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# Comparing the Effects of Chinese and Traditional Official Finance on State Repression and Public Demonstrations in Africa

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# ABSTRACT

**SAIS-CARI WORKING PAPER  
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“Comparing the Effects of  
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There is little, non-biased, existing literature on the effects of Chinese official finance on state repression and public demonstrations. As such, this paper employs standard multiple regression analysis to assess how different attributes of Chinese and traditional official finance predict variations in rates of repression and demonstrations in Africa. Although Chinese and traditional official flows have more similarities than differences in their effects on repression, there is a distinct positive and statistically significant relationship between aggregate traditional official finance and public demonstrations. Looking at regional distributions of foreign financed projects and public demonstrations in Cameroon (receiving predominantly Chinese official finance) and Uganda (receiving mainly traditional aid), I find evidence to support a negative correlation between Chinese official finance and public demonstrations on the one hand and a positive correlation between traditional official finance and public demonstrations on the other. However, when specifically analyzing demonstrations against foreign funded development projects this paper reveals, through interviews on selected Chinese and World Bank-funded projects in Cameroon, that owing to less stringent project impact assessments, impact management standards, and the absence of complaint management offices, Chinese-funded projects are more prone to anti-project demonstrations.

## INTRODUCTION

Even as armed conflicts and militia challenges to states are decreasing, unarmed challenges, even from within government circles, are increasing in Africa and across the world. Public demonstrations involving protests and riots are currently among the most prominent, disruptive, non-militia challenges to states. In recent years, Africa and the world have witnessed an alarming surge in anti-government protests and riots. While existing literature has explored the effects of foreign aid on armed conflicts and state repression, the effects of foreign aid on public demonstrations have been overlooked.<sup>1</sup>

Redressing gaps in, and the absence of, literature relating to the effects of Chinese aid on repression and public demonstrations, this paper: a) uses standard multiple regression analysis to re-assess the effects of Chinese and traditional official finance flow amounts, flow types, and flow allocation status (conditional versus unconditional) on repression in African states; b) applies multiple regression analysis to assess the effects of Chinese and traditional official finance flow amounts, flow types, and flow allocation status on anti-government demonstrations in Africa using AidData and SAIS-CARI's loan data. Concurrently, I compared case studies in Cameroon, which mostly receives Chinese official finance, and Uganda, which receives more traditional finance, to determine how well this paper's statistical relationships between foreign official finance and public demonstrations are borne out.

While the case studies reveal that Uganda has endured more public demonstrations relative to Cameroon, Chinese-funded development projects have encountered more anti-project protests and riots compared to Western, particularly World Bank, funded projects.<sup>2</sup> I conducted field work interviews on three Chinese-financed and two World Bank-financed projects in Cameroon to verify and put into context these higher rates of public demonstrations against Chinese-funded projects. Field research consisted of interviews with: 19 people who were directly involved as workers, consultants, managers, or contractors on the selected projects; five Lolabe community members affected by the construction of the Kribi seaport; and three secessionist activists from Cameroon's Northwest region.<sup>3</sup> I visited four out of the five projects. Interviews took place in July 2019 and were conducted in English and French. Interactions with (Mandarin) Chinese speakers were facilitated by real time translations via a professional translator fluent in Chinese and English. The following research questions guided the field work:

1. Are there instances of collective grievance expression, especially via demonstrations, against Chinese-funded and World Bank-funded projects in Cameroon?
2. Do Chinese-funded and World Bank-funded projects in Cameroon conduct impact assessments to determine social and environmental risks that could potentially induce grievances and demonstrations, including labor-related, flora and fauna-destruction, and community and livelihood displacement protests?

3. Since 2016, are the protests and riots that are plaguing the Northwest and Southwest regions of Cameroon related to the marginalization of Anglophone regions in the distribution of Chinese and World Bank-financed projects?

The paper proceeds with a literature review of the linkage between Chinese official finance and repression. Based on the review, the effects of different attributes of Chinese official finance (flow amounts, flow types, and flow allocation status), relative to traditional official finance on repression and demonstrations, are framed theoretically, and stated as testable hypotheses. I then identify some biases in Kishi and Raleigh's study, specifically the exclusion of post-2013 analysis. From 2013 to today, nascent reforms to Beijing's foreign aid policy have ostensibly induced checks against using official finance from China towards repression. Given that Kishi and Raleigh are the prominent proponents of the linkage between Chinese official finance and state repression, the literature review section focuses on identifying biases in Kishi and Raleigh's study since those biases are factors this paper's evaluative design address.

The second section of the paper presents data and variables on state repression and public demonstrations (dependent variables), foreign official finance, and other explanatory variables. The third section looks at quantitative research design and the data itself. Upon running the data through standard multiple regression analysis using Statistical Package for Social Sciences (SPSS) software I discuss the key findings. Next, I examine how well patterns in the effects of Chinese and traditional official finance on public manifestations are borne out in Cameroon (receiving mostly Chinese funds), relative to Uganda (receiving largely traditional finance). The paper concludes by highlighting key findings and identifies gaps as areas for future research.

