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Washington versus Beijing Consensus: Is the Beijing Consensus a suitable model for attaining Angola’s development objectives?

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A thesis submitted to the Faculty of Humanities, University of Witwatersrand, Johannesburg, in partial fulfilment of the requirements for the degree of Masters (Publishing studies).

Johannesburg 2014
Declaration

I declare that this thesis is my own unaided work. It is submitted for the degree of Masters of Arts (Publishing Studies) at the University of Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination at any University.

Regards Prof. Garth Shelton

Jefrey Mazibuko
Dedication

To my grandmother Mimi Mila Andrias, my sister Nosipho, Busisiwe, Khensani, Thandiwe as well as Ntombizodwa Andrias. I thank you for your continued love, prayers and support throughout my studies.
Acknowledgements
This study is an outcome of research and assistance provided by numerous individuals. First and foremost I would like to thank God for being my essential sustenance system. I also desire to express genuine appreciation to my supervisor, who made this research possible, Prof. Garth Shelton. Also want to thank my late mother Lydia for her words of encouragement and guidance. Lastly I am grateful to those who assisted with editing and proofreading: Mbali and Given.
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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>AU</td>
<td>African Union</td>
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<td>ANIP</td>
<td>Angolan National Agency for Private Investment</td>
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<td>CNOOC</td>
<td>China National Offshore Oil Corporation</td>
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<td>CNPC</td>
<td>China National Petroleum Corporation</td>
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<td>EITI</td>
<td>Extractive Industries Transparency Initiative</td>
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<td>ECOWAS</td>
<td>Economic Community of West African States</td>
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<td>FNLA</td>
<td>National Front for the Liberation of Angola</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>FOCAC</td>
<td>Forum on China and Africa Cooperation</td>
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<td>HDI</td>
<td>Human Development Index</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>IDA</td>
<td>International Development Agency</td>
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<td>JETC</td>
<td>Joint Economic and Trade Commission</td>
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<td>LIBOR</td>
<td>London Inter-bank Offered Rate</td>
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<td>MDG’s</td>
<td>Millennium Development Goals</td>
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<td>MNC’s</td>
<td>Multi National Cooperation’s</td>
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<td>MPLA</td>
<td>People's Movement for the Liberation of Angola</td>
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<td>NEPAD</td>
<td>New Partnership for Africa's Development</td>
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<tr>
<td>OAU</td>
<td>Organization of African Unity</td>
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<tr>
<td>OPEC</td>
<td>Organization of Petroleum Exporting Countries</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNDP</td>
<td>United Nations Development Program’s</td>
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<td>UNITA</td>
<td>National Union for the Total Independence of Angola</td>
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<td>USAI</td>
<td>United States Agency of International</td>
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<td>WB</td>
<td>World Bank</td>
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<td>WFP</td>
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ABSTRACT

The period after the end of the Cold War the early 1990s, when number of academics would continuously label the United States of America (USA), France and the United Kingdom (UK) as the only external supremacies to have extensive interests in Sub-Saharan African countries such as Angola with the use of the Washington Consensus, has contemporary been threatened by the new African economic dependency on China through the Beijing consensus (Frieden, 2000, 14). Over the course of the past ten years or so, the People’s Republic of China (PRC) has established itself as a progressively prevailing player across Sub-Saharan Africa. Academics have consequently argued that China in Africa has been a theme widely discussed lately and one of the questions that centre’s around this discussion; is the Beijing Consensus a suitable model for achieving Angola’s development objectives as compared to earlier Western attempts through Washington Consensus?
CHAPTER 1: INTRODUCTION

From as early as the period of the 1960s onwards, African countries such as Angola have dedicated themselves to achieving their countries development objectives. After struggling for over a decade, Angola gained independence from Portugal in 1975 and subsequently fell into an extensive civil war that lasted for 27 years until 2002 (Victoria, 1998, 1). Since the end of the war, Angola has focused on post-war reconstruction and has made remarkable improvement in the development of its economy, largely pushed by its oil productions (Victoria, 1998, 2). Relations with countries that play a leading role in the Global economic scale have always been in the forefront of Angola’s development agenda. Angola’s chief exports are oil, diamonds, coffee, timber and other mineral resources and the majority of its revenues derive from its oil and diamond exports (Adebayo, 2007, 15). Oil is at the heart of the Sino-Angolan relationship and the key driver of China’s increasing relations with South-Central African countries. The Sino-Angolan oil relationship will likely remain significant and sustained for the coming decades. One of the most argued aspects of this growing Sino-Angola relation is closely connected to the question: is the China-Angola relation a better model for Angola to achieve its development objectives as compared to the earlier Western attempts through the Washington Consensus?

1.1 Aim and Rationale

The paper does not intend to replicate the literature already evident in the discourse but rather to produce a more balanced view of the China–Angola relation. Precisely, this research paper wishes to discuss how China’s contemporary association with Angola should be interpreted; successively discussing whether the Beijing Consensus is a suitable model for attaining Angola’s development objectives as compared to the earlier Western attempts through the Washington Consensus? As it stands, scholars have not focused on how China can become a model for Angola’s development objectives. Politically as well as economically, China has delivered a substitute development model for Angola’s development objectives. Instead issues concerned with China’s impacts on Angola’s development objectives through the use of Beijing Consensus as compared to earlier Western attempts through the Washington consensus have been mainly focused on. In short, the aim of this paper is to provide a detailed discussion of the comparison between the empirical role played by both the Washington and the Beijing Consensus towards Angola’s development.
1.2 Literature Review

The year 2006 signifies a historical moment in Africa, it was on this year that the China-Africa relations were revealed at the November 2006 Beijing Summit of the Forum on China and Africa Cooperation (United Nations Publications, 2009, 1148). African leaders gradually recognize the need for closer ties with the rising economic giant, calling for resolute efforts to better use the opportunities presented by China. The growth in China’s economic and political contribution in Angola is arguably the most significant development element on the continent since the end of the Cold War (Indira and Alex, 2007, 1). In the past decade, China has achieved a visible position in Angola’s economy as its largest trading partner, a major provider of funds and the largest operator in the country’s reconstruction (Indira and Alex, 2007, 2). The increasing cooperation between China and Angola is compelling us to ask number of questions concerned with the possible changes that could befall Angola. For instance, will Angola develop itself from the benefits obtained from the Sino-Angola relation or will it set itself at the risk of yet another colonial experience with China?

1.3 Methodology

The research paper uses Angola as a case study to show how China approaches Africa by taking risks in African countries which the West has considered rogue states. The hypothesis of the research paper proposes that neither the Washington nor the Beijing Consensus is the ultimate model of achieving Angola’s development objectives. The research paper will use one dependent variable (outcome variable) which is development as the ultimate goal for Angola and then two independent variable (explanatory variable), namely the earlier Western attempts through the Washington Consensus and China-Angola through the Beijing Consensus. The variance in these variables are used to get deterministic causality; a causal relationship between the IV/Explanatory and the DV/Outcome Variable. Then the variance is found on the two (IV’s) namely the earlier Western attempts through the Washington Consensus and China-Angola relation through the Beijing Consensus. The multiplicity of these variables proves the deterministic causality that the research paper sought to prevent selection bias.
1.4 Process-Tracing Methodology

Process-tracing is a case-study approach and theory-testing setup that offers an operative means of classifying and exploring the possible causal and interactional dynamics which inform the independent and dependent variables in research (Detlef, 2002, 30). This method is essential in this research for proving the empirical role played by both the Washington and the Beijing Consensus towards Angola’s development objectives. In addition process tracing will be used to identify the causal process and causal mechanism between the independent variable (explanatory variable) and the outcome of the dependent variable. Process-tracing will also be used within the research to examine the role played by the leaders of Angola in achieving the country’s development objectives. Through the use of processing tracing the paper also intends to provide a survey aimed at articulating scholar’s views and thoughts around the growing China-Angola relationship. To this extent, the research through the use of process tracing will investigate as to why neither the Washington nor the Beijing Consensus is the ultimate model of achieving Angola’s development objectives.

1.5 Research Objectives

The aim of the research is to address a range of key politico-economic issues relating to the Washington and the Beijing Consensus approach towards Angola’s development objectives. The core areas of investigation are founded on two central issues; firstly the role played by the Washington Consensus towards Angola’s development objectives. When the United States emerged as the conquering nation at the end of the Cold War the “Washington Consensus” became the only strong trustworthy development model for Angola. With the financial crisis in 2008, China’s economic success and Angola’s dependence on China, the Washington Consensus started losing its standing in Angola (Wei and Faizullah, 2002, 110). The downfall of the Washington Consensus in Angola has been so dramatic that some critics argued that the policies imposed were never intended to enhance development (Wei and Faizullah, 2002, 111). On the contrary, the Washington Consensus policies focused a lot on the economic aspects of development and leading Angola to serious dependence on loans offered by the International Monetary Fund (IMF) and the World Bank (WB) (Shah 1998-2013, www.globalissues.org). Now the question is; is the Beijing Consensus a suitable model for achieving Angola’s development objectives?
The second central issue is the Beijing Consensus’ approach towards Angola’s development objectives. The case of the Beijing Consensus is so exclusive that there has been interesting debates on it. Just a few decades ago when the Washington Consensus was in the leading place with global belief and confidence, no one cared about China’s model of development. Some social scientists and economists even prophesied the downfall of the communist regime in a near future (Mares, 2001, p: 46). But now, more and more focus has been drawn to the Beijing Consensus. China is using tied aid to advance the business opportunities for Chinese companies in Angola and to surface the way for enormous investment missions (Yasutami and Hideo, 2013, 106). It is no wonder that China is concentrating its investment and aid strategies in Angola. With the above short satisfactory comparison of both the Washington and the Beijing Consensus, the research paper also aims to argue that neither the Washington nor the Beijing Consensus is an appropriate model for attaining Angola’s development objectives. Both the Washington and the Beijing Consensus are not intended to save Angola from the resource curse in which the profits from commodity exports serve only the interests of the countries elites and manifest negative effects towards achieving development objectives. China’s interest in Angola is not completely different from those of the Western powers. It is this research paper’s crucial aim to provide conceptual insight into such knowledge.

1.6 Research Method

The methodology that is going to be used in this study is the qualitative method. The data collection based on qualitative method would be imperative because this study requires an extensive gathering of data from library research resources. The research paper will use a single case study approach to illustrate how those specific independent variables play similar roles in producing the same dependable variable. This study relies significantly more on secondary data such as books, journals as well as articles and primary sources based on conducting email and in person interviews. In pursuing this research, this paper relies on a qualitative single case study approach. The qualitative approach will be used because this research does not rely more on measurement or statistics. The topic of China and Angola has suggested considerable amount of explanation in academic literature. A number of books and articles exist on the relationship of China and Angola and will mostly be used thoroughly throughout the research paper.
1.7 Chapter Outline

Chapter 1: “Introduction”, Chapter one introduces and sketches the questions that have encouraged this study. This Chapter outlines the important aspects of this paper such as the aim and rationale, literature review, hypothesis as well as the research method. Chapter 2: “Historical Overview of China-Angola Relations?” This chapter aims to introduce the reader to the concept of China-Angola relation, effectively discussing Angola’s historical background. In addition, discuss what is meant by development. Explain the main features of China’s interaction with Angola? Chapter two will also seek to discuss the main features of China’s Foreign Policy pillars towards Angola. Provide an acceptable discussion of China’s evolving role in Angola? Lastly, bring about suitable closing remarks. Chapter 3: “The Washington Consensus Assessment”: This chapter will firstly define what the Washington Consensus is. In addition, discuss the earlier Western attempts through the Washington Consensus. Evaluating the empirical role played by the Washington Consensus towards Angola’s development objectives. In addition, this chapter will observe the role played by the key Washington Consensus institutions such as the IMF and WB. Lastly, bring about appropriate closing comments.

Chapter 4: “China-Angola assessment (The Beijing Consensus)”: This chapter will firstly define what is meant by Beijing Consensus. From the Washington to the Beijing consensus, discusses the new road towards the development of Angola. Also, evaluate the empirical role played by China through the use of the Beijing Consensus, such as the eight principles declared by China for economic aid and technical assistance in Angola. China’s presence in Angola presents a fascinating case study of China’s oil interest in Africa and there is a complex interplay of benefits and challenges. Lastly, convey about proper departing comments. Chapter 5: “The performance under the Consensuses”: In order to achieve a detailed analysis, this chapter will provide applicable criticisms of both the Washington and the Beijing Consensus approach towards Angola’s development objectives. In addition, chapter five will offer suggestions on how Angola can manage a balanced relationship with this strong growing economy and satisfactory suggestions for Angola’s development. Chapter 6: “The Conclusion”: In conclusion, the paper aims to bring about suitable implications towards attaining Angola’s development objectives, highlight all the important points that have been addressed within the content of the research paper as well as providing concluding remarks.
CHAPTER 2: AFRICA’S HISTORICAL BACKGROUND AND SINO-AFRICA
RELATIONS IN HISTORICAL CONTEXT

Scholars have acknowledged that Africa is a land of riches, in the form of natural resources which could possibly aid in its development objectives. After a strenuous struggle African people finally regained their freedom, conquered colonialism and ended apartheid in South Africa, and have since made significant developments and retained their democratic status. Ensuring their freedom, African countries have been working on establishing development objectives suitable for their national conditions, seeking peace and economic stability by joint efforts. Due to the concentrated purpose of African countries and the Organization of African Unity (OAU) which later turned to be the African Union (AU), the condition in Africa has been stable in many countries, regional conflicts are being resolved and economy has been growing for years (Li, 2006, 167). The New Partnership for Africa’s Development (NEPAD) has highlighted a rather optimistic representation of African development and has assisted African countries who desired to participate in the world system (Li, 2006, 167). African states are playing an increasing significant part in the international affairs; however Africa still faces many challenges on its road to development (Li, 2006, 167). One can therefore argue that with the determined efforts of African countries and frequent help from the international actors such as China; Africa can deal efficiently with its challenges and achieve development.

