotal evidence, contributing to conflicting perceptions as to its purpose, means and outcomes. Unpacking the policies, institutions and instruments of Chinese development co-operation is a necessary prerequisite to understanding the impact that this form of assistance has on African economies and livelihoods. Moreover, examining particular case studies of development co-operation provides an opportunity to assess the relative success and failure of what the Chinese government likes to characterise as a unique form of foreign assistance. For this reason, the focus of this paper will be on one example of Chinese development co-operation, a housing project based in the South African township of Tembisa, as a way of illuminating the differing dimensions of this key aspect of Chinese engagement in Africa.

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OVERVIEW OF CHINESE DEVELOPMENT CO-OPERATION IN AFRICA

The history of Chinese development assistance to Africa in many respects mirrors the changing dynamics of Chinese domestic politics and economic circumstances. Starting in 1956, and coinciding with Egypt's diplomatic recognition of the People's Republic of China (PRC), the Chinese government initiated a modest development co-operation scheme aimed at African countries. The historical context of this foreign assistance is crucial to understanding the form that it has taken, both in terms of the rhetoric associated with it and the actual programming involved. The notion that developing countries faced a similar set of challenges, be they developmental or nation building, that distinguished their interests from those in both the West and the Soviet Union, is a fundamental feature of the Bandung era.¹ The central tenets of Chinese foreign policy were formulated in this period, with the emphasis on mutual respect, non-interference in other countries' domestic affairs and mutual benefit in forging economic co-operation among developing countries. These features were of import to the shape of Chinese development co-operation, as is reflected in the eight principles of foreign aid co-operation with Africa outlined by PRC Foreign Minister Zhou En-lai during his tour of the continent in 1963–64.

What some critics would characterise as the explicitly political aspects of Chinese development co-operation in this period – namely the idea of solidarity, sovereignty and non-interference, as well as mutual benefit as the basis for co-operation – bear closer examination, as they continue to influence contemporary programming. *Solidarity* is important as it highlights not only the shared developmental context of China and the host countries it is working with, but provides assurances that political fidelity plays as much a part in the purpose of co-operation as does any economic rationale. *Sovereignty* and *non-interference* speak not only to the need for post-colonial consolidation through nation building in virtually all developing countries, but also recognise that these principles serve as a stabilising mechanism in an international system subject to claims and counter-claims of legitimacy rooted in factors like ethnicity and competing historical narratives. Finally, the centrality of *mutual benefit* – which is often passed over as merely the rhetorical posturing of the day – promotes the notion that any economic interaction between developing countries must be predicated on ensuring that gains are experienced by both countries. This principle has the effect of identifying areas of common interest, where each participant is able to derive some form of benefit from a particular project and use this as a platform for building further co-operation. This deliberate forging of interest-based links between China and the host country has the potential to create sustainable forms of engagement between the participants in these projects. In effect, elements of what is known as 'tied aid' – i.e. the use of donor materials, companies and personnel to provide technical and project-based assistance – is recast as 'South–South co-operation', and its attendant expression of 'mutual benefit' is a development strategy that builds on the ideals of solidarity.

The shift from the ideological basis for development assistance to the mutual benefit framework marked a major turning point away from any ideological considerations as a basis for co-operation. In December 1982, China's premier, Zhao Ziyang, embarked on a tour of 11 African states with the aim of explaining the changes in foreign aid policy to African governments.² Behind these changes were a desire on the part of Beijing to revive

its foreign policy in Africa, which had suffered neglect during the Cultural Revolution and its aftermath (when all but the Chinese embassy in Cairo had been shut down), and a concomitant need to bring China's foreign economic co-operation into line with the changes in domestic economic policy and its 'new independent' foreign policy. Specifically, the new orientation of 'opening and reform' of the Chinese economy was predicated on introducing the market mechanism into sectors through gradualism and attracting foreign capital and technology into China. In keeping with this, the Four Principles of Sino-African Economic and Technical Co-operation declared that China's foreign assistance would in future be provided on a mutual benefit basis alone, no longer responding to the ideological shibboleths of the past, but would nonetheless continue to respect the principles of sovereignty and non-interference; it would be oriented towards achieving practical results; technical co-operation would conform to the needs and specificities of the host country; and the aim of mutual benefit and common development would be to enhance self-reliance.³