## LITERATURE REVIEW AND HYPOTHESES

China has risen to become one of Africa's largest external official finance providers. Since 2000, almost every African state has received Chinese concessional and non-concessional flows on an almost yearly basis. Chinese finance does not typically take recipient states' civil liberties or public accountability profiles into account due to its 'non-interference policy'. In this way, Chinese financing is free from the constraints accompanying traditional official finance to Africa.<sup>4</sup> While there is an abundance of studies on the effects of traditional Western finance on development and peace in Africa, there is a dearth of literature on the effects of Chinese official finance. This research gap is due, at least in part, to both the relatively recent emergence of Chinese official finance as a major source of external financial assistance to Africa and the scarcity of reliable data on that financial assistance.<sup>5</sup>

The few studies that do look at the effects of Chinese official finance in Africa focus on the impact of Chinese finance flows on development and disagree on their effectiveness. Some reveal that Chinese development finance is more easily accessible and allows for "local ownership" of development projects and project monitoring and evaluation processes, with African states having more discretion in how they use inflows to redress poverty and enhance development.<sup>6</sup> Others reveal that the "no-strings-attached" structure of Chinese official finance incentivizes the

investment of inflows into corrupt, prestige, and nepotism projects, showing Chinese official finance to be ineffective.<sup>7</sup>

As noted by Strange *et al.*, what is even more prominent is the scarcity of studies on the effects of Chinese aid on peace and security in Africa.<sup>8</sup> China's non-interference policy presumes that unconditional Chinese official finance, relative to conditional traditional finance, might be more fungible. Although Chinese official finance may be predisposed to state capture and induce state securitization violence by rebel groups and state forces, notable studies by Strange *et al.*, and Kishi and Raleigh do not find evidence that Chinese official financial is distinctly associated with armed conflicts.<sup>9</sup> Instead, the unconditional nature of Chinese finance facilitates access to additional resources to boost African states' security apparatus, thereby promoting peace by increasing the opportunity costs for mounting armed challenges to those African states.<sup>10</sup>

However, the 2010 Armed Conflict and Event Data (ACLED) suggests that armed conflicts and violence against the state have been decreasing whereas unarmed or non-militia challenges to the state, including from elites within the government, are increasing in Africa and globally.<sup>11</sup> Although public demonstrations, specifically protests and riots, are among the most salient, disruptive, non-militia challenges to states today, scholarly attention has yet to explore how public demonstrations relate to Chinese and traditional official finance.

### **KISHI AND RALEIGH**

While the current literature asserts a negative relationship between conditional Western aid and state repression, one study by Kishi and Raleigh finds a positive relationship between unconditional Chinese official finance and state repression.<sup>12</sup> Kishi and Raleigh's study focused on the effects of Chinese and traditional official finance on variations in African states' use of repression in response to domestic opposition, including through civilian targeting.<sup>13</sup> Remarkably, Kishi and Raleigh found that, "states in receipt of higher rates of unconditional, Chinese official finance actively engage in more violence against their citizens relative to states with more conditional, 'traditional' official finance profiles."<sup>14</sup> Although Kishi and Raleigh's findings of a distinct, statistically significant, positive correlation between Chinese aid and state repression have been extensively publicized in international media outlets, I find their argument to be undermined by four major sources of theoretical and methodological bias.<sup>15</sup>

Kishi and Raleigh's biases, outlined below, provide grounds for this paper's counter hypothesis that:

*States receiving more Chinese official finance are no more likely to engage in repressive acts than states receiving more traditional official finance.*

Democratic space is broadening in Africa and winning coalitions are expanding. This growth necessitates larger amounts of resources to please African leaders' political survival support bases through the provision of public goods in this "Responsibility to Protect" (R2P) era where ruthless

power consolidation strategies are abhorred and counterproductive.<sup>16</sup> Given the need for more resources to satisfy winning coalitions, the “demand-driven” structure of Chinese official finance, which is oblivious to debt sustainability, potentially provides African leaders with more foreign funds and opportunities to provide public goods, relative to traditional official finance, which is “supply-driven”, more debt conscious, and comes in much smaller amounts. Given the greater political utility and flexibility of unconditional Chinese (compared to traditional) official finance for minimizing anti-government grievances via provision of public goods, there is reason to expect Chinese and traditional official finance flows to be distinct in their effects on public demonstrations. More specifically, it is hypothesized that:

*States receiving more Chinese official finance are less prone to protests and riots, relative to states receiving more traditional official finance.*

The biases I find in Kishi and Raleigh’s work are as follows. First, Kishi and Raleigh’s theoretical framework linking Chinese aid and repression appears to be narrowly rooted to one facet of political survival theory that emphasizes repression as an instrument for state leaders to consolidate political power.<sup>17</sup> According to political survival theory, politicians’ primary objective is to achieve and then hold onto political power. A core tenet of the theory is that providing “public goods” (e.g. paved roads, electricity, and hospitals, among others) is the main mechanism for a state leader to enhance their legitimacy and political longevity.<sup>18</sup> Kishi and Raleigh overlook political survival theory’s fundamental focus on provision of public goods as a means to maintain political power. A proper interpretation of political survival theory suggests that state leaders would be *just* as inclined to use Chinese official finance on public welfare, as they would be to use resources to spur repression. Providing public goods both prevents and reduces grievances and demonstrations against state leaders, while also curbing state leaders’ incentives and opportunities to engage in repressive acts. Kishi and Raleigh understate the role providing public goods plays in political survival and power consolidation, public goods which can be financed by using unconditional Chinese official aid.