China and Africa have an extensive history of diplomatic relations which dates back to the Ming Dynasty (1368-1644) period. When the PRC was founded in 1949, the Sino-Africa relations became significantly visible in the international spectrum. Before 1949, Africa was of no importance to China, however from then onwards, China pursued international recognition and political partners with the hope of strengthening its international associations against the capitalist West and the revisionist communist Soviet Union (Zhang, Date not available, 11). Amongst few things, the one thing African countries have in common with China is their shared history and their perception of white dominance by the West. Declarations such as ‘we all belong to the Third World; we are all developing countries’ were usually heard at this period (Judith, 2006, 2). During this stage China supported African countries economically, provided technical and military assistance in an attempt to contain the dominant Western powers and create a new political as well as international order (Judith, 2006, 3). African states were at the same time looking for partners to help them win their fight for independence and financial support to fund these struggles. From 1966 to 1969,
Chinese attention diverted towards Africa due to domestic changes and the great proletarian Cultural Revolution (Zhang, Date not available, 12). After internal disputes had been settled, China began to establish new relationships on the African continent. When one looks at the Sino-Africa relation, one easily recognises that China provides a new alternative direction, which in fact could be the foundation of a new global paradigm. Whether its oil in Angola, timber in Mozambique or copper in Zambia, it cannot be doubtful that China is bringing new life into these African economies (Sanusha and Daisy 2008, 1). All over Africa today the Chinese’ existence has been felt; be it through the Chinese construction firms building railroads, highways, telecoms, enormous dams, even presidential palaces (Uche, 2008, 11). This is due to their solid understanding of what African countries have had to overcome and their continued support of Africa’s struggle for freedom (Uche, 2008, 11). In addition China understands that Africa must redress the inequities of its past through broad-based black economic empowerment and rapid skills development in order to be successful (Uche, 2008, 11). Furthermore China is eager and able to help Africa through investment, technology and skills transfer and constructive partnerships. For pessimists China signifies a frightening risk while for optimists it is a tempting chance (Sanusha and Daisy 2008, 1). Having provided such a discussion one can therefore ask if China’s engagement in Africa is morally extractive or have a developmental impact as compared to earlier Western attempts through Washington Consensus.

2.1 What is meant by development?

Before this paper thoroughly discusses the links between China and African development, it is firstly important to briefly explain what development is. Individuals recognize development as improvement in skill and ability; not only as capital accumulation and economic growth but also improvement in the standard of living (Lea, 2010, 150). Development that includes growth, embraces aspects of life such as social justice, equal opportunities for all citizens, equitable distribution of income and the democratisation of the development process (Lea, 2010, 150). Rodney argues that development implies both increase in output and changes in the technical and institutional arrangement by which it is produced (Rupert, 1998, 71). In other words, development is a multi-dimensional concept and in spite of the various conceptions, development is basically about the process of changes which lies around the spheres of societal life (Rupert, 1998, 71).
When discussing the role played by both the Washington Consensus and the Beijing Consensus with regards to Angola’s development, it is important to discuss what each model views as development. Generally, the Washington Consensus has been alarmed with pure economic growth, considering that the ‘trickle-down’ theory of economics would certify that any newly-developed wealth would be equally spread throughout society (Patrick, 2008, 9). Interchangeably, the Beijing Consensus highlighted equivalent wealth distribution, where what matters is not the overall economic growth but how people have access to this growth (Patrick, 2008, 9).

2.2 China’s evolving Role in Africa

There have been enquiries as to the reasons why Chinese officials decided to cross seas, travelling a distance of approximately 11,236.5km which is more than 12 hours of travelling time just to invest their resources in Africa. The question that has always been asked by many is; what exactly are the Chinese officials here for and what is China’ interest in Africa? In search for answers to these questions, one can pay attention to the words of the Chinese Ministry of Foreign Affairs spokesman Liu who stated “China needs Africa” (Kohli, 2009, 3). In support of his argument, he held that China needs Africa for resources to fuel China’s development goals, for markets to sustain its growing economy and for political alliances to support its aspirations to be globally influential (Kohli, 2009, 3). One of the main features of China’s interaction is the one-China principle, which maintains that Taiwan is part of PRC (Lijun, 2002, 129). The notion of Taiwan being part of China is essentially one of the political conditions imposed on Chinese diplomatic relations with most African countries (Lijun, 2002, 129). The African continent offers profitable opportunities for China because it holds natural resources in areas where Western countries and Multi National Cooperation’s (MNC’s) hesitate to occupy or invest (Robert, 2009, 9). China offers aid and military kit to countries irrespective of their style or quality of governance and of their human rights records (Frank, 2013, 10). China maintains diplomatic relations with and encourages state-owned companies to invest in resource rich regions (Robert, 2009, 9). China tends to support high-profile infrastructure projects such as the building of stadiums, dams, railroads, state houses, ministry buildings, hospital and industrial plants when it comes to funding (Frank, 2013, 9). It is important for one to note that China is following a structure that is based on doing things that other donors have chosen not or have failed to do.
The Beijing consensus is using strategies that Western companies and countries cannot or will not emulate or put in place, especially in most problematic countries like Sudan, Democratic Republic of Congo (DRC) and Zimbabwe. (Frank, 2013, 9). China’s extensive industrial growth is playing a vast part in the scramble for the exploitation of Africa’s resources. China is at present, the world’s second largest consumer of oil, and Africa has become China’s alternative source of oil imports (John, 2009, 42). There is an important existence of Chinese companies across African countries, amongst others, Sudan, Angola, Nigeria, Equatorial Guinea, Gabon, Libya, Niger, and Central African Republic of Congo. These companies are involved in a variety of activities ranging from the construction of pipelines to oil and gas exploration. West African oil is particularly appealing to the Chinese companies because of its light, high quality, waxy and low in sulphur properties, which is similar to the grade used in the domestic oil market (John, 2009, 42-43). Another bonus is that, apart from Nigeria, West African producers do not belong to the Organization of Petroleum Exporting Countries (OPEC) cartel and are therefore not obliged to abide by the group’s production and export caps. With the volatility in the Middle East creating uncertainty in the global oil supply chain, especially with regard to sustainable long term access to crude oil provisions, Africa has indeed become an attractive destination for China’s energy security. Already Africa accounts for 30% of China’s oil imports with prevalence of China’s three big state-owned oil companies namely China National Offshore Oil Corporation (CNOOC), China National Petroleum Corporation (CNPC) and Sinopec (Ana, 2010, 17).

Chinese attention in Africa ranges beyond oil interest. China presently ranks as the continent’s second highest trading partner, behind the United States, and ahead of France and Britain. From 2002 to 2003, trade between China and Africa doubled to $18.5 billion; by 2007, it had reached $73 billion (Stephanie, 2008, 2). A significant sum of these growths was due to increased Chinese imports of oil from Sudan and other African nations, but Chinese firms also import a significant amount of non-oil commodities such as timber, copper, and diamonds (Stephanie, 2008, 2). China lately began to import some African factory-made value-added goods, such as processed foods and household consumer goods. Specialists say Chinese companies perceive Africa as both an outstanding marketplace for their low-cost customer goods, and a growing economic opportunity as more countries privatize their productions and open their economies to foreign investment (Stephanie, 2008, 2).
With 48 African countries having official diplomatic relations with China, Beijing is now understood as an appreciated different partner that can help Africa reverse its underdevelopment challenges. Even leaders like Presidents Mbeki and Obansanjo who are regarded by the West to be influential and visionary leaders in addressing Africa’s governance and development problems, have recognized that China’s increasing importance in the global economy forces Africa to change its interests with China given the fact that both share a mutual bond of interests with respect to their position and understanding of the development crisis in the South (Kwadwo and Martin, 2006, 76).

China pursues to institutionalize its association with Africa and the two have involved in several meetings to advance their bilateral associations. China’s key objectives in the area of development cooperation are laid down in the FOCAC. Established in 2000, FOCAC ministerial summits take place every three years, alternatively in China and then Africa (Ian, 2010, 1). The years since 2000 have seen growing economic, political and diplomatic interests in Sino-African relations, attracting global attention towards China’s engagement in Africa (Ian, 2010, 1). This has led to increasing exploration, research and studies which seek to better understand Sino-African partnerships and cooperation. FOCAC has deepened Sino-African associations in numerous ways that include politics, economics, investments, trade and aid amongst many. For Chinese and African officials, FOCAC constitutes a multilateral platform to evaluate the achievements and discuss the perspectives of Sino-African relations (Ian, 2010, 1).

The first Forum met in October 2000 in Beijing and was attended by nearly 80 ministers from 44 African countries (Ian, 2010, 72). The second ministerial conference was held in Addis Ababa, Ethiopia in December 2003 and passed the Addis Ababa Action Plan (2004-2006) (Ian, 2010, 73). The FOCAC Summit and the third ministerial conference were held in Beijing from November 2006, while FOCAC IV met in Sharm el-Sheikh, Egypt in November 2009 (Ian, 2010, 73). The FOCAC V met in Beijing in July 2012 and exclusively focused on consolidating a sustainable partnership between China and African countries (Ian, 2010, 73).

The establishment of the FOCAC in 2000 has become the vehicle that has institutionalized this symbolic diplomacy. Since its commencement FOCAC has paved and expanded political and economic ties between Beijing and Africa’s leaders and has provided the drive to be reflected as a Beijing Consensus alternative development element (Ian, 2010, 1).
2.3 What are the main features of China’s interaction with Angola?

The Republic of Angola is a country in the Southern Africa, bordered by Namibia on the south, the Democratic Republic of the Congo on the north, and Zambia on the east as shown on the Appendix Fig 1. China’s official relations with Angola are of current origin (Corkin, 2011, 1). China’s engagement in Angola dates back to the early years of the anticolonial struggle through its support for the three major liberation movements in the country namely the People’s Movement for the Liberation of Angola (MPLA), National Union for the Total Independence of Angola (UNITA) and the National Front for the Liberation of Angola (FNLA) (Corkin, 2011, 1). China supported all three liberation movements during the anticolonial struggle, yet it refused to recognize the MPLA government and continued to support UNITA after 1975 (Corkin, 2011, 1). Diplomatic relations between Beijing and Luanda were only established in 1983 (Corkin, 2011, 1). Relations during the 1990s were mainly associated with the defence cooperation and acquisition of Chinese fire arms. With the end of the Angolan conflict in 2002 the relations amongst the two countries progressed to economic collaboration, with a particular focus on Angola’s reconstruction and development programme and on Angola’s oil (Corkin, 2011, 1). Angola is currently China’s top African trading partner. In 2009 39 percent of Angola’s crude exports were allocated to China. This accounts for 15.7 percent of China’s total oil imports, making Angola one of the largest sources of China’s oil imports (Corkin, 2011, 1). Chinese construction companies are the main players in the reconstruction of Angola’s infrastructure as indicated in Fig 5: showing the Chinese-Built Housing Development in Angola a Ghost Town. Officially, over 30 000 Chinese citizens are working in Angola, mostly as low-skilled contract labourers for Chinese companies (Corkin, 2011, 1). However, this number also includes Chinese micro-entrepreneurs and small business operators. The continuous need for state officials to travel to and from China and Angola, respectively, has led to the establishment of direct flights between the two countries.

China’s growing role in Angola has caused discussions and speculations. From both the Angolan and Chinese viewpoints, the association is realistic and premeditated. On the occasion of the Chinese prime minister’s visit to Angola in June 2006, President dos Santos stated simply that “China needs natural resources and Angola wants development” (USA International Business Publications, 2006, 176). Relations between the Washington Consensus international financial institutions namely IMF and the WB and Angola had been poor for years. At the end of the Angola war in 2002, the IMF and many Western donors
wanted Angola to negotiate a staff-monitored program (SMP) and show good performance for three trimesters before being eligible to receive financial support (Corkin, 2011, 2). An SMP would give integrity to Angola’s economic policies and open the way for a donor conference to increase funds to rebuild the country. However, the Angolan government felt it could not agree to IMF conditionality’s, and after numerous series of consultations they proclaimed that they would no longer seek to arrange an IMF agreement (USA International Business Publications, 2006, 177). From Angola’s perspective, the Chinese provide funding for strategic post-conflict reconstruction projects that Western donors have chosen not to fund. Chinese financing offers better conditions than commercial loans, lower interest rates, and longer repayment time. Angola has within five years become one of the most prosperous economies in sub-Saharan Africa (Jennifer, 2008, 33). Powered by record-high international oil prices and strong growth in both the oil and non-oil sector, Angola has experienced remarkably high growth rates in recent years (Jennifer, 2008, 33). With the war now over, rapid post-conflict reconstruction has become the government’s main concern. The PRC has in particular played an important role in assisting these efforts. Chinese financial and technical assistance has kick-started over 100 projects in the areas of energy, water, health, education, telecommunications, fisheries, and public works (Jennifer, 2008, 34).

2.4 Main features of China’s Foreign Policy pillars towards Angola

In less than a decade, China has achieved to shape out a noticeable position in Angola’s economy as its largest trading partner, a major supplier of funds and the largest operator in the country’s construction project (Ian, 2010, 28). Several specialists suggest that the need to secure natural resources whether oil, metal, or timber is the driving factor of Chinese foreign policy toward Angola (Ian, 2010, 28). Indeed, China’s manufacturing sector has shaped a massive demand for aluminium, copper, nickel, iron ore, and oil (Ian, 2010, 29). Nevertheless, oil rests the key component in bilateral associations, since it includes all features of China’s economic commitment with Angola: credit lines for infrastructure are oil backed, oil imports dominate bilateral trade and the largest share of Chinese investment in the country is directed towards the oil industry (Ian, 2010, 29). Attractive unity and cooperation with African countries has continuously been an important component of China’s independent foreign policy of peace (André, 2013, 11). The overall standards and purposes of China’s Angola foreign policy are as follows, firstly mutual benefit, reciprocity and common prosperity (André, 2013, 11). In the first pillar China supports Angola’s need for economic development and national development, carries out cooperation in various forms in the
economic development (André, 2013, 11). The second pillar is joint support and close management, China will strengthen cooperation with Angola in the United Nations (UN) and other multilateral corporations (André, 2013, 11). Third pillar is investment, the Chinese government inspires and supports Chinese enterprises investment and businesses in Angola and will continue to provide preferential loans and buyer praises (André, 2013, 11-12). The last and controversial pillar amongst many is the pillar of non-interference (André, 2013, 12). This pillar entails that China does not intend to pressure the Angolan governments in any manner; it assists in matters of economic agenda as adequately demonstrated in the Appendix Fig 2. China’s Foreign Policy pillars towards Angola are encapsulated in the five principles of peaceful coexistence, namely: mutual respect for each other’s territorial integrity; non-aggression; non-interference in each other’s internal affairs; equality and mutual benefit; and peaceful coexistence (André, 2013, 11).