The contemporary structure of China's economic co-operation with Africa derives from this period, revolving around three basic instruments: grants, interest-free loans and concessional loans. Grants are aimed at social projects, technical assistance, training and disaster relief. The primary modality of this form of assistance is decidedly not cash, but rather grants in kind, with housing, clinics and schools being the favoured application of this kind of support. Interest-free loans are provided to assist with the construction of larger infrastructure such as roads, railroads and dams. According to Davies, '[d]ebts derived from these loans – and some debts from concessional loans – have been subject to debt cancellations, in effect turning loans into grants'.⁴ Finally, concessional loans (which the Chinese commonly called 'preferential loans') are low-interest loans provided over a period as long as 20 years at below market rates subsidised by the government.

The key institutions involved in Chinese development co-operation reflect the centrality of mutual benefit to the contemporary formulation of foreign assistance policy.⁵ The Department of Foreign Aid of the Ministry of Commerce (MOFCOM) handles the bulk of the aid flows to Africa. It is charged with formulating and implementing policies and monitoring aid – be it in the form of grants or interest-free loans. Regional units within MOFCOM, namely the West Asia and African Affairs division, play an advisory role in this process. MOFCOM manages the tendering process for specific projects, with tenders being submitted by a group of approved companies. The economic and commercial counsellor is MOFCOM's representative in a given recipient country and, as such, is in charge of overseeing the implementation of particular projects as part of MOFCOM's overall role in managing bilateral aid.

The Export-Import Bank of China (China Exim Bank), a state-run financial institution founded in 1994, falls directly under the State Council (China's highest administrative body) and has been the leading financial institution involved in providing concessional loans for projects in Africa. In 2006, for instance, this bank provided an estimated \$12–15bn in concessional loans to Africa, more than the World Bank. More recently, the China Development Bank, also established in 1994 as a state policy bank, has been authorised by the State Council to handle the \$5bn China–Africa Development Fund launched at the Forum for China–Africa Co-operation in November 2006. The Ministry of Foreign Affairs (MOFA) plays a part in shaping policy towards Africa, primarily through the work of its Department for African Affairs, and has some direct role in dispensing

humanitarian assistance through a discretionary fund. Notably, although MOFA officials are often called upon to serve as public spokespersons for aspects of the government's aid policy, their actual involvement in shaping it seems to be secondary when compared to MOFCOM. Moreover, there are concerns that the commercial rationale behind the MOFCOM approach is not always fully attuned to the 'win-win' nature of economic co-operation espoused by the Chinese leadership.⁶ Finally, while the Ministry of Finance annually allocates the budget for economic co-operation and aid that ends up as bilateral aid dispersed by MOFCOM, funds aimed at multilateral aid are dispersed directly from the former ministry to any of the African regional development banks and international financial institutions.

There are certain elements of Chinese economic co-operation that are worth highlighting, as they either differ from contemporary Western donor practice or, despite rhetorical assertions to the contrary, replicate aspects of it. Neither financing in the form of cash gifts nor budget support are favoured by Beijing, and are rarely utilised. Chinese scholars have suggested that the preference for projects in kind reflects in part a desire to manage closely funds expended by the Chinese and ensure that they are not wasted by recipients.⁷ Of equal importance is the fact that the application of 'mutual benefit' has made the use of Chinese factors of production – management, labour, equipment and supplies – a feature of any prospective project. This stands in contrast with the donors channelling aid through the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD-DAC), who have committed themselves to eliminating this sort of 'tied aid' (as the use of donor materials and manpower is characterised), although only two OECD countries have in fact fully implemented this commitment. As with the financing of projects, a strong domestic rationale in the form of Chinese competitiveness; the oversupply of local firms in areas like construction; cultural cohesion; and work ethic, as well as familiarity with Chinese government procedures, are all features that explain the preference for use of Chinese firms and factors of production in the delivery of projects.