Although this may be due to AidData’s coverage which only takes into account data from 2000 to 2013, Kishi and Raleigh’s second bias lies in the exclusion of post-2013 Chinese finance flows from their study. The exclusion is significant because without including post-2013 data, their findings potentially overstate the repressive side effects of Chinese official finance. Following criticisms of China’s unconditional finance structure, with a dismal regard for debt sustainability, labor rights, and social and environmental safeguards, China has since instituted some reform guidelines and measures that require greater stringency in the use of development project finance, especially through meticulous project appraisals, supervision, and evaluations.<sup>19</sup> It can be assumed that these reforms introduce at least some checks against channeling Chinese official finance to unintended purposes, such as repression.

The third bias in Kishi and Raleigh’s regression model is that it does not control for the restraining effect of civil liberties. The regard for civil liberties serves as a primary restraint from using state power repressively. Leaders of countries that have a history or record of respect for civil liberties

are usually under much more pressure from large parts of the citizenry to preserve the record. Public pressure to uphold civil liberties dissuades repressive use of state security forces. Conversely, leaders of countries without a record of regard for civil liberties are not restrained from using state forces ruthlessly, owing to a dearth of domestic pressure for civil liberties. Kishi and Raleigh's omission of a country's record of civil liberties as a control variable exaggerates the evidence that supports the linkage between Chinese official aid and repression.

Fourth, Kishi and Raleigh's regression model only narrowly assesses the effect of aggregated annual flow amounts to African states. Their model doesn't consider how different flow types (ways in which aid reaches the recipient country) and flow allocation status (degree of specification of purpose of finance flows) affect the repressive behavior of states receiving predominantly Chinese official finance as opposed to states receiving predominantly non-Chinese official finance. Exclusively focusing on aggregated flow amounts overlooks other flow attributes, which is problematic on both empirical and policy levels. Empirically, it misses the influence or constraints that aid flows with grant elements (relative to those without grant elements) and conditional flows (relative to unconditional flows) might have on incentives to invest foreign official finance on personal, prestige, and patronage projects and secure those benefits through repression. At the policy level, instituting regulatory checks against the provision of Chinese official finance simply "on demand" irrespective of civil liberty records and institutional qualities of demanding African states might be limited in effectiveness for curbing repression if different flow types and flow allocation status affect state repression proclivity differently.

Since grants usually come in small dollar amounts and are usually for development purposes, with no repayment conditions attached, it can be expected that foreign grants will generally have less repression. Loans, constituting the majority of foreign official finance inflows to Africa, usually come in more substantial amounts (relative to grants) and, regardless of their purpose, are usually expected to be repaid. The repayment condition in itself imposes pressure to productively use inflows on public goods, regardless of the funding source. By implication, foreign loans generally should have a negative relationship with repression. But even traditional loans are accompanied by more stringent accountability conditions relative to Chinese loans, pointing to a stronger negative relationship between traditional loans and repression. This logic, however, is undermined by the fact that foreign loan inflows are often accompanied by foreign companies contracted to execute projects requiring sophisticated engineering and technological skills which can be scarce in Africa.

Using foreign companies and foreign labor to execute projects funded by foreign loans introduces the risk of cultural and social clashes between foreigners and African host communities. Similar to how some African leaders prioritize the security of foreign investors and investments over the security of citizens in states relying on foreign direct investments, African regimes that rely on foreign loans and foreign companies to provide public goods might also be inclined to use force against citizens resisting foreign involvement in development projects.<sup>20</sup> Hence, it could also be hypothesized that Chinese and traditional loans are positively linked with repression. Perhaps, as a function of China's "going global" policy which supports Chinese companies to expand



operations internationally, Chinese enterprises are usually tied to Chinese loans and tend to outcompete other companies to win contracts on even Western funded projects.

When the allocation of foreign finance is not clearly specified, which for the purpose of this paper shall be labeled “unconditional”, unconditional inflows can easily be directed to any purpose, including patronage, prestige, repression, and public goods. But the “supply-driven” structure of traditional official finance flows, which often bypass state leaders and target poverty, renders any unconditional or vaguely allocated traditional finance particularly prone to capture and repressive misuse since the majority of traditional flows are conditional with no opportunities for diversionary capture. Conversely, as Chinese official finance flows are generally “demand-driven” by African regimes, there is a vast pool of inflows for use by state leaders, limiting the leaders’ interest in unallocated inflows whilst rendering these inflows less susceptible to capture and repressive misuse.

While more similarities than differences are predicted in the effects of Chinese and traditional official finance on repression, more differences than similarities are hypothesized in terms of the effects of Chinese and traditional official finance on public demonstrations. While traditional grants typically target poverty, thereby contributing – even if only marginally – to curbing anti-government grievances and public demonstrations, Chinese grants target not only poverty but also prioritize strategic, non-development goals. For instance, Beijing pursues “friendship” ties with African regimes by building presidential palaces, parliamentary and executive offices, and other ostentatious projects. Such flamboyant public goods are not poverty-reducing and, instead of curbing grievances against the government, are instead likely to highlight inequalities between governing authorities and the governed, that can sow the discontent that leads to public demonstrations.<sup>21</sup>

But, as noted earlier, most foreign official finance comes into Africa in the form of loans. Due to the unconditional “demand-driven” structure of Chinese official finance, Chinese loan inflows present African leaders with more leverage in providing public goods and warding off anti-government grievances and demonstrations, relative to the conditional traditional loans. When foreign official finance flows are unconditional, it can be expected that such inflows will be channeled to any interest of the regime, including into providing public goods to please the winning coalition and enhance political longevity.