2.5 Provide an acceptable discussion of China’s evolving role in Angola

Angola has been categorized as a rogue state that comprises of patronage and corruption (Jian, 2011, 80). Angola is an autocratically ruled state that is notorious for corruption, incompetence, and persistent poverty (Robert and Rachel, 2007, 76). It was ranked forty-two of forty-eight sub-Saharan African states on the 2007 Index of African Governance list (Robert and Rachel, 2007). Human Rights Watch reported that in a five-year period, $4.2 billion worth of oil revenues were siphoned off of Angola’s public accounts (Robert and Rachel, 2007, 75). This sums to about 10 percent of GDP, in a country where the citizens survive on less than $2 day (Robert and Rachel, 2007, 76). Because of this, in 2004 the IMF was attaching transparency arrangement to the loans it provided Angola for post-war reconstruction efforts. The ruling elite were reluctant to sign this new arrangement, however the desperate need for further funding prevailed. Suddenly, China’s Exim Bank came forward with an offer to provide $2 billion worth of loans, with no conditionality’s regarding corruption or transparency attached. Angola abandoned the funding agreements of the IMF and contracted to provide China with 40,000 barrels of oil per day (Robert and Rachel, 2007, 76). The Angolan government argued that Western financial markets impose “conditions on developing countries that are nearly always unbearable and sometimes even politically unacceptable” (Ian, 2007 90). It is without argument that China is the leading player in Angola’s associations; it is therefore important for one to note that China-Angola association is based on the following three components, firstly:
Loan

Angola is currently improving from a horrific thirty-year civil war and donors are assisting in the much-needed reconstruction of institutions and the economy. China is the major player among these donors, assisting in infrastructure reconstruction. China offers Angola ‘soft’ loans with no additional political conditions attached. The Chinese Exim Bank has been a key instrument in facilitating the expanding economic cooperation between China and Angola. Between 2004 and 2010, China’s Exim Bank has stretched a total of 10.5 billion of US dollars in oil-backed credit lines to the Angolan Government. In January 2005 the Chinese Exim bank extended a $1 billion oil backed loan to Angola, which was later doubled and increased to $3 billion in 2006 for the reconstruction and advancement of infrastructure destroyed by the civil war (China in Africa, 2008, page number not available). The Standard in Beijing proclaimed that Sinopec had taken up a 40% stake in the profitable oil Block after the agreements between the two states. At present Angola has replaced Saudi Arabia as China’s leading oil supplier (China in Africa, 2008, page number not available). These loans were specifically planned to ease public investment in Angola (China in Africa, 2008, page number not available). According to the terms of the loans, Chinese companies are mainly contracted to undertake essential projects and are paid directly by China Exim Bank. The loans are provided on generous terms compared to European and American Banks’ oil-backed financing.

The money offered to Angola in terms of loans is accountable for reconstruction and development projects such as railways, electricity and administrative buildings. However, the terms of the agreement are advantageous for China seeing that 70% of the construction projects are to be allocated to Chinese companies. Domestic contractors can be awarded only 30% of the projects covered by the loan, a fact that is causing worry among Angolan businessmen (China in Africa, 2008, page number not available). The loans offered are not creating chances for Angolans to better their lives, which are vital for the livelihoods of the local people. A second significant term of the loan agreements is that China can import 10,000 barrels of oil a day from Angola. Angola currently exports 25% of its oil to China (China in Africa, 2008, page number not available). The loan, which was originally envisioned for the reconstruction of the country, is being used for other commitments as well. According to Global spectator, some of the money has been used for government propaganda in the 2006 elections and declared that part of the problem lies in the country’s reluctance to be more transparent about its oil revenues (Anming, 2004, 19).
Natural Resources

China is presently the fastest growing economy in the world, with a yearly growth rate of around 8% (Anming, 2004, 23). But such rapid economic development in the post-Maoist era has required a stable and growing supply of oil (Anming, 2004, 23). A major change came about in 1993, when China became an energy importer as an alternative of a net exporter. China’s demand for natural resources makes it second largest oil importer after the US. It is estimated that the Chinese demand for oil will increase by 156% between the years 2001 and 2025 (Anming, 2004, 23). In 2004 two sided trade totalled $4.9 billion, representing an increase of more than 113 per cent from 2003 (Taylor, 2006, 946). Chinese companies remain to look for safe oil deliveries and Angola, as sub-Saharan Africa’s second largest oil producer, is vibrant to this policy (Taylor, 2006, p: 947). Accordingly, throughout a visit by Vice-Premier Zeng Peiyang, an overall of nine cooperation contracts with Angola were signed, three of which related to oil (Taylor, 2006, p: 947).

Investment

In addition to oil trade, China has meaningfully increased its foreign direct investment (FDI) to Angola in recent years (Fantu, 2011, 200). While the largest Chinese operations in Angola are focused in oil exploration and construction, there has also been a dramatic increase in non-oil Chinese FDI to Angola. The Angolan government through its National Agency for Private Investment (ANIP) enthusiastically endorses private investment by Angolan and foreign nationals by providing tax incentives in targeted industry sectors and development zones (Fantu, 2011, 201). As of December 2007, 51 Chinese firms were registered with ANIP (Fantu, 2011, 201). Over 50 percent of these firms were involved in construction; others are involved in retail trade of foodstuff products, manufacturing of rubber products, mineral water bottling, and other light industries. Chinese FDI to Angola is expected to grow in the next few years as new mutual aid contracts are signed by the two countries to attract potential investors, providing credible legal protection and steadiness to their investment (Fantu, 2011, 200).
CHAPTER 3: WASHINGTON CONSENSUS ASSESSMENT

An expected amount of the Washington Consensus interpretations exist in association with regions in the world that have applied its principles. For Africa, the presentation of reforms included under the term has been useful to a certain extent as a guide to economic policy making with the main focus on fiscal discipline and privatization even though it has been difficult for most African countries to pursue all of them. Few countries around the world have applied the reforms of the Washington Consensus completely this is because some of them are culturally and historically sensitive. A larger struggle has been the fact that the reform agenda only partially addresses the growth constraints faced by many developing countries. Even though Africa remains minimal to the globalisation process, the continent’s future development prospects are nevertheless deeply influenced by the global platform (Brian, 2004, 215). The Washington Consensus principles have been applied in a number of countries including Angola, although as John Williamson, in his review of the Washington Consensus argued, sub-Saharan Africa moved spottily and reluctantly, too often under foreign pressure rather than out of conviction (Brian, 2004, 215). However, South Africa’s former Minister of Finance, Trevor Manuel, has argued in one of his finance and development article that few African countries have applied all the reforms because of the difficulties of pursuing them and it is not clear that some of the proposals contained in the Washington Consensus are appropriate to Africa’s needs (Brian, 2004, 215). In particular, there are problems with the emphasis on privatisation and fiscal reform and trade liberalisation (Brian, 2004, 215).

The nature of globalisation has rendered it difficult for African countries to apply the Washington Consensus reforms and at the same time benefit from globalisation. In specific, one would argue that the dependence of many African economies on a narrow range of resources has made it tough for them to commence the suggested reforms (Brian, 2004, 215). In turn, some of the reforms that have been mainly undertaken with respect to the role of the state have made it difficult for African countries to deal with the more open trade environment (Brian, 2004, 215). While acknowledging that the problems of African development have an important domestic dimension, my brief remarks will focus on Angola’s application and outcome of the Washington Consensus principles.
3.1 What is Washington Consensus?

During his visit to India on the 6th of November 2010, the United States President Barack Obama suggested as to which development models would be appropriate for different developing countries, especially Africa where there has not been any clear-cut development philosophy. Ahead of Obama, Larry Summers, Obama’s economic policy point-man, in New Delhi, India noted China’s and India’s development successes and then grappled with whether China’s Beijing Consensus or India’s Mumbai Consensus was better for the rest of the developing world (Pambazuka News, 2010, page not available). With Brazil’s success over the years that has seen millions of Brazilians move out of poverty and build an economy in which the middle class is the popular, we can safely say there is an alternative development model for developing countries (Pambazuka News, 2010, page not available). That makes the African region as the only place without a prominent developmental Consensus distilled from Africa. Such issues have cropped up because the central Washington Consensus has been dictating development doctrine for the developing world since 1989, particularly Africa which is disadvantaged in the international political economy and which has had crisis-wrecked economic development (Pambazuka News, 2010, page not available).

The Washington Consensus has been thought to refer to a set of broadly free market economic ideas, supported by prominent economists and international organisations, such as the IMF, the WB, the EU and the US (Tejvan, 2013, Not Available). Since 1989, when economist John Williamson first regarded the Washington Consensus, which is primarily economic and policy recommendations (Williamson, 1989), it became commonly recognised as the most effective model by which developing nations could spur growth. Taking on ideals of free-market capitalism, which encompassed open trade policies, privatization, and deregulation, the Washington Consensus delivered a recommendation for development in the Third World (Tejvan, 2013, Not Available). The Washington Consensus is exclusively based on ten policy recommendations. The recommendations are as follows: fiscal discipline; restructuring public/social expenditure priorities; tax reform; liberalizing interest rates; competitive exchange rates; trade liberalization; liberalization of inward foreign direct investment; privatization; deregulation; and, property rights (Williamson, 2004: 1-2). These principles, particularly those regarding liberalization, privatization, and deregulation are closely associated with the neoliberal ideology, or “market fundamentalism,” which espouses free-market capitalism as its core tenet (Williamson, 2004: 1-2).
As argued by certain scholars, the Implementations of the Washington Consensus have had noticeably mixed results such as stagnation and recession during the financial turmoil of the 1990s and may ultimately have led to the collapse of several nations’ economic systems (Williamson, 2004: 3). One of the most significant shortcomings of the Washington Consensus was that, while it provided a respectable mixture of reforms to both stabilize the economy and encourages private sector activity; it did very little to aid resolve structural and institutional constraints on growth. John Williamson pointed this out in his 2002 speech at the Centre for Strategic and International Studies, “Did the Washington Consensus Fail?” when he questioned why so little of development economics had made their way into Washington thinking (Williamson, 2004: 5). Three features of development economics are predominantly applicable to African economies and their growth problem: the “dual” economy, the creation of social capital, and the role of the state (Williamson, 2004: 5). The Washington Consensus implicitly assumed that there was nothing wrong with the development assistance relationship it provided, however without doubt, from an African perspective, development assistance has tended to undermine growth prospects, even if it has assisted in the filling of the investment savings gap.

3.2 Earlier Western attempts through Washington Consensus

The Western attempts through Washington Consensus can be easily understood through the historical role of the West by using the term “foreign aid”, which meant military assistance for the Angolan public for most of the 20th century. The role of Washington Consensus in Angola is more prevalent in Angola’s historical moments, it is therefore essential to evaluate these events in order to effectively establish the role played by the Washington consensus. Following the 1975 war of independence from Portugal, the country broke out into civil war. The war was fought between the Soviet and Cuban backed MPLA and a number of other political parties (Victoria, 1998, 1). During this time Angola was facing an enormous agricultural crisis, which harshly limited the source of food. The Soviets and the US provided aid and it is understood that the US donated over 100 million dollars’ worth of food (Victoria, 1998, 1). By the end of the 1980’s the foreign powers had almost completely pulled out of Angola and it looked as if peace and democracy was on the horizon. However this was not actually the case and Angola once again fell into civil war following failed elections in the early 1990’s (Victoria, 1998, 2).
The year 1993 marked a turning point for Angola in terms of foreign aid because the United States formally recognized the Angolan government and initiated diplomatic relations with it. Much of their motivations were most likely linked with the Angolan oil reserves. However, the US was involved in several humanitarian and development strategies in Angola during the 1990’s. But as war continued to escalate in the country through the 1990’s the aid provided was inadequate and unpredictable. In 2002 the Angolan government achieved some entrance of peace and steadiness and since then the US government has intensely increased the amount of foreign aid expenditure towards Angola (Mike, 2013, Not Available). In the early 2000’s the aid was focussed towards more post-war humanitarian initiatives but in 2005 the US changed to moving towards a full development agenda (Mike, 2013, Not Available). US agencies like the United States Agency of International (USAID) development were involved in projects including agriculture, healthcare, education and economic growth (Mike, 2013, Not Available). However, while the US may remain the main and most persuasive donor to Angola many other wealthy nations across Europe and Asia have donated significantly to Angola (Mike, 2013, Not Available).

3.3 Evaluate the empirical role played by Washington Consensus towards Angola’s development objectives

During the pre and early 1980s period the Washington Consensus was assisting Angola immensely through foreign assistance grants. In 1984 gross official development help from multilateral institutions rose to US $33 million, nearly double the figure for 1979 (Thomas, 1991, 121). Foreign aid was likely to rise in the late 1980s as an outcome of Angola's arrangement to the Lomé Convention in April 1985, making the country qualified for funding under the Lomé III Agreement, which was to remain in effect until 1990 (Thomas, 1991, 121). The Lomé Conventions are arrangements setting the outline for mutual aid on development policy, economic policy, trade and industry between the West and what are recognized as the ACP countries (states in Africa, the Caribbean and the Pacific) (Christopher and Jane, 2001, 51). Given the fact that Angola did not adequately meet the Washington Consensus conditionality’s, Angola had to negotiate for most direct aid provided by Western organizations. Because of the mid-1980s crisis in local agricultural production, food imports were vital to feed the people and Angola had to plea for more than US $100 million in food aid. Nevertheless, this aid did not solve the food crisis. In addition, Angola also appealed for US $21 million in non-food aid in 1987, most of which was reserved for survival items (Thomas, 1991, 122).
A vast amount of direct aid was provided by Western organizations and Angola was trying to improve its relations with several Western countries to negotiate for further assistance (Angola Foreign Assistance. 1989, Not Available). In addition to assistance provided by the UN and the World Food Programme (WFP), in the late 1980s the West was providing help through the Lomé III Agreement as well as through the European Investment Bank. Moreover, Angola frequently received aid from Sweden for numerous small-scale development schemes and France offered some help tied to the purchase of French equipment (Angola Foreign Assistance. 1989, Not Available). Angola has improved relations with the Federal Republic of Germany (West Germany) and prospered in getting an agreement in 1987 with that country for 3,600 tons of food aid (Angola Foreign Assistance. 1989, Not Available). Likewise, Portugal approved in 1987 to provide US $140 million in credits toward the recovery of Angolan businesses hurt by the migration of Portuguese settlers after independence and to cooperate in some joint economic ventures with the Angolan government (Angola Foreign Assistance. 1989, Not Available).