Another element in the Chinese approach that differs from that of traditional actors is that the Chinese insist that their project personnel conform to local standards and that they do not receive 'special treatment', which effectively means that their wages and living arrangements are equivalent to those found in the host country. Needless to say, staff of Western and South African firms operating in Africa have traditionally had considerably higher wages, standard of living allowances and other packages that inflate the costs of their work. Finally, unlike the OECD-DAC countries, the Chinese government does not publish any annual statistics on its development assistance, either in aggregate form or in terms of particular projects. The result is that what is known about it is usually anecdotal and not subject to comparison, either across other Chinese programmes, over time or with other countries' foreign aid. The result is that, despite assurances by Chinese officials (and, indeed, a rationale given by Beijing as to why it would not join OECD-DAC and adapt itself to what it characterised as OECD-DAC's 'less efficient' donor practices), objective judgements about the efficiency of Chinese aid are difficult to make.

THE ORIGINS OF THE TEMBISA FRIENDSHIP TOWN PROJECT

As in other African states, the pattern of Sino–South African relations bore the imprint of the Cold War. Under the National Party, official ties with the Republic of China on Taiwan were upgraded after 1979, reflecting a shared form of virulent anti-communist outlook and, concurrently, the growing diplomatic ambivalence experienced by both governments on the part of the West.⁸ At the same time, the PRC had by 1984 moved towards developing cordial ties with the African National Congress (ANC) – which had traditionally been closely associated with the Soviet Union, Beijing’s Cold War rival – as South Africa’s key liberation movement. With the advent of democratic elections in South Africa in April 1994, the widespread expectation was that a switch in official recognition by South Africa to Beijing would swiftly follow. The fact that this did not become a matter of controversy within South Africa, drawing politicians, businesspeople, trade unionists, human rights activists and scholars into a very public debate as to the merits of recognition.⁹ Competing promises of investment and aid packages emanating from Beijing and Taipei captured the headlines in South Africa, but by late 1996 the weight of evidence had compelled President Nelson Mandela to abruptly announce a switch to recognising Beijing, which would formally transpire after a 13-month period of ‘grace’.

It was in this context that the first Chinese development co-operation project for South Africa was devised and launched. The Chinese government had told its South African counterpart that funds were available for a ‘gift’ project in acknowledgement of the change in diplomatic relations scheduled for 1 January 1998. These resources, totalling R25 million, were not earmarked for any particular sector, but the Chinese government was open to projects that were deemed to be important by the incoming ANC government. Hearing of this prospective new source of finance, Wynand Theron, manager of Urban Planning and Economic Development in the then Edenvale/Lethabong Regional Services Council (RSC), undertook to travel to China at his own expense to investigate the possibilities of securing Chinese support for development projects. In particular, Theron wished to explore the possibility of using Chinese funds to support the development of an area previously zoned for mixed commercial and residential use that had been unable to attract investor finance, and to put these funds towards building low-cost public housing there.¹⁰ Given the housing backlog in the Johannesburg-based township, with an estimated 18 000 houses needed to meet local demand at the time, the project fitted in well with the priorities of the ANC and its local constituents. At the same time, however, although supportive of the idea of public housing, the RSC was not initially keen on using Chinese sources for the project.¹¹ Once he received the go-ahead from the RSC, Theron contacted the South African Treasury and, working in conjunction with the Chinese economic and commercial counsellor’s office, which was authorised to release and monitor funds, eventually was able to secure the support of all parties necessary to begin the project.

The project was finally agreed upon in 1998 with a formal agreement signed between the two governments and a project implementation agreement signed between Edenvale/Lethabong Local Council (as it had now become) and the China National Corporation for Overseas Economic Co-operation (CCOEC). The aim was to build 664 units of low-cost housing on the site known as Commercia Extension 9 in Tembisa township. A unique feature of the project was the decision to build houses that were aimed at the lower- to middle-income residents of the township. This was because of the fact that the existing

government programmes were oriented towards providing basic housing – so-called ‘sites and services’ or Reconstruction and Development Programme (RDP) housing – for former squatters and homeless people, but no provisions were being made for those individuals who were better off, but unable to afford the more costly housing outside the township. Moreover, the housing project would be built in the form of a security village, reflecting the growing concerns over crime by better-off township residents, and, unlike the RDP houses that were provided free of charge to qualifying applicants, it would be put on a self-sustaining basis. To realise this, the council agreed to establish the Lethabong Housing Institute (LHI) as a Section 21 (i.e. limited liable) company to oversee the development and manage revenue generated through sales of the housing units to the public, as well as to address the legal requirements of South African building regulations. This meant that each housing unit would be developed and sold on a commercial basis, like any commercial housing development; however, the proceeds of sales would be pooled and invested by the LHI so as to create a larger capital base for the funding of future housing projects.¹²