## **QUANTITATIVE RESEARCH DESIGN AND DATA**

To assess the effects of Chinese and traditional official finance on repression and public demonstrations, I conducted two sets of standard multiple regression analysis on SPSS. One set focused on repression and the other on demonstrations. Both sets were composed of several regression models comparing the effects of Chinese and traditional official finance on repression and public demonstrations using different measures of the dependent variables. For each set, I ran preliminary analyses to ensure assumptions of standard multiple regression analysis were not violated in my regression models. Preliminary analyses revealed a high level of correlation between

total annual flows of loans and total official finance flows (loans and grants combined).<sup>22</sup> As this high correlation between two predictor variables violated the assumption on multicollinearity, the study ultimately ran separate regression models each for loans and for total finance flows. In the first set of regression models predicting state repression, Chinese and traditional official finance total flow amounts/total loans, grants, and unconditional flows were joined by standard repression-predictor variables, namely civil liberties, military capacity, demonstrations, gross domestic product (GDP), armed conflicts, and political corruption. In the second set of regression models predicting demonstrations, Chinese and traditional official finance variables were accompanied by tax revenue, democracy, repression, and political corruption.<sup>23</sup> The two sets of analysis were conducted at the country-year level, with a total of 889 African country-year units identified.

### DEPENDENT VARIABLES

In the first set of analysis, repression is the dependent variable. Herein, repression is defined as the use of force by a state's armed agencies for purposes of obstructing popular participation in a country's political affairs. Examples of repressive acts include, but are not limited to, torture, forced displacements, extrajudicial arrests, detentions, and executions. Repression could target specific civilians, including political activists and dissidents, or target groups of protesters and rioters. Data on repression comes from ACLED and the Varieties of Democracy (V-Dem) project.<sup>24</sup> Employing diverse local, national, and regional sources, as well as trained experts worldwide, ACLED tracks violent and non-violent events by political agents including governments, rebels, political parties, protesters, rioters, and civilians. ACLED data captures the specific dates and geographical locations of the violent and non-violent events as well as the actors involved (interaction type) from 1997 on.

This study used four measures of repression based on ACLED's codes for different events based on actors involved. All four measures are continuous in nature, based on the timespan ranging from 2001 to 2018, and track the use of state military forces against civilians and non-militia groups. An aggregate measure is used that counts the number of events in which state security agencies used force against civilians (civilian targeting, e.g. via arrests), protesters (military versus protesters), and rioters (military versus rioters). The number of repressive events relating to each of the three constituent elements (civilians, protestors, and rioters) are also analyzed as disaggregated measures of repression. A fifth measure is generated from V-Dem's Physical Violence Index, which scores on a scale of 0-1 the degree to which citizens are safe from physical torture.<sup>25</sup> To gauge repression using V-Dem's index in a manner consistent with ACLED-based measures, with higher scores reflecting higher levels of repression, this study reverses V-Dem's physical violence index to construct a repressive violence index by subtracting each physical violence index score from 1.

In the second set of analysis, demonstrations constitute the dependent variable. Data is extracted from ACLED both at the aggregate and disaggregated levels. At the aggregate level, data is derived by adding the number of protests and riots that occurred without repression (sole protester and

sole rioter actions) and those that were countered by state forces (military versus protesters and military versus rioters). Disaggregated measures count the number protests and of riots.

## PREDICTOR VARIABLES

AidData's information has helped facilitate the comparative analyses of Chinese and non-Chinese official finance by assembling data on Chinese official finance in alignment with OECD-DAC categories.<sup>26</sup> AidData's Chinese Official Finance to Africa Dataset, version 1.2 (2000-2013) provides data on Official Development Assistance or "ODA-like" flows, Other Official Flows or "OOF-like" flows, and vague official finance flows which are neither ODA-like nor OOF-like.<sup>27</sup> The three categories are combined to obtain Chinese official finance annually from 2000 to 2017.<sup>28</sup> Chinese official finance flows are further disaggregated by the total amount of finance flowing to African countries annually as grants and loans. Aggregated annual Chinese official flow amounts with unallocated purposes are also captured to assess the effect of allocation status on repression and demonstrations. Equivalents of Chinese official finance variables under traditional official finance are as shown in Appendix A and are based on AidData's Core Research Release, version 3.1 (2000-2013).<sup>29</sup> In the two sets of analysis on the effects of Chinese and traditional official finance on state repression and public demonstrations, foreign finance variables and a number of standard predictor variables as described in Appendix A were also used.