3.4 Assess the role played by the key Washington Consensus institutions such as International Monetary Fund (IMF) and World Bank (WB)

The IMF and the WB perceives development as a process of systemic transformation through modernisation and industrialisation driven by domestic consumption and domestically financed capital accumulation. According to the Washington consensus, African countries are poor because of misconceived state intervention, corruption and inefficiency and misguided economic incentives, certain Washington scholar further this list by adding lack of capital, machines, infrastructure and money as some of the main reasons why poor countries remain poor. Development is the inevitable result of a set of ‘appropriate’ incentives and outward-looking neoclassical economic policies, including fiscal restraint, privatisation, the abolition of government intervention on prices, labour market ‘flexibility’, and trade, financial and capital account liberalisation (Alfredo, 2010, 9). Under the Washington Consensus the WB set the program for the study of development, with the Bank and the IMF imposing the standards of orthodoxy within development economies imposing the appropriate policies through the conditionality’s imposed on poor countries facing balance of payments, fiscal or financial crises (Alfredo, 2010, 9). It is obvious that this arrangement of policies, rules and motivations are intended to reduce the economic role of states (Alfredo, 2010, 9). With the Washington Consensus scholars, there is very little description of what the end-state would look like if they followed the principles, seemingly all countries would ultimately look like
the United States. Angola has been more or less able to finance its reconstruction without any major help from the IMF and WB and it has been able to do so through its own resources, relying mainly on incomes and benefits emerging from oil and diamond exports (Alfredo, 2010, 10). IMF and WB started their talks with Angola in 1999 and the position of those organizations has distinctly reformed over the years. IMF has frequently requested Angola to achieve official, essential and political reforms, nevertheless all those propositions were refused until the breakthrough year of 2002 (Alfredo, 2010, 10). In 2002 the oil revenues were extremely low compared to the current situation in Angola; as a result Angola asked the IMF and WB for help and in return granted them access to their economic and political system proposals. Angola anticipated the Fund’s formation of a set of reasonably governmental recommendations followed by provision of a de facto non-conditional loan (Alfredo, 2010, 10). Instead, only small grants from International Development Agency (IDA) were distributed for special social project. IMF operating its systematic schedule finished the Article IV consultations with Angola in which the IMF did not define the economic program competent to undergo the observance of the Fund, primarily because of poor Angola’s statistical pool. Moreover, IMF stated several obstacles which would hinder future financial assistance and that there were more serious uncertainties concerned with Angola’s political performance.

3.5 Concluding Remarks

The manner in which we judge ‘success’ in the global economic system has been shaped by what John Williamson in 1989 called the Washington Consensus (Williamson, 2004: 1-2). The ten original Washington Consensus principles were clearly illustrated within this chapter and have been imposed on a number of African countries including Angola. As an outcome these principles impacted most African countries’ economies negatively for a number of reasons, which includes a lack of understanding by the Western states and a lack of enthusiasm on the part of African states. The outcome in a number of countries that applied the Washington Consensus principles included governmental changes, dismissals, salary reductions and departmental reforms. In Sub-Saharan Africa governments moved with less belief and swiftness. Sub-Saharan African countries failed to reach most of their development objectives, despite significant policy reform, improvements in the political and external environments and continued foreign aid. The successes of Washington Consensus were few, with Uganda, Tanzania and Mozambique being the most commonly cited instances and have remained fragile for more than a decade later (Godfrey, 2011, 8).
In contrast to the rest of Africa, Angola’s elites never permitted the IMF to administer economic policy directly. Yet by 2002 they had nonetheless contained key tenets of the Washington Consensus: liberalization of external flows, strictness for public services and privatization of public properties. While the USA may be the biggest partner to Angola in terms of aid, Angola’s biggest trading partner is now China. China is generally interested in Angola for their oil, however they are also involved in an important number of infrastructure and development projects in the country, this point will be sufficiently discussed on the next chapter. Even after billions of dollars and years spent on aid and development projects Angola remains as one of the poorest nations in the world. Perhaps the US should have paid more attention to turning Angola into a sustainable business partner rather than simply throwing money at them. Although Angola is now richer than it had been before, the prospect of true development remains weak. Poor public organizations, corruption, and dependency are among the difficulties that continue to hinder Angola from achieving development objectives.
CHAPTER 4: CHINA-ANGOLA ASSESSMENT (BEIJING CONSENSUS)

China’s approach to Africa, popularly referred to as the Beijing Consensus, may have serious implications to the continent’s development paradigm. Many African leaders view the emerging South–South relations as a historic opportunity to escape their neo-colonial ties with the West. In China 400 million people were elevated out of poverty in two decades, without externally enforced structural adjustment programmes and has in that sense, bolstered African countries’ optimism that they too can devise their own development path and that the Western model is not that holy (Kuan, 2013, 4). By offering a ‘different’ approach to development, China styles itself as leader of the global South and champion of a reformist international order. All recent studies show that China’s contribution in Africa provides African countries an alternative from the Washington Consensus. Although China is an outspoken supporter of the Millennium Development Goals (MDG’s), its support for the AU and the NEPAD has so far demonstrated to be a little more than rhetoric (Kuan, 2013, 5). Also, its aid is practically mutual and thus outside the existing manner of international development assistance (Kuan, 2013, 5).

Chinese attention in Africa and other regions is driven to a large extent by its rising needs for raw materials and energy. Oil imported from Africa sums to a third of the total Chinese oil imports, a ratio that continues to rise (Broadman, 2008, 95). In fact 50% of the FDI from China goes to countries with large oil reserves such as Nigeria and Sudan, while also extending to countries like Angola, Congo, Chad and Equatorial Guinea (Broadman, 2008, 95). For example, in the case of Angola, which lately overtook Saudi Arabia as the chief supplier of oil for China, the PRC did not hesitate to offer a 2 billion dollar credit at a very low interest rate and without any kind of conditionality (Broadman, 2008, 96). The deal was acknowledged by the Angolan government, permitting it to escape from the good governance conditionality’s set by the IMF for a similar loan. If the previous decade is of any sign, China will continue to pursue greater rewards in Angola’s oil sector and both countries appear to favour the oil arrangement at present. The West’s presence in Angola through the use of Washington Consensus makes the case of Angola interesting as it displays various ways in which Angola can achieve its development objectives. From Angola’s side, analysts admit that the Angolan government also desires to expand both its exports and its trade partners. A 2007 Chatham House paper found that the Angolan bureaucrats interviewed desired to avoid overdependence on China as an economic partner (Broadman, 2008, 97).
4.1 What is meant by Beijing Consensus?

The incredible economic growth that occurred in the PRC over the last few decades has attracted the attention of researchers and policy-makers all over the world. Given the PRC’s economic growth and development plans that differ from those of the IMF and the WB, some authors are of the view that a new consensus, a Beijing Consensus, might be emerging and could possibly replace the so-called Washington Consensus. The existence of a new model of development inspired by the PRC has been subject to enthusiastic debates among experts, practitioners and academics for the last few years. While some of them consider the Beijing Consensus a suitable replacement of the Washington Consensus, others question the viability of the Chinese model, its prospect of success, and the very existence of such an alternative model. “China is writing its own book now. The book represents a fusion of Chinese thinking with lessons learned from the failure of globalisation culture in other places. The rest of the world has begun to study this book.” (Ramo, 2004: 5). For other developing nations, replicating even a piece of China’s success would be successful indeed. Where the Washington Consensus recommends the same strict and homogeneous reforms to nearly all developing countries, the Beijing Consensus recognizes the need for a unique approach based on each nation’s unique challenges (Ramo, 2004: 5).

The Beijing Consensus lays down a new approach to development based on China’s model for economic growth and political principles of non-interference and self-determination. The term was introduced in 2004 by Joshua Cooper Ramo, who contended that “China is marking a path for other nations around the world who are trying to figure out not simply how to develop their countries, but also how to fit into the international order in a way that allows them to be truly independent, to protect their way of life and political choices in a world with a single massively powerful center of gravity” (Niccolo, 2011, 46). The Beijing Consensus, which first achieved its platform in 2004 when Joshua Cooper Ramo published his paper “The Beijing Consensus” through the United Kingdom’s Foreign Policy Centre, is based upon three overarching ideals of Chinese development, which in turn propose how to arrange the place of a developing country in the world (Ramo, 2004: 11). These three ideas are summarized below:
I: Innovation

In order to overtake the “friction losses of reform,” governments must keenly innovate in order to address the trials presented by the fluctuating economic and social environment (Ramo, 2004: 12). Another author expresses this as a commitment to “constant tinkering and constant change, and recognition that different strategies are appropriate for different situations” (Ramo, 2004: 12). This feature of the Beijing Consensus is derived from the importance that China has positioned on innovation in its own development since 1979. In particular, China has preserved a strong focus on establishing effective policies, which solve problems that are actually important to its people. In order to realise this goal, it has been vital for China to actually attain an understanding of what people want: Ogden writes, “The Chinese government itself is known to carry out surveys of public opinion precisely to find out public attitude toward the government,” and consequently to keenly measure the influence and popularity of its policies (Ogden, 2002: 100-101). The fact that the Chinese government relies heavily on surveys and questioning, reproduces a dedication to “constant tinkering” vis-à-vis ground-breaking policymaking. Some of the results have been debated to outside observers (Ogden, 2002: 100-101). For instance, the one child policy, applied to slow population growth however within China; such policies have been highly successful. In the case of the one child policy, the policy has allowed China to achieve goals of significant prominence to its population, such as economic growth and stability. Despite appearing absurd and morally questionable to the outside world, this policy is important and works for China as emphasised by their GDP.

II: Pursuit of Dynamic Goals/Rejection of Per Capita GDP

In principle, the next big idea of the Beijing Consensus is refusal of GDP per capita as the element of development (Leonard, 2006, Not Available). This ideal assists in part as a refusal of Western policies, which are known to weigh these statistics heavily. Instead, the Beijing Consensus proposes an increased attention on measures such as quality of life and individual justice, areas that China has intensely focused its attention on (Ramo, 2004: 12). Qualitatively, the most perfect measure of quality of life is the UN Development Program’s (UNDP) and Human Development Index (HDI): These standards offer an alternative to the view of development associated entirely with economic growth and assist us to understand that poverty is actually the lack of basic skills rather than merely lowness of incomes (Ogden, 2002: 367). Scrutinising development in this manner therefore emphasize the realization of
substantive results and discredits, for example, situations where income growth benefits only a trifling portion of the population. The difference between measurements of HDI and GDP can also be important. For example, according to the UNDP’s 2007 data (published in 2009) China was ranked 102 out of 182 countries in terms of per-capita GDP, while it was ranked 56th in measurements of adult literacy, 72 considering life expectancy, and 92 according to HDI value (UNDP) (Ogden, 2002: 367-368). Seeing GDP as the single most important factor would consequently underestimate China’s other fundamental success.

In this sense, China’s governing leaders have often emphasized the need to concurrently follow multiple goals: “China’s development strategy, according to Premier Wen Jiabao, includes placing people first and promoting improvement and innovation in accordance with the ‘five-stabilities’: balancing urban and rural development, balancing development among regions, balancing economic and social development, balancing development between man and nature and balancing domestic development with opening wider to the outside world (Yusuf and Nabeshima, 2006: 5). In contrast, the idea of pursuing stable development is hardly stated in the outline of Western priorities. The Beijing Consensus recognizes that an increasing GDP, left without other goals and serious strategies for realising them, will not solve problems of everyday relevance to the population.

III. Self-Determination

Finally, the third point of the Beijing Consensus stresses the necessity for developing countries to actively seek independence from outside pressure, as it is imposed by “hegemonic powers” such as the United States (Ramo, 2004: 12). Ultimately, this supreme can be seen both over the lens of China’s traditional dislike to foreign invasion, and by considering the fact that China has denied to give in to outside pressure and as an alternative pursued its own priorities (Ramo, 2004: 12). Gresh describes this characteristic of the Beijing Consensus as “valuing independence and self-determination and refusing to let other (western) powers enforce their will,” stressing the idea that “Countries can plan their own development without having to admit the unfavourable terms of the Washington Consensus” (Gresh, 2008, N-A). Indeed, it is easy to see why the Chinese model has been met with a strong interest in other developing nations. Particularly in Africa, where western countries have an extensive history of incursion and exploitation the idea of self-determination being important to development, as China proposes, is highly appealing. This is evident in China’s increasing role in the region: Princeton Lyman, for the Council on Foreign Relations, wrote,
China’s investments are good-looking to Africans since they come with no conditionality related to governance, fiscal probity or other worries (Lyman, 2005, N-A). China, in other words, does not pursue to enforce its own main concern on partner countries, for good or ill. Regardless of whether the U.S. and other Western nations agree with the ideology of self-determination, it is a key component of the Beijing Consensus that further underscores the alternative value of the Beijing Consensus in relation to the Washington Consensus (Lyman, 2005, N-A).