According to Alfred Sepirwa, an ANC councillor with the Edenvale/Lethabong Local Council at the time, consultations were held with the local community in Tembisa to assess their interest in the property to be developed.¹³ When asked whether they wished the council to continue to try to attract industry to locate at the site (the original intention was job creation) or instead to develop residential housing, community members indicated that they would prefer to have housing.¹⁴ At the same time, it was recognised that some of the employment requirements of the community could be met by including its members in actual project activities. The result was that it was agreed by the council and the Chinese representatives that the Chinese firm contracted to do the construction would hire and train local subcontractors to ensure that the project generated skills and income for the local community.¹⁵

In the meantime, MOFCOM held an internal tendering process and selected CCOEC as the implementing agent for the construction of the housing project. CCOEC had a track record of construction work outside of China, primarily in South-East Asia, but increasingly in other parts of the world.¹⁶ Many of these projects were contracted through MOFCOM and funded by the China Exim Bank, and included road and housing construction. As the key contractor, CCOEC was given a seat on the LHI, along with council members, and a project manager was appointed to oversee the day-to-day activities of the Chinese firm and, once they were hired, its local subcontractors. Funds for this ‘gift’ project were to be provided by the Chinese Ministry of Finance and administered through MOFCOM. The first tranche of money, an amount of R800,000, was paid by CCOEC to the LHI to purchase the land in Commercia Extension.

IMPLEMENTING THE TEMBISA FRIENDSHIP TOWN PROJECT

Overview of the project

The proposed time line for the project was two years, starting in 1998 and finishing in 2000. A turnkey project with 664 units of housing¹⁷ was to be developed. It was, however, not an easy project, and it did not run smoothly according to schedule. With delays caused by visa

problems and hold-ups in zoning and other applications, the project was eventually finalised and handed over to the Ekurhuleni Metropolitan Municipality on 16 November 2001.

To begin with, the Chinese implementing agent, CCOEC, faced tremendous challenges. Although most of these were commercial in nature, starting up a new business in South Africa was not an easy task for a Chinese company that had little knowledge of doing business in the country. Among other problems, visa applications were at one stage one of the most conspicuous barriers to entry. Instead of issuing the appropriate work permits, the South African Department of Home Affairs only granted CCOEC personnel temporary business visas, which made setting up the office extremely difficult, as almost all set-up applications, e.g. the lease of an office and residences, or applying for telephones or cell phones, required a valid work permit. It was with Theron's¹⁸ help that CCOEC got its office and telecommunication necessities set up. According to a former CCOEC employee, problems with visa applications were a constant issue for the company, delaying the arrival of the technical team and eventually impacting on the project delivery date.

Getting to know the rules and procedures of property development in South Africa was yet another barrier to entry where CCOEC experienced a sharp learning curve and might have paid a higher cost. Although CCOEC had substantial experience operating in some African and South-East Asian countries prior to this project, South Africa, being an unfamiliar country with a mixed economy and many building standards similar to those of developed countries, was indeed challenging to CCOEC. The company needed to learn the rules and comply with them effectively. According to 'Smiley' Schoon, the property and legal affairs consultant for the Edenvale/Lethabong Local Council, Friendship Town was developed in the same way as all other commercial developments in South Africa, and CCOEC followed the same rezoning and application procedures with the council. No South African government exemption had been granted to CCOEC to allow it to escape from any rules associated with this sort of project. However, due to high costs experienced by CCOEC in maintaining its operation in South Africa after project completion to fulfil its maintenance responsibility for two to three years to the National Home Builder's Registration Council (NHBRC), CCOEC entered into a cash settlement agreement with LHI whereby a further R800,000 was paid by it to LHI to cover its liability and allow LHI to take over the maintenance responsibility of the Friendship Town project thereafter.

Assuring community 'ownership'

A key dimension of the Friendship Town project was the council's desire to involve the local community throughout the process. According to Councillor Alfred Sepirwa, who was a ward councillor elected from the Tembisa community and served as the mayor of Edenvale/Lethabong Local Council during the project period, the community was consulted before the project was even formally initiated.