## RESULTS AND DISCUSSION

By comparing the standardized values for size of effect of variables in the two sets of analysis, Chinese and traditional official finance variables generally contribute the least in explaining variations in the dependent variables, relative to conventional repression and demonstration predictor variables. This observation is more pronounced in regression results for repression, relative to those for public demonstrations.<sup>30</sup>

The first set of regression analyses revealed more similarities than differences in the effects of Chinese and traditional official finance flow attributes on rates of repression in Africa. **States receiving more Chinese official finance are not more likely to engage in repressive acts than states receiving more traditional official finance.**

In terms of aggregate flow amounts, while the effect of Chinese official finance is statistically significant in the 2000-2013 period covered in Kishi and Raleigh's study linking Chinese aid and repression, **by incorporating the post-2013 period this study does not find a statistically significant link between Chinese official finance and any measure of repression.**

Regarding flow types, while grants under both Chinese and traditional finance have negative associations with repression, loans are positively associated with repression. **While the positive effects on repression of Chinese loans is statistically significant from 2000-2013, effects on repression are not significant when the analysis extends to cover the post-2013 period.**

Flow allocation status seems to be the only aspect where directional differences are apparent in the effects of Chinese and non-Chinese aid on repression. **While Chinese funds with unspecified purposes have a statistically insignificant correlation on repression, unallocated traditional flows do have both a positive and statistically significant correlation with repression.**

Analyses incorporating post-2013 data finds the effects of Chinese grants, loans, and aggregate Chinese official finance on the different measures of repression to be statistically insignificant. The total lack of accountability associated with Chinese official finance and China's non-interference policy at the turn of the 21<sup>st</sup> century appears to be waning as Beijing embarks on what Kishi and Raleigh admit as a "campaign" reforming China's foreign aid policy following criticisms (largely from the West) on China's unconditional aid structure.<sup>31</sup> China's government has introduced guidelines and measures requiring unprecedented levels of stringency in the administration of development project finance and necessitating more stringent project appraisal, supervision, and evaluation (particularly in 2013 and 2014).<sup>32</sup> These new Chinese aid policy guidelines and measures institute safeguards against the diversion of Chinese development project finance to patronage, prestige, repression, and other misuses.

While China's new guidelines and measures for the administration of foreign aid betray sensitivity to predominantly Western criticisms of Beijing's unconditional aid structure, the Chinese government should avoid excessive reforms that align its aid structure with the West's conditional approach. As earlier argued in the section reviewing Kishi and Raleigh, the unconditional structure of Chinese aid allows African governments with limited budgets to provide public goods such as paved roads and electricity, thereby potentially minimizing anti-government grievances. Excessive pro-conditionality aid reforms that specify not only conditions for receiving Chinese official finance, but also sectors on which it should be used, risk curtailing the public utility of Chinese aid.

The second set of regression analyses **revealed more differences than similarities in the effects of Chinese and traditional official finance on anti-government demonstrations in Africa.** As reported below, I find aggregate finance and loan flows from traditional sources to be more closely associated with protests and riots relative to aggregate Chinese finance and loan flows over the period (2001-2013) preceding nascent reforms to Chinese foreign aid policy.

In terms of aggregate flow amounts, **while Chinese finance has a statistically insignificant negative association with anti-government public demonstrations, traditional finance has a statistically significant positive association with protests and riots.** In terms of flow types, while Chinese grants exude a positive and statistically significant relationship with anti-government public demonstrations, traditional grants have a statistically insignificant negative effect on public manifestations. **Whereas Chinese loans have a statistically insignificant negative effect on anti-government public demonstrations, traditional loans have a statistically significant positive effect on rates of protests and riots.** There is a pattern in the effects of unallocated Chinese and traditional official finance flows on the propensity of states to experience anti-government

manifestations. Both unconditional Chinese and traditional official finance have statistically insignificant negative effects on protests and riots.

Fundamentally, statistical outputs support the study's thesis that states receiving more Chinese official finance are less prone to protests and riots, relative to states receiving more traditional official finance. However, given the flamboyant nature of China's "friendship gifts" to African regimes, including glamorous government office building projects that are not responsive to the development needs of Africans, it is not surprising that Chinese grants exude a distinct positive and statistically significant correlation with protests, riots, and aggregate demonstrations (that is, protests and riots combined).

When statistical analyses are extended to include recent post-2013 data, the effect of Chinese loans on public demonstrations remains statistically insignificant. However, the direction of effect changes from negative to positive, similar to the positive association between traditional official finance and demonstrations, except that the latter association is statistically significant. Caution therefore is required as China responds to criticisms of its non-interference aid policy and reforms its' aid system with increasing regulatory oversight similar to that of traditional aid. If China's budding foreign aid reform campaign progresses to include comprehensive aid conditionality, similar to traditional Western aid, then stronger positive associations between Chinese official finance and public demonstrations can be expected in the future.

## **FOREIGN OFFICIAL FINANCE AND DEMONSTRATIONS IN CAMEROON AND UGANDA**

I explored these question by comparing three projects funded by China (the Douala-Yaounde expressway project, the Memve'ele hydropower project, and the Kribi deep seaport project) with two projects funded by the World Bank (the Lom Pangar hydropower project and the Douala road infrastructure project).<sup>33</sup> Preliminary analysis of the Armed Conflict Location and Event Database (ACLED) showed the energy and transportation sectors to have experienced more protests and riots than other sectors, accordingly the five projects selected are all energy or transportation related.