4.2 From Washington to Beijing consensus, a new road towards development of Angola

When the United States appeared as the winning nation in the end of the Cold War the “Washington Consensus” turned out to be the only durable trustworthy socio-political model. The financial disaster in 2008, China’s economic success and Africa’s dependence on China, all led to the Washington Consensus losing its standing. The disaster of the Washington Consensus in terms of aiding Africa with structural adjustment has been so dramatic that some critics argued that the strategies enforced on African countries were never envisioned to approve development. On the contrary, they declare that the goal of the Washington Consensus was to preserve African countries economically weak (Ann, 2002, 1). This point is justified by the circumstance that most industrialized countries in the world have actually developed under conditions conflicting to those imposed by the Washington Consensus. Under the Washington Consensus, African countries have been required to cut back or give up the very requirements which helped rich countries to prosper and grow in the past. Washington Consensus policies focused a lot on the economic aspects of development leaving African countries ever so dependent on loans offered by the IMF and the WB (Ann, 2002, 1). This serves as one of the most important reason for China’s increasing African engagement which threatens to challenge the Washington Consensus.

The case of Beijing Consensus is so exclusive that there have been fascinating discussions on it. Just a few decades ago when the Washington Consensus was dominant, no one cared about the China’s mode of development. Some social experts and economists back then even predicted the downfall of the communist regime in a near future. As of lately, emphases have been drawn to the Beijing Consensus. The Beijing Consensus encompasses many philosophies that are not about economics (Shaun, 2013, 3). They are about politics, quality of life and the international balance of power (Shaun, 2013, 3). Beijing is using tied aid both to improve the business opportunities for Chinese companies in Africa and to cover the way
for vast investment projects (Shaun, 2013, 3). It is without surprise that China is concentrating its investment and aid strategies on countries such as Sudan and Zimbabwe, in which the MNCs are barely present, either because they have not yet ventured into these markets or because they have withdrawn owing to the international sanctions regime. All in all, Chinese companies are better ready to deal with the detailed political risks found in many unstable African states than many Western firms consider as Rogue states and that gives them a comparative advantage. With the above given differences between the two consensuses, one can strongly argue that with the Beijing Consensus active in Africa, African states stand better chances for development as compared to the earlier times of the Washington Consensus.

4.3 Evaluate the empirical role played by China through the use of Beijing Consensus

During the 2000s, China continued supplying Luanda with loans. In 2005 when Vice Premier Zeng Peiyan visited Angola, Beijing offered a $6.3 million interest free loan and another $1 billion loan in March 2006 (Loro, 2006, 494). In June 2006, Premier Wen Jiabao provided another $2 billion loan during his visit to Luanda (Loro, 2006, 494). According to Angola’s Deputy Minister of Finance, China’s credit to Angola accounts for 58% of the total credit Angola obtained after 2002 (Loro, 2006, 495). The Chinese ambassador to Angola assessed that three Chinese state banks, the Exim Bank, Industrial and Commercial Bank, and the China Development Bank, have extended almost $15 billion in credit to Angola (Loro, 2006, 494-495). Within that same year, China provided a $100 million credit line for upgrading health sector facilities in Huambo Province (Loro, 2006, 495). Above and beyond funding reconstruction efforts, China has also funded tasks such as the construction of stadiums for the 2010 African Cup of Nations. China has written off about $10 million in Angolan debt, yet the country still owes almost $18 billion (Loro, 2006, 493). In addition, China has provided some humanitarian aid, such as a $1 million donation of agricultural goods to Malanje Province (Loro, 2006, 493). According to the Chinese ambassador to Angola, there are approximately 50 state-owned firms and 400 private companies working in Angola with about 70,000 Chinese workers (Loro, 2006, 493). In a country where the majority of the population lives in extreme poverty, these varieties of stadium projects seem extreme. There are projects and buildings that are more needed in Angola than this stadium. Many Chinese projects weaken the development of local industry in Angola. Angolan scholar Pinto de Andrade wrote in 2007 that Chinese aid has had slight impact on Angolan job creation and there has been slight technology transfer from Beijing to Luanda (Kiala, 2010, 23).
4.4 China-Angola Cooperation

It was not obvious that China would become a major economic partner for Angola when its civil war ended. For an extensive period during Angola’s civil war, China supported the FNLA and UNITA, the two groups that ultimately lost. In 1983 China opened diplomatic relations with the Angolan government (MPLA) and in 1988 they created a Joint Economic and Trade Commission (JETC) (Roselyn, 2013, 13). However, it took a period exceeding 10 years before the two countries would actively engage in any passable relations for Angola (Roselyn, 2013, 13). After almost 30 years of civil war, Angola was devastated and in need of major development (Roselyn, 2013, 13). Half a million people had been killed during the decades of violence and a million displaced. Roads were in disorder, over 300 bridges had been demolished and fields were full of landmines (Roselyn, 2013, 13). Luanda turned to international organizations for assistance and was met with conditions for political transparency and reform. Groups such as the IMF and the Paris Club required that the country undergo significant transformation in exchange for aid. From 1995-2004, Angola agreed to four IMF programs, but was unsuccessful to complete any of them. Although China was a member of the IMF at this time, its voting share was about 2% of total votes, giving it little power to influence decisions (Roselyn, 2013, 13).

In 1998 President Dos Santo visited China and in 1999 their command finally met for the first time (Roselyn, 2013, 14). From that point forward, it was clear that Angola was interested in receiving China’s assistance in rebuilding the country’s infrastructure. As a product-based economy merging from 27 years of conflict, before China’s dominant role Angola was in desperate need of new partners and a new source of FDI (Roselyn, 2013, 14). For the Angolan government, this new assistance brings important advantages to the country: serving to support economic growth. China offers a new model of assistance and in contrasts with the Western form of assistance based on conditionality’s. The existing phase of Chinese engagement with Angola began at a unique moment for both countries. Angola needed development assistance and had oil just at the time when China realized it needed oil and could provide development assistance in return. Although not easily measured, Chinese investments have contributed to the much needed combat against poverty in Angola. The building and reintegration of electrical and hydro-electrical infrastructure by the Chinese has expanded electricity access to over 60,000 new clients, the restoration of roads, bridges, and rail networks provides access to parts of the country that had been detached by the war and eases commercial activities (Roselyn, 2013, 13).
Both the West and China spoil Angola with non-transparent oil-backed loans. While the Chinese loans are often cheaper as compared to the Western loans, Beijing commands more strictly to Luanda what can be done with the money. Chinese agreements from the Exim Bank require that 70% of projects be awarded to Chinese firms and 50% of the procurement resources must come from China (Malcolm, 2009, 84). For Angola, China stands as an appropriate source of financial aid in the form of loans and in 2004 China’s Exim Bank provided an oil-backed $2 billion loan to the Angolan government (Malcolm, 2009, 85). The loan was to be paid back over a period of 12 years. The loan was then doubled in 2006. The interest rate was only London Inter-bank Offered Rate (LIBOR) plus 1.5%, unlike the premium of 2.5% plus LIBOR from other loans (Malcolm, 2009, 85). This loan was the consequence of Angola’s historical negative relationship with international financial institutions such as the IMF. President dos Santos in 2006 declared, “We appreciate the cooperation…and the efforts our two countries are making to rehabilitate basic facilities destroyed during the war in Angola” (Campos, 2009, 31). The conditions of these loans are only based on payment procedures, such as being repaid through an allocation of 10,000 barrels of oil per day (Campos, 2009, 31). These Chinese loans differ from Western loans for their interest rate and longer payment timeframe.

Angola has numerous financial associates as many foreign countries and banks have invested in Angola and provided loans. Within months of China’s $2 billion loan, a group of Western Banks such as Standard Chartered, Barclays, and the Royal Bank of Scotland settled an oil-backed loan of $2.35 billion for the state-owned oil company (Campos, 2009, 32). This unique Western loan did not come with conditions and attachments and thus did not attempt to improve Angola’s governance. The loan did not require transparency in public accounting and it is still unclear as to what the money was used for. Repayments were due over a period of five years and like the Chinese loans, they were guaranteed future oil production. While Angola may have numerous aid partners, Angola does not rank at the top of the list for economic investment. The commodity-backed infrastructure loans are helping develop Angola, but not the Angolan working class. To cite the well-known proverb, the Chinese are providing fish for the Angolans, but are not teaching them how to fish. However, there is no condition, or possibly even expectation, that foreign countries should develop the countries in which they are investing. The China-Angola association has grown strong over the past decades in part due to the recurrent contact between the leaders of the two nations. Oil between the China-Angola relations plays a vital role as China became a net oil importer in
1993 and securing energy resources became one of Beijing’s top priorities (Roselyn, 2013, 14). China’s manifestation in Angola grants a fascinating case study of China’s oil relationships with African nations and there is a complex interplay of benefits and challenges. Choosing Angola as a case was crucial in discussing the growing China-Africa relation given the fact that the Sino-Angolan oil relationship will likely remain significant and sustained for the coming decades. Figure 4.1 demonstrates just how much oil Beijing will need from Angola in the coming decades.

Figure 4.1: China’s Oil Demand and Angola’s Supply, 1980-2030

In Angola, China’s presence remains modest as compared to that of the West through the Washington Consensus. China’s loans for oil deals with Angola represent China’s Foreign Policy objectives of becoming a Global Economic power and might possibly lead to many future ramifications for Angola. China’s loans are an attractive alternative to those from international institutions that have conditions involved intended at promoting the Angola’s standard of living and controversially aimed at helping Angola to achieve its development objectives. One shared criticism is that China’s economic policy is resource single-minded and goal oriented; its China’s non-interference approach that turns to challenge Western countries’ hopes for democratic progress in Angola.
The majority of Chinese trade with Angola is dedicated on oil. As President Dos Santos stated in 2007, “China needs natural resources and Angola needs development” (South African Press Association). Figure 4.2 shows just how Beijing’s oil-concentrated purchases were from 1995-2005, 45% of Angola’s oil goes to China and makes up 15% of China’s total oil imports and 99% of Angolan exports to China are oil (Corkin, 2008, 119). In 2008 Angola was China’s main trading partner in Africa and it briefly exceeded Saudi Arabia as the top supplier of oil to China (Corkin, 2008, 119). Figure 4.2 shows just how much China depends on Angola for its oil. One specialist labelled the relationship as one that is characterized by China’s growing thirst for oil and China’s goal of becoming the next Global economic power.
4.5 Concluding Remarks

This chapter discussed and analyzed China’s influence in Angola using the Beijing Consensus. It is clear that Angola fits into the pattern of a traditional resource-based argument of the Chinese influence in Africa. China will do or ignore anything in its quest for oil. This chapter brings about realization that it is entirely up to African governments to make whatever internal changes necessary to ensure development and to make an external decision as to which consensus (if either) would best serve African interests. The problem arises when African governments are unable to govern effectively or legitimately. China’s lack of conditions could easily encourage the realization of Angola’s development objectives. However, “whether the no political strings attached policy will be beneficial or not is left in the hands of the Angolan governments.

Angolan politics, or governance, is of very poor standards and lacks the institutions to ensure the equal distribution of oil wealth. For example, Human Rights Watch and other organizations have called on Angola to join international groups such as the Extractive Industries Transparency Initiative (EITI) (Roselyn, 2013, 14). Neither Western nor China is persistent for transparency or reform. As much as the blame is shared, there are some features of Chinese investments that are of contrast from Western aid. Despite Beijing’s rhetoric that its aid is unlike the Western aid, Chinese funds are tied economically versus the West’s political ties. Chinese aid and investment in Angola obliges that Angolans use Chinese materials and contractors, which does not fully contribute to Angolan development. China solely aims at attaining as much oil as possible from Luanda. While Western nations are correspondingly interested in energy, they also experiment in other industries, which helps expand industries in Angola.

The Chinese also have a long and special relationship with President Dos Santos. They have supported him for about thirty years and could utilise their long standing relationship with him to enact changes. Although China is Angola’s most significant oil export market and trade partner, this prestige has not brought particular power or control to influence Angolan policy. Due to the fact that oil is an important commodity, if China stopped buying oil in an effort to inspire better governance (an unlikely move for Beijing), its action would likely have little influence as the European Union, the United States, India and other nations would most likely to step in to purchase more oil. The Chinese have made it apparent that political reform and equality are not a prerequisite to receiving aid from Beijing.
China has not taken benefit of its long standing relationship with Dos Santos or its decades of participation in the country to pressure Angola to develop. As it stands the Chinese model is an attractive substitute for those authoritarian leaders who may want to advance the growth and development rates of their countries without placing their regimes at risk, making economic development the main concern over political reform. This leads to an important question: is the Beijing Consensus really useful as a development model for Angola as compared to the Washington Consensus? This question will be sufficiently answered shortly within the paper.
CHAPTER 5: THE PERFORMANCE UNDER THE CONSENSUSES

As it stands most African Countries have continued to apply the principles of both consensuses in their economic policies, however their road to development remains unclear with very little consideration for their growth potentials. Although, the Washington Consensus could be said to have better macroeconomic strength in Sub-Sahara Africa (SSA), it had not simplified the solution to development in Africa and developing countries in general. This comment was supported by Woo (2004), who interpreted that although Indonesia, Korea and Thailand applied the Washington Consensus type of policies to counter the Asian financial crisis, they suffered deeper output losses for a longer period than Malaysia, which adopted capital controls instead (Wing, 2004, 5). The one-size-fits-all approach of the Washington Consensus did not take into account the degrees of the individual African states telling poor countries in Africa that they have to set their visions on the best practice institutions of the U.S.A or Sweden is like telling them that the only way to develop is to become developed (Wing, 2004, 5). By treating Africa as one unified component, blessed with the same benefits enjoyed by Western states, protagonists of the Washington Consensus failed to understand that development in Africa required more than just tax reform.