When housing was identified as the most important need for the area and the idea of converting the land use of Commercial Extension 9 into low-cost housing instead of mixed industrial development was suggested, the community was consulted. It was the decision of 'the homeless and jobless community'¹⁹ to develop houses for the area. The council's decision to work with the Chinese government was also conveyed to the community through a public assembly; however, Sepirwa emphasised to the community that a Chinese grant and Chinese expertise were to be utilised in the project for the benefit of the community, because only local labours were to be employed for the project.

After the project was initiated, Edenvale/Lethabong Local Council and CCOEC formed a steering committee for the smooth implementation of the project. The committee met every fortnight to discuss problems related to the project and work on solutions to these problems. Two community representatives were authorised to attend and observe the meetings and convey their and the community's concerns, if there were any. CCOEC's subcontracting tendering notice was given to the community so that everyone in the community had an equal chance of tendering and thus gaining a potential benefit from the project. Moreover, the community also decided on the list of beneficiaries according to a 'points system'. The council then chose from the list those who could qualify neither for RDP houses nor a commercial loan. CCOEC was not involved in this process.

Building local capacity

Creating employment opportunities and helping to build local capacity were not only stipulated in the project agreement, but also strictly implemented by CCOEC and closely monitored by both the community and the council. Besides the project manager, who was appointed by the council to supervise the project on its behalf and help co-ordinate the working relationship between it and CCOEC, a community liaison officer was appointed by the community whose main responsibility was to make sure that only local labourers were employed on the project. As Sepirwa emphasised, the community had to build the houses by themselves and for themselves.²⁰

At the peak period of the project's operations, there were about seven Chinese people working on it in South Africa, who included the management, and the technical and engineering staff. Apart from the foundation work, which required technical expertise due to the special geological conditions in the area, all building work was completed by local subcontractors using local workers.

All 11 local builders were informed of the subcontracting tender for the Friendship Town project. Initially, four builders were selected to carry out the work. However, with the building work progressing and the project extending to its full scale, all 11 builders were taken on board.

CCOEC, together with the project manager, provided on-site training to the local subcontractors. To begin with, each builder was given only one house to build. Only after this building had passed its quality check could the builder be given the go-ahead for a second house. As the builders grew in skills and capacity, more houses could be granted to them each time, depending on their capacity. An example of this is Annah Mabelane's team, one of the local subcontractors, who was promoted from building single houses to building three-storey apartment buildings.

The training was, however, not limited to direct building-related skills; business operation skills were also passed on to the emerging entrepreneurs. Many of the builders did not even have a bank account when they started. CCOEC or the project manager had to assist them with opening bank accounts so that the performance payments could be paid into their accounts. They were also taught how to start and run a business.

Besides technology transfer, CCOEC played an important role in quality control. CCOEC engineers, together with the project manager, passed the comments and requirement of the NHBRC on to the builders and closely supervised the building process on site, identifying any problems and offering solutions to such problems. Local subcontractors learned to improve the quality of their work over the project period.²¹

According to Mabelane, CCOEC managed quality control, maintained regular site inspections, conducted on-site training and gave advice to the builders, but the company did not interfere with their work.²² Mabelane's company, called Can Be Fast Company, grew from a team building projects of less than R100,000 in value to one executing contracts like a youth centre for R480,000 and an old-age home with a contract value of R680,000. The company now has a net worth of R1.5 million.²³ To her, the Friendship Town project served as a stepping stone for her business development, and eventually she hired 52 people at the peak of her building work. With a growing business capacity, she is now involved in facilitating other land deals and negotiating with tribal chiefs. She felt empowered by the Friendship Town project and is optimistic about her future.

As the developer of the project, CCOEC not only managed the building process, but also offered finance to its subcontractors. Instead of requesting the subcontractors to organise and provide their own building materials on site, which was financially challenging to them, CCOEC financed the procurement of all building materials and distributed the materials to the building teams according to their progress. Steps taken by CCOEC such as these not only eased the financial burden of the subcontractors, but also served to control material quality, monitor project delivery and enhance economies of scale through bulk purchase, thus resulting in substantial savings.