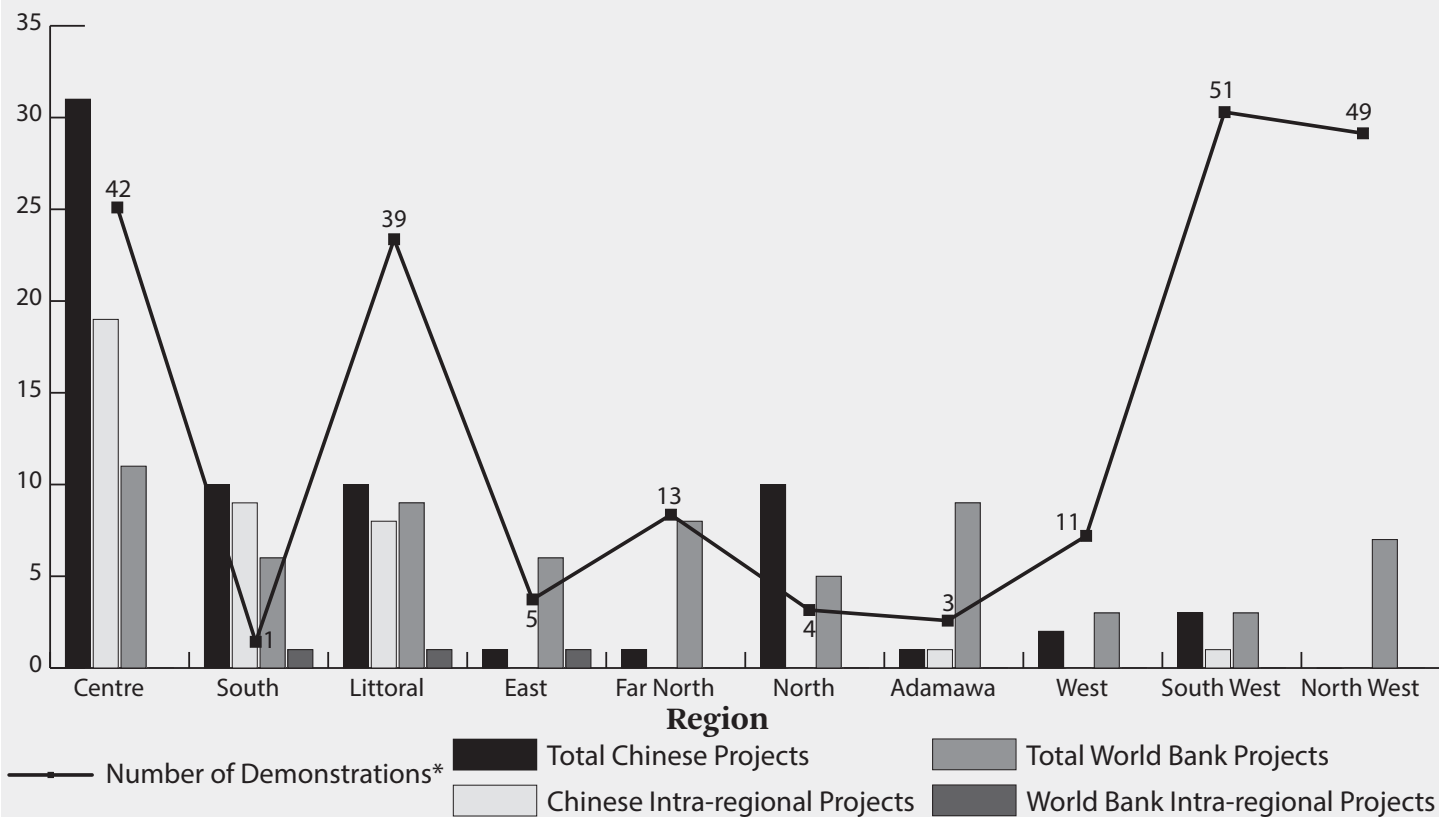
The case studies explore if, and how well, the negative and positive statistical associations between Chinese and traditional official finance on the one hand and public demonstrations on the other are substantiated in the distribution of foreign official finance and public demonstrations in Cameroon and Uganda. Given the large numbers of traditional official finance projects in Cameroon and Uganda, and the scarcity of georeferenced project data for multiple traditional bilateral donors such as the US, this study explores the allocation patterns of official finance from China and a non-state traditional source, the World Bank – the leading multilateral donor to Africa with a reputation for attaching strict accountability conditions to aid projects.<sup>34</sup>

Of the two sources of foreign official finance, Cameroon has received most of its project finance from China (see Appendix B) whereas Uganda has received the largest proportion of its project finance from the World Bank (see Appendix C). Analytical data on regional allocations of

Chinese-funded projects in Cameroon and Uganda is generated at the first administrative level from variables in AidData, including titles, descriptions, and locations of projects.<sup>35</sup> Projects with World Bank funding are listed online by the World Bank and analytical data on their regional allocation is drawn from project titles, descriptions, and various project-related documents on the World Bank's website, including project implementation status and project monitoring reports.<sup>36</sup>

Comparative country studies involving regional mappings of the distribution of foreign official finance and public demonstrations in Cameroon and Uganda support multiple regression findings of a negative relationship between Chinese aid and demonstrations on the one hand and a positive relationship between traditional aid and demonstrations on the other.<sup>37</sup> Between 2000 and 2017, based on World Bank aid project data (2000-2017), traditional aid data (2000-2013), Chinese aid data from AidData (2000-2013), and SAIS-CARI data (2014-2017), Cameroon and Uganda received about the same amount (US\$ 12 billion) in foreign official finance from China and traditional sources combined.<sup>38</sup> Spread over 87 projects, Cameroon received more than half of this amount (US\$ 7,486,547,177) from China and experienced 218 demonstrations.<sup>39</sup> Meanwhile, more than half of Uganda's foreign finance (US\$ 6,154,400,000), spread over 107 projects, came from the World Bank. Uganda experienced 909 demonstrations, over four times the number of protests and riots in Cameroon.