Currently in doubt, is also the ability of the Beijing Consensus to ensure sustainable development in Angola. Williamson (2012) retains that the Beijing Consensus could best be labelled as protecting China’s self-interest rather than a sincere concern for Africa’s developmental needs (Williamson, 2004: 1-2). For example, Chinese loans to Angola were closely interconnected to trade and investments in Chinese commodities. In 2004, the Chinese government granted Angola long term non-concessional loan of US$2 billion on the condition that 70 per cent of the total loan contracts would be awarded to Chinese companies (Corkin, 2008, 118). The loan was also conditioned on the fact that China imports 10,000 barrels of crude oil per day from Angola throughout the loan repayment contract (Corkin, 2008, 118). The terms of the loan clearly indicated that it was not designed to have a meaningful impact on the citizens and poverty alleviation through domestic job creation. To support the notion that the Beijing consensus is more of a self-interest approach to investments, Lammers (2007) held that, the Chinese development assistance and soft loans to Africa had given China the opportunity to explore Africa’s oil-fields as experienced in Angola and Sudan (Corkin, 2008, 119).
5.1 Criticisms of the Western approach (Washington Consensus) towards Angola’s development goals

Williamson the man who came up with the term has come to the following concession: The Washington Consensus has been understood to mean bashing the state, a new imperialism and the creation of a laissez-faire global economy, that the only thing that matters is the growth of GDP (Williamson, 2004, 6). The tragedy of the Washington Consensus’ approach to aiding Africa with structural adjustment has been so intense that some critics argued that the policies imposed on African countries were never intended to approve development (Mares, 2001, 31). On the contrary, they assert that the objective of the Washington Consensus was to keep African countries economically weak (Mares, 2001, p: 31). This point is justified by the fact that most industrialized countries in the world have actually developed under circumstances different to those enforced by the Washington Consensus (Mares, 2001, 31-32). Under the Washington Consensus, African states have been required to cut back or abandon the very same requirements which helped developed countries to prosper in their development path (Mares, 2001, 32). The Washington Consensus policies focused a lot on the economic features of development driving African countries such as Angola to be more reliant on loans offered by the IMF and the WB. This serves as one of the adequate reasons for China’s increasing African commitment which threatens to encounter the Washington Consensus.

5.2 Criticisms of the Chinese approach (Beijing Consensus) towards Angola’s development goals

United States and Western critics strongly argue that the Chinese engagement in Africa is mainly a form of crude mercantilism and political interventionism that directly threatens U.S interest and calls for confrontation, condemnation and containment (Alden, 2008, 175). The Western countries strongly claim that China is guilty of backing corrupt political elites in ‘rogue states’ in exchange for exploitation rights or other forms of access to raw materials (Alden, 2008, 175). This undermines the initiatives Western countries have undertaken through the use of conditional aid as means of fighting corruption and improving standards of governance in such states. Critics have also paid devotion to China’s Foreign Policy pillar of non-interference to sovereignty of states; this pillar is a problem because it contrasts strongly with the West’s conditionality approach (Power, 2012, 131). Beijing consensus has
increasingly claimed that non-interference is a essential condition for building a harmonious world and this perspective has provided the foundation of Chinese foreign policy since the Five Principles of Peaceful Coexistence were formulated in the 1950s (Power, 2012, 131). China’s engagement in the African continent has caused conflict between itself and the traditional donor countries. Simply because the Western countries are losing some of their influence in those African countries in which China has become a significant player. Bureaucrats of the G8 have criticised China for its approach in Africa, on the grounds that China weakens the G8s determinations to increase the effectiveness of foreign aid (OECD, 2011, 114). They continue to argue that China is backing up corrupt elites and it also weakens Western efforts to improve transparency and values of governance (Alden, 2008, 175-176). Critics have further argued that China offers aid and military equipment to African countries irrespective of their style or equality of governance and of their human rights records (Alden, 2008, 176). The engagement of the Chinese provides a platform where certain African governments may reject demands made by the IMF and the WB which entails that they should qualify for aid by improving transparency, implementing anti-corruption strategies and making progress towards democratisation. The Western countries also express doubts about China’s delivery of military equipment to rogue regimes and to both parties in a single war (Alden, 2008, 176).

Critics also strongly argue that China is ignoring corruption and failing to support better-quality social and environmental standards in Africa (Alden, 2008, p: 176). In the case of Angola the Chinese require that 70% of projects be given to Chinese firms which mean that the majority of the funds are going to Chinese firms (OECD, 2011, 114). In an effort to advance Chinese companies, projects financed by the Chinese Exim bank must have at least 50% of the procurement materials from China. While many goods are often cheaper in China, the Angolans are often getting a road, or stadium and nothing else, no market development or local business growth. In addition Chinese aid has had little influence on Angolan job creation and there has been minimal technology transfer from Beijing to Luanda (OECD, 2011, 114). The Beijing Consensus also depends on on the idea that China’s path to development is unrepeatable by any other nation. This is the opposite of the universal prescriptions provided by the Washington Consensus and the Chinese leaders seem reluctant to recognize the existence of any Chinese model which other states might copy. One of the main trademarks of the Beijing Consensus is that it does not command set policy points to those who may seek to use it as a model.
5.3 Survey

The survey was conducted through the use of University of Witwatersrand Postgraduate students from a wide range of disciplinary fields. The aim of the survey is to highlight scholar’s perception to the growing China-Angola relationship.

China’s interest in Angola

1. Is it in China’s interest to help Angola/Africa to develop?

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<tr>
<td>No</td>
<td>✓</td>
<td>✓</td>
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(Provide a tick as an answer—one tick per person)

This question produced different views from the participants as they offered different observations. However one scholar argued that he is not of the opinion that China has any specific interest in aiding Africa to develop. For any government to engage with a country they have to be realistic and serve their national interest. No country can approach African countries and say they have too much money to spend hence they would want to help them develop. When one evaluates the Sino-African relation on the basis of China having to develop Africa they must firstly differentiate the China’s notion of relation with Africa that I have a strategy to help you and I have a strategy to do business with you which will help you. I am just doing business with you because I know you need me so you can use me to develop, however I am also rationale I want to diversify my investment, I want to make my state own enterprise, be more competitive globally and that is a business concept.

Another scholar argued that: I strongly hold that the Chinese have no substantial interest in aiding Angola to develop. This is based on the nature of the relationship that has been established between the two countries; which I would describe as merely a business transaction, Angola gives oil in return of whatever aid China lays on the deck each time. This aid, truly speaking provides very little for the Angolan population considering the fact that a large amount of the development activities are headed by the Chinese companies currently present in Angola and ultimately leaving many Angolans citizens without much. It is in the above mentioned arguments that one can note that Africans are the ones to develop themselves. Africa’s development is in the hands of African leaders; no international actor
will come and provide development for Africa only Africans themselves. China wants to buy; Africa has energy and other resources to sell. If African governments could respond in a way that can encourage development then China might provide an opportunity for Africa which Europe and America have failed to deliver (Friedman, 2008, 2). As a result of intensified trade links with China, Africa has enjoyed higher growth rates; better terms of trade, increased export volumes, higher public revenues (Friedman, 2008, 2). China is indeed doing more to promote and help African development in the process of helping itself than any other Western country. A report by the World Bank concluded that China’s investments ease Africa’s poverty (Williamson, 2004: 3). Africans should stop having this idea that only the developed countries can develop Africa, they should learn from the likes of India, Japan, china and many other countries who have started from nothing and became something.

**The Extent of Perceived Sino-Angola relationship**

2. What do you think of the growing China-Angola relationship towards Angola’s development objectives as compared to earlier Western attempts through the Washington Consensus?

| Good | | | ✓ | | | |
| Bad | ✓ | | ✓ | | |
| Not much different | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

(Provide a tick as an answer—one tick per person)

The first question was to evaluate scholar’s perception towards the growing China-Angola relation. As shown from the answers above, a number of scholars believe that China’s interests in Africa is not much different from those of the neo-liberal Western powers as it is meant to serve China’s interest. It is by no doubt that China’s principal interest in the continent is access to natural resources. But Africa also provides new markets for China’s growing economy indicated by the Chinese consumer goods that are flooding African markets.
Perception to the China-Angola relation: Win-Win partnership or new imperialism

3. Do you think the China-Angola relation is on basis of a win-win association or it is new imperialism?

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<th>Win-Win partnership</th>
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<tr>
<td>Neo-imperialism</td>
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<tr>
<td>Neither</td>
<td>✓</td>
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(Provide a tick as an answer—one tick per person)

Participants were asked about their perception on the growing China-Angola relation. In addition to the above offered answers one scholar argued that China is making it clear that its principal interest in Angola is access to Angola’s oil. China is in Angola with attempts to fulfil its Foreign Policy objective and as we all know that there is no countries Foreign Policy objective aimed at developing another country. What most critics should take into consideration with regard to China is that post-1949 China was devastated by war and levels of ‘development’ in certain African states were above that of China however today China reflects an inspiring, if highly mixed, demonstration of a developing yet already significantly advanced economy.

Another scholar argued stating: from what I have observed from most developed countries I am of the opinion that before any country can prosper economically it has to have a fairly disciplined government towards development objectives. These may or could bring about a country in harmony and decrease chances of corruption. China’s ignorance of these factors promotes unfair practices in governments and brings forth the idea of China being a Neo-imperialist as it is dominating Africans countries through the use of economic exchange and ignoring the important aspects of achieving development.
China’s involvement in Africa:

4. Is China hampering African countries’ development strategies by its extraction of raw materials, ignorance of corruption and the provision of aid and military equipment to these countries regardless of their quality of governance and of their human rights records?

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(Provide a tick as an answer—one tick per person)

The answer to the above asked question stands as an example indicating that not all partakers believe that China is hampering African countries development strategies. One scholar further elaborated by arguing that China’s engagement with African leaders is on basis of choices. China offers African countries choices whether they should have any cooperation with China through trade, financial means and other means just to mention few. Hence, China does not enforce any ideas and strategies in its relation; it is only driven by its thirst for raw materials and capital accumulation in Africa in order to fulfil its national interests. So what African countries do with their aid and the level of development is not in China’s interest.

As the Chinese people often say with regards to their engagement with Africa that they can give you rice but they will not cook it for you. Without African leaders political will to development, the disadvantaged African citizens will not see their lives bettered by Chinese’ presence in Africa (Friedman, 2008, p: 2). It is clear that Africans are the ones to develop themselves and the harm caused by China and other global powers in the exploitation of resources should not be seen as a hampering development element but should be perceived as a call for Africans to stand up and develop themselves from the opportunities offered. Development in Africa is possible given the fact that Africa is rich in natural resources. However the road to development also comes with challenges that includes dealing with corrupt regimes, conflicted areas, inadequate state leaders and other factors just to mention few, however frequent support from the international actors such as China; Africa can deal effectively with its challenges and achieve development.
Government Handling of Angola’s development objectives

5. How well or badly would you say the government is handling Angola’s development objectives?

| Very Well |  |  |  |  |  |  |  |  |  |  |  |
|----------|---|---|---|---|---|---|---|---|---|---|
| Badly    | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

(Provide a tick as an answer—one tick per person)

Generally the people detect no satisfactory measures in the government's alleged efforts to achieving development objectives. The high hopes of the transition era have largely been ruined, as the practice of corruption both routine and grand remains “business as usual” in Angola. As it turns out the government measures of achieving development are not sufficiently effective as the country still faces issues such as not making satisfactory progress in achieving the Millennium Development Goals (MDGs), corruption as one of the key aspects that hinders development and state bureaucracy to mention few. Angola has the potential to lay down the rules and significantly benefit from its relationship with China. Angola may need China for different reasons, but China needs Angola just as much.

The oil provided by Angola for the Chinese is essential in the Chinese manufacturing industry, which brings in a large portion of their yearly income. Angola can therefore use this to their advantage and demand more, lay down few conditions and ultimately do what is best for their people; this includes the eradication of foreign companies (Chinese) within Angola and insisting that more than half the population of companies should be owned by the Angolan population. This is just one of many ways the Angolan government can improve the Angolan development objectives. It is also important for one to note that Angolan governments need to find measures that will help the country to achieve development instead of relying on foreign aid. In a bid to improve Angola’s reputation and ensure an environment conducive to rapid economic and political change, Angolan government must be prepared to look inward at tackling the problems that have been preventing the country from reaching development for such a long time.
5.4 China as a model of development for Angola

Politically as well as economically, China has provided a substitute development model for many African states in the eyes of many of their leaders (Sujian and Baogang, 2010, 141). According to Naidu and Davies, China poses an elevating substitute to the traditional engagement models of the West (Taylor, 2007, 23). African governments see China’s pledge as a point of withdrawal from Western neo-colonialism and political conditions under the Washington Consensus (Taylor, 2009, p: 23). Concur one Nigerian analyst, argued that China is the living proof of “successful” alternatives to Western political and economic models (Taylor, 2009, 23). China indeed signifies the hope that another world is possible, in which development comes before the freedom to vote. Before one can criticize China, it is of importance to note that Europeans and Americans cannot do what Chinese are doing. Coming from richer countries, they insist on better living conditions and thicker profit margins (Taylor, 2009, p: 24). While Chinese cluster in Chinatowns and spark a racist backlash, they work harder in harsher circumstances and that stands as an inspiration in its model of development (Taylor, 2009, p: 24). China is both a powerful inspiration and a real motor of development for Angola. Angolan leaders should look to China as a model of development because it is important that they acknowledge that Angola’s development will only come through the leaders themselves. Against the traditional understanding that Chinese involvement cannot transform Angola’s economy for the better, to eradicate poverty and also to spark high speed growth, this paper finds that China is already in the process of transforming Angola through its economic initiatives, however development lies in the hands of Angolans themselves.

Angola could therefore be merged into China’s economic model but also bear in mind, as argued earlier, turning Angola into a developed country is not China’s goals but China helping Angola in order to develop themselves is possible through the Sino-Angola relation. Angolans have long been told by others that they must take advantage of the opportunities of globalization. As the Chinese secretary general of an NGO, Network for International Exchange, maintained in January 2007 at the Seventh World Social Forum meeting in Nairobi, Kenya, we Chinese had to make the same hard decision on whether to accept foreign investment many, many years ago (Sujian and Baogang, 2010, 141). You have to make the right decision or you will lose, lose, lose and remain poor, poor, poor combinations with the world market, however helpful, is not a uniquely Chinese formula to development but major development initiatives with the world market revenues acts as an essential ingredient (Sujian
and Baogang, 2010, 141). Let’s treat China, for Angola, as both a model and a motor of development. Angola has barely begun to join the East Asian flock which is doing remarkably well in terms of development. It is of importance that Angola takes exceptional steps to developing itself and begins treating China as a model and motor for the country’s twenty-first century success. As unthinkable as it may seem to Angolan’s, it is possible and China stands as a satisfactory model of development which can help transform most of the country for the better. However Angola still has some challenges that need to be addressed as they turn to hinder the country from achieving its development objectives.