Addressing sociocultural factors

It is hard to assess the impact of sociocultural factors on the project, especially one that involved a Chinese company running a housing project in a South African township where the possibility of a clash of cultural values might seem inevitable. The negativity of the council at the outset, although slowly and definitively transformed over the life of the project, was but one indicator of the obstacles faced by the Chinese. The other was the initial hostility of some ordinary South Africans to the Chinese; Theron said that 'nobody would take them into their houses ... and the Chinese were very lonely'.²⁴

Language has always been identified as a barrier to success for a Chinese company operating overseas. Because of some engineers' lack of English language skills, a friendly joke, for example, could sometimes be misinterpreted as offensive behaviour. However, in general, the good faith and friendliness of the Chinese, their very positive work ethic, their hands-on management style and the strictness of their quality control won the trust and support of the community. Perhaps an indicator of the emerging goodwill between the Chinese and the local community was the fact that, in an area where security is one of the most important concerns, very few thefts and other criminal offences occurred during the project's life. This was due not only to the good work of the community security company,²⁵ but also, most importantly, to the support of the local people.

Sustainability

A sustainable business model for aid/grant projects was developed through the Friendship Town project. As noted above, the recipient, Edenvale/Lethabong Local Council, formed a non-profit-making business entity, a Section 21 company (LHI), to which the project was handed over upon completion. With this scheme, the business plan was to take advantage of the property boom in South Africa and reinvest the proceeds of this project into more commercial property development so that more funds could be created to build houses and thus address the housing backlog in Tembisa. After selling the houses at Friendship Town

and paying off the loan for the land purchase, LHI had a fund of R38 million available for reinvestment. Thereafter, another R10 million was generated before LHI was handed over to the Ekurhuleni Development Agency after the municipality demarcation. It was the only profit-making business of the whole Ekurhuleni Metro at the time.²⁶ The project's sustainability was deliberately enhanced by targeting the needs and gaining the support of the community, assisted by the subsequent close interaction among the community, CCOEC and the council; Sepirwa's leadership; and Theron's forceful drive. Together, all project stakeholders shared the vision that the project had great potential and would benefit the community.

It is, however, disappointing that LHI's sustainable business development model did not enjoy a prolonged existence. With the passage of a law in the early 2000s banning council officials and councillors from acting in business entities, former board members had to resign and were replaced by new members appointed by the public.

ASSESSING THE TEMBISA FRIENDSHIP TOWN PROJECT

The Tembisa Friendship Town project was, and remains, a success. It can lay claim to being the first Chinese government grant project in South Africa. It was also the very first project implemented and delivered by a Chinese state-owned enterprise in South Africa. More importantly, it provides a sustainable model for foreign aid projects that could be emulated elsewhere. The model, linking and involving all project stakeholders, demands co-operation between the donor and the aid-receiving government, between government and communities, and between the implementing organisation (e.g. CCOEC) and the community.

The remarkable achievement of the Friendship Town project was largely due to the following factors. The most important was the involvement of the community. The need for the project was identified locally by the council, and this need was recognised and supported by the donor, the Chinese government, who was willing to provide a housing project addressing this specific local need. Thereafter, the transfer of skills and capacity building throughout the project assured further benefits to the community beyond just the houses delivered by the project. Through this process, the people of the community were empowered and a closer community spirit developed.

Secondly, the project was driven by the enthusiasm of two forceful leaders. Alfred Sepirwa was the key force in driving the community, communicating with the community, and gaining its members' understanding and support, whereas Theron, with his personal belief, confidence and ability, drove the project from beginning to end. Without the contribution of these two people, the project might have run into serious problems or even collapsed during its course because of the tremendous challenges it faced as a result of its being the first such project in the country.

Last but not least, CCOEC was a responsible implementing party. With extensive international experience, the company could speedily adapt to the South African business environment. It went the extra mile to assist the community through its consultation and skills transfers that went beyond simply fulfilling its responsibilities as a construction company. This offset the language and cultural barriers that had posed problems early on and won the support of the community.