**Figure 1:** Chinese and World Bank Financed Projects in Cameroon & Demonstrations (2000-2017)

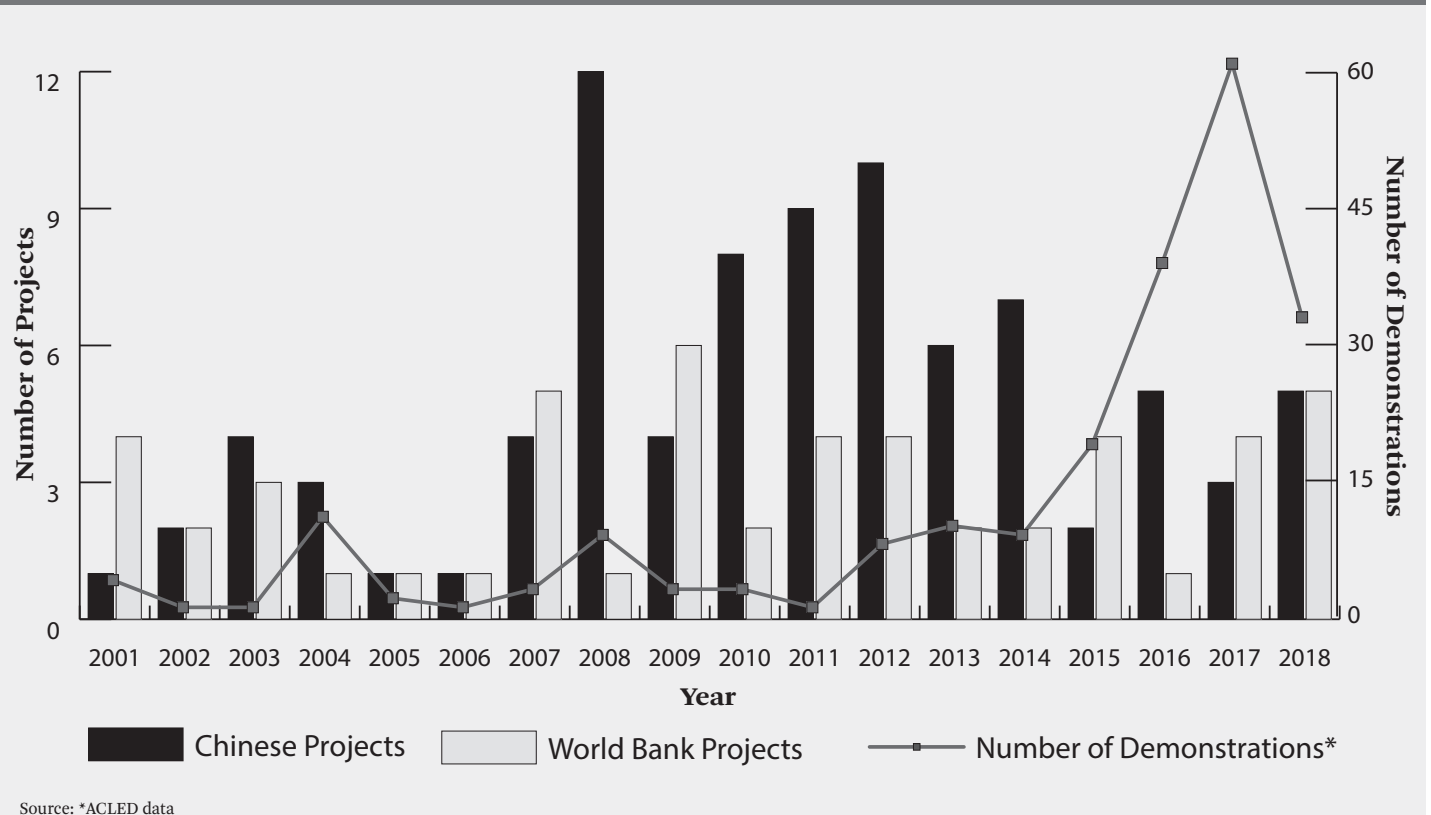


Source: \*ACLED data

Upon assembling data on Chinese and World Bank aid project allocation at the regional administrative level, this study finds that allocation patterns for Chinese project finance in Cameroon appear to conform to the recipient “demand-driven” model. A majority of Chinese finance that was allocated, particularly in the energy and transport sectors, was channeled to specific regions, including the Southern region, where the current president was born.<sup>40</sup> While the Southern region has received the most intra-regional Chinese project finance and hosts the highest number of Chinese-funded intra-regional projects, after the central region which includes the capital city of Yaounde, it has suffered only one demonstration (see Figure 1). By contrast, the Northwest and Southwest Anglophone regions, which have been seeking either secession or federalism through demonstrations and armed conflict since 2016, are among the regions with the fewest Chinese-financed projects.

There is also some evidence of a negative correlation between Chinese-sponsored projects and demonstrations across time (annually) in Cameroon. As illustrated in Figure 2, spikes – including during presidential election years (2011 and 2018) – and dips in the number of Chinese-funded projects were respectively accompanied by decreases and increases in the number of demonstrations.