**Some likely challenges to Angola’s development:**

For years, as a former Cold War battleground, Angola has stood out on world league tables of ‘failed’ or ‘failing’ states. Its national oil company is of world class. In recent years its economy has grown at a feverish annual rate of 18 percent. Its government has successfully ended years of violent conflict, consolidated its political base and negotiated profitable deals with major public and private bodies of the United States, Europe and China. Even after billions of dollars and years spent on aid and development projects Angola remains as one of the poorest nations in the world. It is about time for Angola to take a 100 percent responsibility for its development objectives because neither China nor America can in the dominant discourse, save Angola from the resource curse in which the profits from commodity exports serve only the interests of the African countries elites. Before the paper offers passable implications in the coming chapter it is firstly important to provide a brief discussion of some likely challenges to Angola’s development objectives. In order for Angola to succeed under the proposed new economic development paradigm, the country must cultivate a sense of urgency in overcoming some of the likely challenges currently confronting it. These challenges include:

**I. Pursuit of the Millennium Development Goals (MDGs)**

Firstly this paper will provide a brief discussion of the MDG’s, the Millennium Development Goals (MDGs) are eight international development goals that were established following the Millennium Summit of the United Nations in 2000, following the adoption of the United Nations Millennium Declaration. All 189 United Nations member states at the time (there are 193 currently) and at least 23 global organizations dedicated to help attain the Millennium Development Goals by 2015, the goals are as follow: eradication of extreme poverty and hunger, achievement of universal primary education, promotion of gender equality and the
empowerment of women, reduction of child mortality rates, the improvement of maternal health, the combating of HIV/AIDS, malaria and other diseases, the insurance of environmental sustainability and the development of a global partnership for development (United Nations, 2005, 7). The development condition in Angola calls for a requirement to keep up with the pursuit of the MDGs. Indeed, the sharp increase in oil production and important investment have brought about incredible improvements in the living conditions of many Angolans over the recent years, however poverty, both income and human poverty is still quite visible in the country preventing the country from attaining its development.

II. Corruption

The obviously high incidence of corruption constitutes a major challenge to the successful implementation of any new development strategies in Angola. Corruption in Angola promotes the diversion, depletion and misallocation of scarce resources, as well as an increase in the costs of production of goods and services. It results in incompetent state ownership, extreme private accumulation and widening inequalities. The lack of transparency and accountability associated with corruption prevents public participation in the decision-making process thus, limiting positive developmental outcomes (Jian, 2011, 80). Corruption in Angola misrepresents fiscal discipline and delays institution of good corporate governance practices (Jian, 2011, 80). Human Rights Watch describes the huge corruption and mismanagement in the country, especially in the oil sector. For example, from 1997-2002, over $4 billion in oil revenues, more than 10% of GDP, bypassed the state system and likely went to Dos Santos and others. Dos Santos’ almost three decades in power has shown that even poorly performing autocracies can last a long time (Jian, 2011, 81-82). After Libyan Muammar Gadhafi’s death, President Dos Santos rivals Equatorial Guinea’s Teodoro Obiang for the unwanted title of longest serving African dictator. While dos Santos’ lengthy rule has meant some degree of political stability, in 2007 Angola ranked 42nd out of 48 nations for poor progress in sub-Saharan Africa on the Ibrahim Index of African Governance list (Jian, 2011, 83). While things are improving, bureaucratic corruption remains an operational challenge to doing business. By preserving high anti-corruption standards and working with establishments to root out corruption development will be attained without any dependence on Global powers such as China.
III. State Bureaucracy:

Currently, Angola is a one-party state. Despite elections and constitutions, democracy’s development has been restricted in Angola. The policymaking is the highest power and there are a few checks on the President’s power. Angola has the second largest oil reserves in sub-Saharan Africa and the largest natural gas reserves (Yasutami and Hideo, 2013, 106). A group of dictatorial elites controls the country’s oil reserves and they are under little pressure to change their ways. Angola is very much a petro state, where the vast majority of government incomes come from oil and the country’s industry is concentrated on the energy sector. Incidence of the “Dutch disease” has meant that other industries have ceased to develop (Yasutami and Hideo, 2013, 106). The World Bank labels the investment environment in Angola as encouraging due to the country’s successful history of resource exploration however issues with State Bureaucracy stand as a major disadvantage.

5.5 Concluding Remarks

It is with no doubt that Angola is endowed with some of Africa’s richest natural resources, therefore using Angola as an indication of how African countries can achieve development is of importance. Angola was the world’s fastest-growing economy for the first 10 years of the new millennium and it continues to be among the fastest-growing economies on the continent. This growth has been fueled by significant FDI capital inflows, owing to Angola’s substantial oil and mineral reserves. Angola is the third-biggest economy in sub-Saharan Africa after South Africa and Nigeria, with a growing middle class and an increasingly diversifying economy (Corkin, 2011, 2). Angola's progress is best described by its diplomatic ties with Global economic powers (Corkin, 2011, 1). Angola is China's largest trading partner in Africa and it is also China's single largest source of oil as indicated using Fig 3 found in the Appendix. But Western oil companies have many projects in Angola, and Luanda has sought to expand its ties with a multiplicity of countries from France to India to the United States. The increasing links between China and Angola are forcing us to ask a number of questions to bring about the prediction of the possible changes that could occur for Angola. Such as, will the Angolan elites be able to bring about development from the benefits obtained from the Sino-Angola relation or will they place their country at the risk of painfully repeating the colonialism experience with China? In search for an answer, the last Chapter of the paper aims at bringing suitable conclusion as well as implication that can help Angola achieve its development objectives through its relationship with China.
CHAPTER 6: CONCLUSION

The debate over the relative pros and cons of the Washington Consensus and the Beijing Consensus owes its significance to the existence of the crippling debts most African states toil under. The involvement of the two international system superpowers in Angola in the 21st century has naturally sparked debates over whether their involvement will propel Angola towards achieving its development objectives or not. The aim of the paper was to show that there exists a satisfying difference between the Washington and the Beijing Consensuses to justify the debate of whether any of these two consensuses can help African countries such as Angola to achieve their development objectives. The main strengths of thoughts or what is important from this research is proving the hypothesis which is; neither the Washington nor the Beijing Consensus is the ultimate model of achieving Angola’s development objectives. Ultimately both consensuses have a lot to provide Angola, the degree of their success if any will depend entirely on the role played by African countries such as Angola. Let us not forget that China’s interests in Africa is not much different from those of the Western powers which is motivated by resource interest and yes it is true, there will always be a need for external help in Africa, but Africa also needs to establish strong economic roots and possibly grow to the level of its current investors. Many of the glorified investors have shown obvious interest in Africa’s natural resources and have looked for the weak point among the Africans to create division among them; Sudan stands as a notable example.

Many foreign companies who claim to be investors exploit both the African human and natural resources and in turn contribute too little or nothing towards Africa’s development objectives. These investors have continuously misled the few in control while the majority lived in extreme poverty. Leaving this control to Africans does not mean external investors are not needed but the Africans should be the ones to command what they want and what they do not want, like the crude oil crises in Nigeria shown in Fig: 6, where there are no adequate laws that make oil companies compensate the communities when there is an oil spillage or so, let there be transparency and accountability (Yasutami and Hideo, 2013, 106). These foreign investors should not interfere in the governance of these African countries, seeing that their intervention has previously led some African countries to civil war. So with this at the back of every African government’s mind, they should be ready to face the challenges and not wait for aid and global powers to come and help Africa to develop.
6.1 Main points of the paper: Chapter 1

At the beginning of this paper we provided an introduction that laid down the historical overview of Angola, bringing to the reader’s attention crucial information such the fact that Angola gained independence from Portugal in 1975 and subsequently fell into an extensive civil war that lasted for 27 years until 2002. It was also noted that since the end of the war, Angola has focused on post-war reconstruction and has made remarkable improvement in the development of its economy, largely pushed by its oil productions. Relations with countries that play a leading role in the Global economic scale have always been in the forefront of Angola’s development agenda. In addition these important Global players such as the West and China have been driven to Angola for trade relations grounded on oil, diamonds, coffee, timber and other mineral resources that stand as Angola’s chief exports. In short, Chapter one introduced and sketched the questions that have encouraged this study. This Chapter outlined the important aspects of this paper such as the aim and rationale, literature review, hypothesis as well as the research method.

Chapter 2

Chapter 2 was aimed at introducing the reader to the concept of China-Africa historical relation and effectively discussing Africa’s historical background. As noted within the context of the paper the Sino-Africa relations first began in the early 1950s. Before 1955, Africa was of no importance to China, however from then onwards, China pursued international recognition and political partners with the hope of strengthening its international associations against the capitalist West and the revisionist communist Soviet Union. In addition Chapter 2 provided an adequate discussion of what is meant by development. Within the paper development was defined as improvement in skill and ability; not only as capital accumulation and economic growth but also improvement in the standard of living. Development that includes growth, embraces aspects of life such as social justice, equal opportunities for all citizens, equitable distribution of income and the democratisation of the development process. This chapter also provided the main features of China’s interaction with Angola. Furthermore, argued the main features of China’s Foreign Policy pillars towards Angola. Correspondingly, provided an acceptable discussion of China’s evolving role in Angola? Lastly debated China’s evolving role in Angola, further arguing that the China-Angola relation is based on the following three components namely loan, natural resources as well as investment.
Chapter 3

Chapter 3 firstly, defined what the Washington Consensus is. As noted within the context of the paper the phrase Washington Consensus was first coined by John Williamson in 1989 in his work where he presented the shortfall of Latin American reforms and identified areas that needed additional upgrading. It merely expressed the widely held view in Washington and by international development institutions that there is a path that developing countries’ economic reforms must follow to captivate aid efficiently. The Washington consensus encompasses ten rules namely, fiscal discipline, tax reform, re-ordering public expenditure priorities, competitive exchange rate, privatization, trade liberalization, liberalizing interest rates, deregulation, liberalizing of inward FDI and property rights. Chapter 3 further presented some of the most important aspects of the paper such as the analysis of the earlier Western attempts in Angola through the Washington Consensus bringing to the reader’s attention that Angola’s relation dates back to the early years of independence. As noted within the paper that following the 1975 war of independence from Portugal, the country broke out into civil war. The war was fought between the Soviet and Cuban backed MPLA and a number of other political parties (Victoria, 1998, 1). During this time Angola was facing an enormous agricultural crisis, which harshly limited the source of food. The Soviets and the US provided aid and it is understood that the US donated over 100 million dollars’ worth of food (Victoria, 1998, 1). By the end of the 1980’s the foreign powers had almost completely pulled out of Angola and it looked as if peace and democracy was on the horizon. The year 1993 marked a turning point for Angola in terms of foreign aid because the United States officially recognized the Angolan government and started political associations with it.

Ensuing, Chapter 3 provided an overview of the earlier Western attempts through the Washington Consensus, evaluating the empirical role played by the Washington Consensus towards Angola’s development objectives. Within this chapter the role played by the key Washington Consensus institutions such as IMF and WB was also observed. As noted within the chapter that even after billions of dollars and years spent on aid and development projects Angola remains as one of the poorest nations in the world. Perhaps the US should have paid more attention to turning Angola into a sustainable business partner rather than simply throwing money at them. Although Angola is now richer than it had been before, the prospect of true development remains weak. Poor public organizations, corruption, and dependency are among the difficulties that continue to hinder Angola from achieving development objectives.
Chapter 4

The aim of Chapter 4 was to provide an assessment of the Beijing Consensus. As indicated within the chapter the Beijing consensus originated from the published work of Joshua Cooper Ramo in 2004, where he labelled the social and economic change of China as the new physics of power and development. Change under the Beijing consensus was rooted in three ideologies, namely Innovation, Pursuit of Dynamic Goals/Rejection of Per Capita GDP and self-determination. By the first component, China’s economic achievement was entrenched in continuous innovations that upgraded its total factor productivity, while the second signifies China’s pursuit for economic development which was not restricted to growth but justifiable distribution of wealth. The third component represents the capability of China to plan and preserve her developmental polices as a model for other countries to follow and imitate. Consequently, the term Beijing consensus was the sum of the three pillars of the economic policies of China over the years which comprised reform, innovation and experimentation, export-led growth, state capitalism and authoritarianism.

Specifically, Chapter 4 provided an overview of Angola’s move from the Washington to the Beijing Consensus supported by fig 4A as well as 4B provided in the appendix, arguing that when the United States emerged as the conquering nation at the end of the Cold War the “Washington Consensus” became the only strong trustworthy development model for Angola. With the financial crisis in 2008, China’s economic success and Angola’s dependence on China, the Washington Consensus started losing its standing in Angola. The downfall of the Washington Consensus in Angola has been so dramatic that some critics argued that the policies imposed were never intended to enhance development. On the contrary, the Washington Consensus policies focused a lot on the economic aspects of development and leading Angola to serious dependence on loans offered by the IMF and the WB. This serves as one of the most important reason for China’s increasing African engagement which threatens to challenge the Washington Consensus. Chapter 4 also evaluated the empirical role played by China through the use of the Beijing Consensus, such as the eight principles declared by China for economic aid and technical assistance in Angola. China’s presence in Angola presents a fascinating case study of China’s oil interest in Africa and there is a complex interplay of benefits and challenges.
Chapter 5

In order to achieve a detailed analysis, Chapter 5 started off by providing an adequate discussion of Angola’s performance under the consensuses. Within this chapter it was noted that Angola still continues to apply the principles of both consensuses in its economic policies, however the road to development remains unclear with very little consideration for growth potentials. Chapter 5 also provided criticisms of both Consensuses arguing that the Washington Consensus has been understood to mean bashing the state, a new imperialism and the creation of a laissez-faire global economy, that the only thing that matters is the growth of GDP. The tragedy of the Washington Consensus’ approach to aiding Africa with structural adjustment has been so intense that some critics argued that the policies imposed on African countries were never intended to approve development. Under the Washington Consensus, African states have been required to cut back or abandon the very same requirements which helped developed countries to prosper in their development path. The Washington Consensus policies focused a lot on the economic features of development driving African countries such as Angola to be more reliant on loans offered by the IMF and the WB.