These conclusions must, however, be tempered by that fact that no substantive, independent evaluation of the project was formally conducted. Of course, to a certain degree, the work of CCOEC was controlled and checked by MOFCOM through its economic and commercial office at the Chinese embassy. Both Theron and the council-appointed project manager had to sign off a project progress certificate before CCOEC could obtain each of its project payments from the economic and commercial office. However, this kind of monitoring is not enough, and a comprehensive evaluation is essential to identify the positive and negative features of a development project. An evaluation that takes place during the course of the project's life serves to promptly address problems as they arise, but a final assessment not only evaluates the success and failure of the project, but also highlights the lessons that can benefit future projects of its kind. Unfortunately, no evaluation was conducted by either the South African or Chinese government.²⁷

According to all local participants in the project, CCOEC was responsible and handled the project well. However, lack of transparency has always been an issue with Chinese companies, and even though the local community highly praised the achievement of the Friendship Town project and CCOEC's successful management of it, the company did not respond to our attempts to interview it. As a result, the hardship and challenges faced by CCOEC during the project, as well as any lessons it might have learned, were hardly disclosed or shared. Because of this, a positive account of Sino–African relations and the Chinese grant project became obscured and any deserved merit has gradually faded away.

CONCLUSION

The Tembisa Friendship Town project, although only one example of Chinese economic co-operation with Africa, nonetheless points the way to the constructive impact that engagement with China can have in the continent. The emphasis on consultative practices and identifying local needs in conjunction with the community served both Chinese and African interests and, coupled to a conscious effort to transfer skills and hire workers locally, brought concrete benefits to the township. Concurrently, the desire to ensure that the project would be commercially oriented and sustainable in the long term laid the financial foundation for the extension of this success in the future. The fact that this did not occur, in part due to the absence of any evaluation or review by the government parties involved, has meant that the lessons of the Tembisa Friendship Town project will unfortunately not be systemically integrated into future endeavours. The spirit of co-operation surely demands otherwise.

ENDNOTES

- 1 The Bandung Conference, which brought together newly decolonised developing countries and liberation movements at a summit in Indonesia in 1955, sought to avoid the ideological pressures of the Cold War and recognise the participants' shared interests in promoting decolonisation and development. It inspired the subsequent launch of the Non-Aligned Movement in 1961 and

- the rise of an assertive South in the UN a decade later, and continues to influence international politics.
- 2 Brautigam D, *Chinese Aid and African Development: Exporting the Green Revolution*. Basingstoke: Macmillan, 1998.
 - 3 *Ibid.*, pp. 49–50.
 - 4 Davies P, *China and the End of Poverty in Africa: Towards Mutual Benefit?* Sundbyberg: Diaknia/EuroDad, 2007, pp. 52–53.
 - 5 This section relies on the work of Davies P, *ibid.*
 - 6 Anonymous interview with MOFA official, London, May 2007.
 - 7 Statement by Xu Weizhong at a SAIIA meeting, 2 June 2008.
 - 8 Geldenhuys D, *Isolated States: A Comparative Analysis*. Cambridge: Cambridge University Press, 1990.
 - 9 See Alden C, ‘Solving South Africa’s Chinese puzzle: Democratic foreign policy making and the two Chinas question’, in Broderick J *et al.* (eds), *South Africa’s Foreign Policy: Dilemmas of a New Democracy*. Basingstoke: Palgrave, 2001, pp. 119–38.
 - 10 Interview with Wynand Theron, 9 June 2008.
 - 11 *Ibid.*
 - 12 *Ibid.*; interview with ‘Smiley’ Schoon, 28 May 2008.
 - 13 Interview with Alfred Sepirwa, 28 May 2008.
 - 14 *Ibid.*
 - 15 Interview with Wynand Theron, 9 June 2008.
 - 16 CCOEC website, <<http://www.ccoec.com.cn/index2.asp>>.
 - 17 There are mixed types of units ranging from two- to three-bedroomed single-stand houses each with its own garden to three-storey flats.
 - 18 Theron W was, however, called before a council disciplinary hearing for signing surety on his own behalf for CCOEC’s applications for telephone lines and cell phones.
 - 19 Interview with Alfred Sepirwa, 20 May 2008.
 - 20 *Ibid.*
 - 21 Interview with Annah Mabelane, 20 May 2008.
 - 22 *Ibid.*
 - 23 *Ibid.*
 - 24 Interview with Wynand Theron, 9 June 2008.
 - 25 At the beginning of the project, a security company from outside Tembisa was providing security for the site, where theft and even armed robbery occurred. Following Sepirwa’s advice, CCOEC switched to a security company based in Tembisa and the situation improved dramatically.
 - 26 Interview with Wynand Theron, 9 June 2008.
 - 27 All interviewees confirmed that they were not aware of any evaluation of the project.

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