In addition the paper also enlightened that United States and Western critics strongly argue that the Chinese engagement in Africa is mainly a form of crude mercantilism and political interventionism that directly threatens U.S interest and calls for confrontation, condemnation and containment. The Western countries strongly claim that China is guilty of backing corrupt political elites in ‘rogue states’ in exchange for exploitation rights or other forms of access to raw materials. Critics also strongly argue that China is ignoring corruption and failing to support better-quality social and environmental standards in Africa. In the case of Angola the Chinese require that 70% of projects be given to Chinese firms which mean that the majority of the funds are going to Chinese firms. It was through the criticism and the survey provided within the chapter that one notes that China’s interests in Angola is not very different from those of the Western powers which is motivated by resource interest. The survey was also of importance as it was conducted through the use of the University of the Witwatersrand Postgraduate students from a wide range of disciplinary fields. The aim of the survey was to highlight scholar’s perceptions of the growing China-Angola relationship.

Questions that were asked to the participants were as follows; what do you think of the growing China-Angola relationship towards Angola’s development objectives as compared to earlier Western attempts through the Washington Consensus? Do you think the China-Angola
relation is on basis of a win-win association or it is new imperialism? Is China hampering African countries’ development strategies by its extraction of raw materials, ignorance of corruption and the provision of aid and military equipment to these countries regardless of their quality of governance and of their human rights records? Is it in China’s interest to help Angola/Africa to develop? Lastly, how well or badly would you say the government is handling Angola’s development objectives? In addition chapter five offered suggestions on how Angola can manage a balanced relationship with this strong growing economy and satisfactory suggestions for Angola’s development. Within this section it was noted that China stands as a satisfactory model of development which can help transform most of the country for the better. However Angola still has some challenges that need to be addressed as they turn to hinder the country from achieving its development objectives. In order for Angola to succeed under the proposed new economic development paradigm, the country must cultivate a sense of urgency in overcoming some of the likely challenges currently confronting it. These challenges include: pursuit of the Millennium Development Goals (MDGs), corruption and state bureaucracy.

6.2 Which (if any) is better for achieving Angola’s and Africa’s development objectives: the Washington Consensus or the Beijing Consensus?

Having presented the role played by both the Washington and the Beijing Consensus one can finally return to the question as to which model between the Washington and the Beijing Consensus is best suitable for attaining Angola’s development objectives and Africa in general. Before one can offers a satisfactory answer to the above set question it is firstly important to note that the problem when discussing African development is that, so often, what is best for Africa is decided not by African officials but by policy-makers in Washington or Beijing. The Washington Consensus, as the previous hegemon, has been involved in Angola for several decades (for better or worse). Previously unchallenged, it forced Structural Adjustment Programs (SAPs) unto Angola which in exchange for its assistance. On the other hand China’s approach to bilateral relations and economic development, characterized by Joshua Cooper Ramo as the ‘Beijing Consensus,’ provides an alternative to development for Angola. After all, assistance via the Beijing Consensus comes with just as many conditions as there are attached to gestures via the Washington Consensus. The difference is that China’s conditions are more concerned with practical considerations and less so with abstract requirements like human rights. The decision of which consensus is better, if any ,between the Washington Consensus and the Beijing Consensus is not just
academic; it has real life implications for the citizens of African states. To cite the Chinese proverb, the Chinese are providing fish for the Angolans, but are not teaching them how to fish. However, there is no requirement, or perhaps even expectation, that foreign nations should develop the countries in which they are investing. The China-Angola relationship has grown strong over decades in part due to the frequent contact between the leaders of the two nations and that does not mean it is in China’s foreign policy objective to develop Angola. The essence of the paper lies in the argument that the best model for Angola is neither the Washington nor the Beijing consensus, but one that emerges from within Angola or Africa in general. However, Angola could occasionally draw lessons or inspiration from the two models. It is these new ways of thinking that will help influence the establishment or the development of the real African Consensus and open the way to the renewal of Africa’s progress. If there are Beijing Consensus and Mumbai Consensus from India, where is the African Consensus? The lesson here is that both China and India have not abandoned the principles of the Washington Consensus but have appropriated them into their innate traditional values and mixed both ideals reasonably well for their progress.

6.3 Implication for Angola’s and Africa’s development objectives

In order for African countries to even begin emerging from the current economic situation there is need for development strategies that fit the exclusive nature of the continent. This requires a clear break from the past and a change in vision. In approving alternative tactics, planners must take awareness of differences in social-economic and political structures. A wholesome adoption of both the West and Chinese models is not desirable given that the world’s economy has changed expressively from since these two countries adopted their respective models, but helpful tactics within the two models could be adopted. An appreciated alternative model for Africa therefore must be exclusive to the nature of its African economies. Based on the understandings of China and taking knowledge of the realities of the African economic setting, there is need to fashion a new developmental strategy for Africa. The thrust of such developmental tactic must be concentrated towards harnessing the continent’s rich natural resources and managing them in such a way that will allow the continent to turn into a major player in the global economy without sacrificing the need for a comprehensive development. This can be done through government interference and later acceptance of free market to endorse economic growth. To this end, some of the strategies that can kick start Africa’s economic transformation are suggested below:
Regional integration

Regional integration has certainly confirmed to be the continent’s main challenge, irrespective of the fact that several countries in Africa fit in to one regional grouping or the other. Although there have been some accomplishments across some of these alliances such as the free movement of persons and customs union in the Economic Community of West African States (ECOWAS) (Li, 2006, 167). These accomplishments have to be strengthened and duplicated across Africa to further encourage the inter-complementarity of goods, trade assistance and free movements of the factor of production, amongst others (Li, 2006, 167). The procedure of integration would also help in regional infrastructure development in serious areas like energy, transportation, communication systems, roads and rail transportation. This would decrease manufacture costs and increase economic undertakings across the continent. In addition, it would also build up Africa’s political voice; improve shared negotiations to achieve more promising results on the external front. Other benefits would include improved admission to international markets and reasonable price for resource exploitation as well as inviting investment flows to the continent.

Investment in human capital

Africa has a young population in comparison to the ageing citizens across the world. Skill achievement is critical to turn this source into wealth. For example, in order for the industrial sector to take off the new development strategy, it must avoid the current uneven approach to education which is not modified to the developmental needs of the African economies, hence; emphasis should be located on modifying education to growth sectors (Roselyn, 2013, 18). Education and technology would allow African countries to adjust more quickly to the challenges of globalization as initiatives become more flexible and better able to understand using the new technology. As such an incorporated approach to education would enhance human resources development and create adequate skilled manpower anticipated for the enhancement of African countries to become maintainable finished goods exporters. Other important features include institution of good governance and zero tolerance for corruption and good governance attached on the rule of law are vital for sustainable development. Strong political commitment is essential to address corruption and improve efficiency. Like China, African countries should inspire the implementation of a zero tolerance policy against corruption by introducing severe penalty to punish and control/eliminate corruption.
6.4 Suggestions for future researchers

Africa, with its significant amount of natural resources, regional market size and human resources ought to be a marginal player in the global economy; with the apparent failure of the Washington Consensus as applied in a number of African countries and the possibility of the unsustainability of the Beijing consensus in the long-run. It is clear that neither the Washington nor the Beijing Consensus is a suitable model for attaining Angola’s and Africa’s development objectives. Africans should deviate from the idea that only the developed countries can lead Africa to successful development and should learn from the likes of Japan, India, China and many other countries that have started from nothing and have gradually bettered themselves. It is of great importance that African countries strive for economic development from within the continent itself in the coming years so as to reach ground where they can hold their own and possibly come to the realisation that the best model for Africa is not either the Washington consensus nor the Beijing consensus, but one that may come from within Africa.

African states must establish a model that will suit African countries’ interest and develop the majority of African countries if not all. There exists a need for a paradigm shift in Africa’s development strategies in order to acquire sustainable economic development by coming up with an African Consensus. This new Consensus should identify development paths that focus on a pragmatic commitment to progressive change as a possible alternative to the current development strategy. The question remains whether Africa can leverage on its potentials of huge natural resources, regional market size and human resources to formulate a radical development strategy that fit its realities and cultures without relying on the Washington and the Beijing consensus in order to achieve its development objectives.

The implications of the structure of African economies need to be critically appraised in order to identify an appropriate African Consensus for its development model. In the future it would be of importance for scholars to focus on how the possible African invented consensus can become a success. Vast amounts of focus must be directed towards important aspects such as the most crucial objectives that this proposed African Consensus must encompass and how those objectives will help in achieving development. In this regard, an African invented consensus can include a framework that embraces regional integration, unity amongst African states in achieving their development objectives. Africa can gain a lot through unity as indicated in the appendix Fig 6, dominant role in international trade, self-reliance,
development of critical infrastructural to help export finished goods instead of raw materials and economic liberation by ensuring a paradigm shift from a system of dependence on foreign aid. Future researchers’ focus on the proposed African Consensus will be helpful as it will provide scholars and policy makers with literature assessing and examining the success of this African Consensus aimed at achieving African countries development objectives.

6.5 Concluding remarks

The need for radical re-thinking on development strategies is imperative for African countries in order for them to become relevant in the global economy. This is further strengthened by the plain certainty of life-threatening poverty in Africa. Over the years, the part of Africa in global trade continued to be irrelevant regardless of the application of the policies that were suggested by international financial and development institutions, such as the IMF and the WB. The dismal performance of African economies calls to question, the effectiveness of the economic ideologies being prescribed by international institutions points to the need for a paradigm shift in order to achieve sustainable development. Over the last quarter of a century, Africa has been at the receiving end of substantial custom from these institutions that have insistently encouraged, amongst others things; free trade, privatization of state-owned initiatives, intellectual property rights protection and deregulation of foreign FDI as necessities for developing countries to develop.

This policy prescription was what John Williamson coined the Washington Consensus. This neo-liberal ideology is reflected in the policies of the Bretton Woods Institutions: the IMF and the WB. Specifically, both the IMF and the WB condition their offers of assistance to African countries on the strict adherence to the Washington Consensus policies. The Consensus had continued to be under severe criticism because the performances of countries that adopted its doctrine, especially in Sub-Saharan Africa, Latin America and the former Soviet bloc showed that it had failed to deliver sustained growth as promised by its promoters. On the other hand the remarkable economic growth of China in the past 30 years, with the country having declined to adopt the original and extended framework of the Washington Consensus, has raised further doubt on the reliability of its capabilities.
The significant economic miracle of China which has been described as the Beijing Consensus by Joshua Cooper Ramo represents a symbol of China’s success and a challenge to the Washington consensus. The Beijing consensus is enshrined in three principles namely: innovation, pursuit of dynamic goals/rejection of per capita GDP and theory of self-determination. These tenets are embedded in the policies of China that features incremental reform, innovation and experimentation, export-led growth, state capitalism and authoritarianism. Even though the Beijing consensus had recorded significant success, it has, however, been argued, that it might not be maintainable in the long-run as it keeps large state-owned sectors and authoritarianism, which runs different to many African country’s ambitions. In addition, a historical review of how the advanced countries developed show that they did not adopt policies that they are recommending for the developing countries. As pointed out by Ha-Joon Chang (2003), some of the policies that the Bretton Wood institutions kick against today, were the very policies they adopted for their development. For example, the WTO currently opposes the use of export subsidy and protection of infant industry, whereas the United Kingdom and the United States embraced these policies in their early stages of development. There is therefore, the need for pragmatic policies and institutions that best suit the developmental stages and realities of African countries in order to achieve sustainable development (Ha-Joon, 2003).

Ultimately it is up to African governments to make whatever internal changes necessary to ensure development and to make an external decision as to which consensus (if either) would best serve African interests. Whether African countries choose the Washington Consensus or the Beijing Consensus, what remains vital is that they need to acknowledge the fact that different states require different approaches towards achieving development. Although, most African Countries have continued to apply the principles of both consensuses in their economic policies, the road to development remains bleak with very little consideration for their growth potentials. Over the past years, both the Washington consensus and the Beijing Consensus have injected billions of dollars funding numerous development missions in a number of African countries. Regardless of all this, African counties, especially sub-Saharan Africa have simply failed to achieve their development objectives. Corruption and misconduct of public funds, possessions and resources are becoming the order of the day. The reason for this is relatively the fact that we have resources whose value we do not know. As individuals, we typically look after what we value and we frequently value what we work hard for.
Having said that, it is highly important for African countries to work hard towards coming up with an African-made Consensus merely aimed at achieving African development objectives. With the help from future researchers assessing the possible success of the proposed Consensus before implementation, African countries such as Angola are indeed guaranteed to achieve their desired development objectives. After all Africa is known for its resource wealth and that is the utmost opportunity. African countries must set aside their intra-continental differences and unite in order to maximise the opportunities available. Africa is appealing to the international financial community due to its resource abundance. Major focus is entirely on our continent and we need rise to the occasion. We cannot afford to disappoint, this is our chance to make a remarkable impact on the International platform and we need to utilize it.
Appendix

Fig 1: Map showing Angola
Fig 2: Cartoon Image demonstrating China’s non-intervention approach towards Angola

Fig 3: Shows how Angola has become China’s leading energy supplier, Picture from the BBC Website “http://news.bbc.co.uk/2/shared/spl/hi/picture”
**Fig 4 A:** Cartoon Image signifying from the Washington to the Beijing consensus, discusses the new road towards the development of Angola.

**Fig 4 B:** Cartoon Image representing Angola’s move from Washington to Beijing consensus.
Fig 5: From the Washington to the Beijing consensus, China’s investment in Angola

Fig 6: Chinese-Built Housing Development in Angola a ‘Ghost Town’
Fig 7: Picture displaying that $6 Billion Lost Yearly To Crude Oil Theft in Nigeria. Picture taken from the Atlanta Black Star website: “http://atlantablackstar.com/2012/05/15/6-billion-lost-yearly-to-crude-oil-theft-in-nigeria-while-fiscal-crisis-loom/”

Fig 8: Cartoon Image signifying African Unity (Africa's Consensus)
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