**Figure 2:** Annual Distribution of Chinese and World Bank Projects vs. Demonstrations in Cameroon (2001-2018)

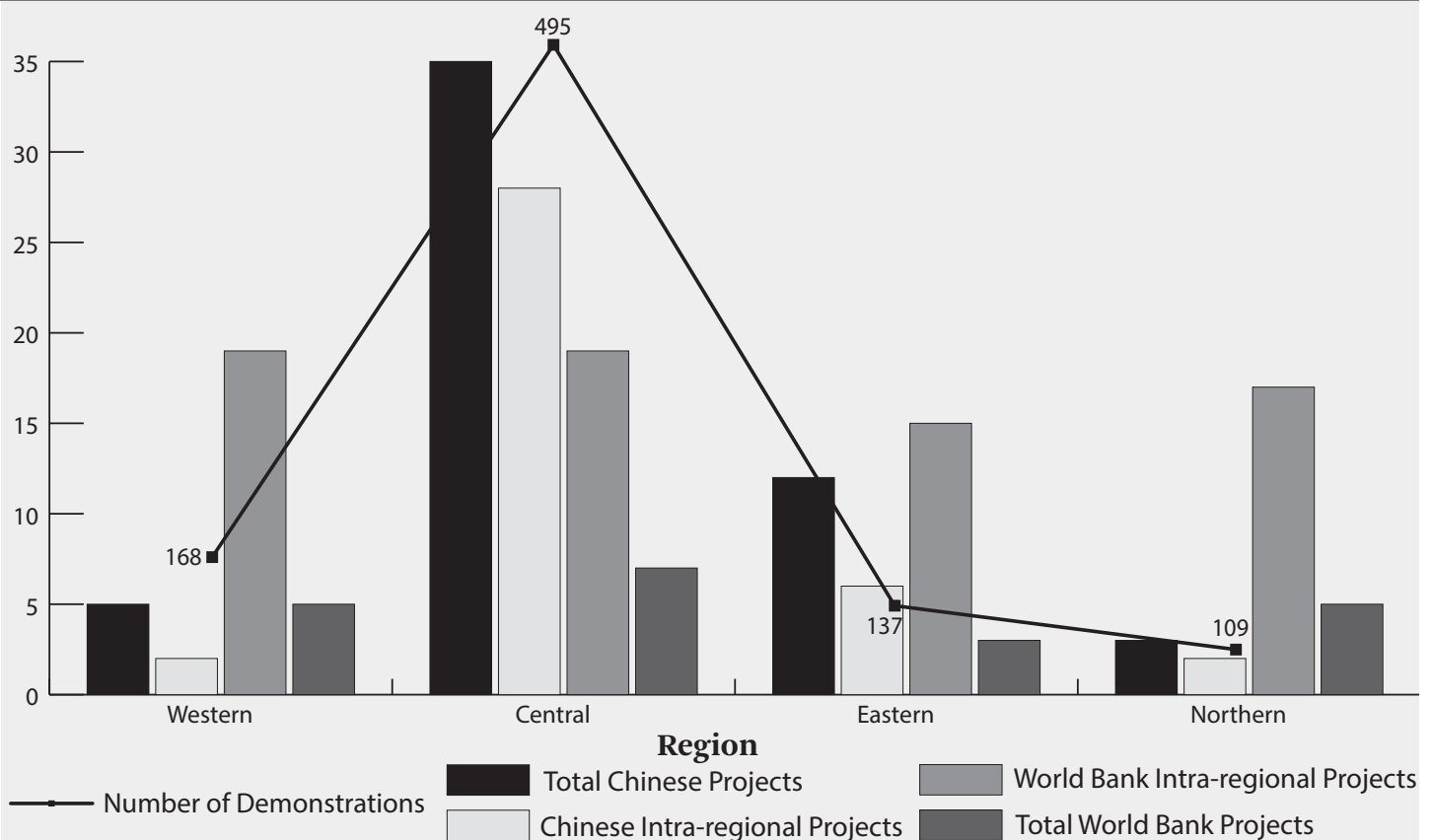


The inverse relationship between Chinese financed projects and demonstrations over time at the regional level in Cameroon bears empirical support for this paper’s thesis that the unconditional nature of Chinese official finance renders it suitable for political use by state leaders to pursue their primary objective of legitimizing and consolidating power by providing public goods to

regions that make up the winning coalition. Historically, the winning coalition in many African nations has comprised the state's security forces, allowing leaders to direct the military's private goods and use those as an investment to maintain power. Following what Huntington calls the "third wave" of democratization at the end of the twentieth century and the emergence of the R2P norm, the size of winning coalitions in most African countries has expanded. To peacefully incorporate a voter support base, which usually consists of leaders' birth and co-ethnic regions, leaders need to provide public (as opposed to private) goods to ensure political survival.<sup>41</sup>

For the purpose of this research, Uganda's first level administrative units are comprised of districts. Data on World Bank and Chinese aid allocation reveals that World Bank project finance flows are in smaller amounts (relative to Chinese flows) and are spread across multiple districts across all four regions (Central, Western, Eastern, and Northern) of the country. The single largest Chinese financed project, the nearly US\$ 1.5 billion Karuma Hydropower Project, is located in the Western region (which is home to the current president's birth district). Meanwhile, the single largest World Bank financed project, US\$ 300 million Uganda Power Sector Development Project, is in the Central region. Also, within the Central region is Kampala, Uganda's capital. Kampala has more than one million residents and contains two of the ten poorest districts in Uganda (Kalangala and Buvuma).<sup>42</sup>

**Figure 3:** Chinese and World Bank Financed Projects in Uganda & Demonstrations (2000-2018)

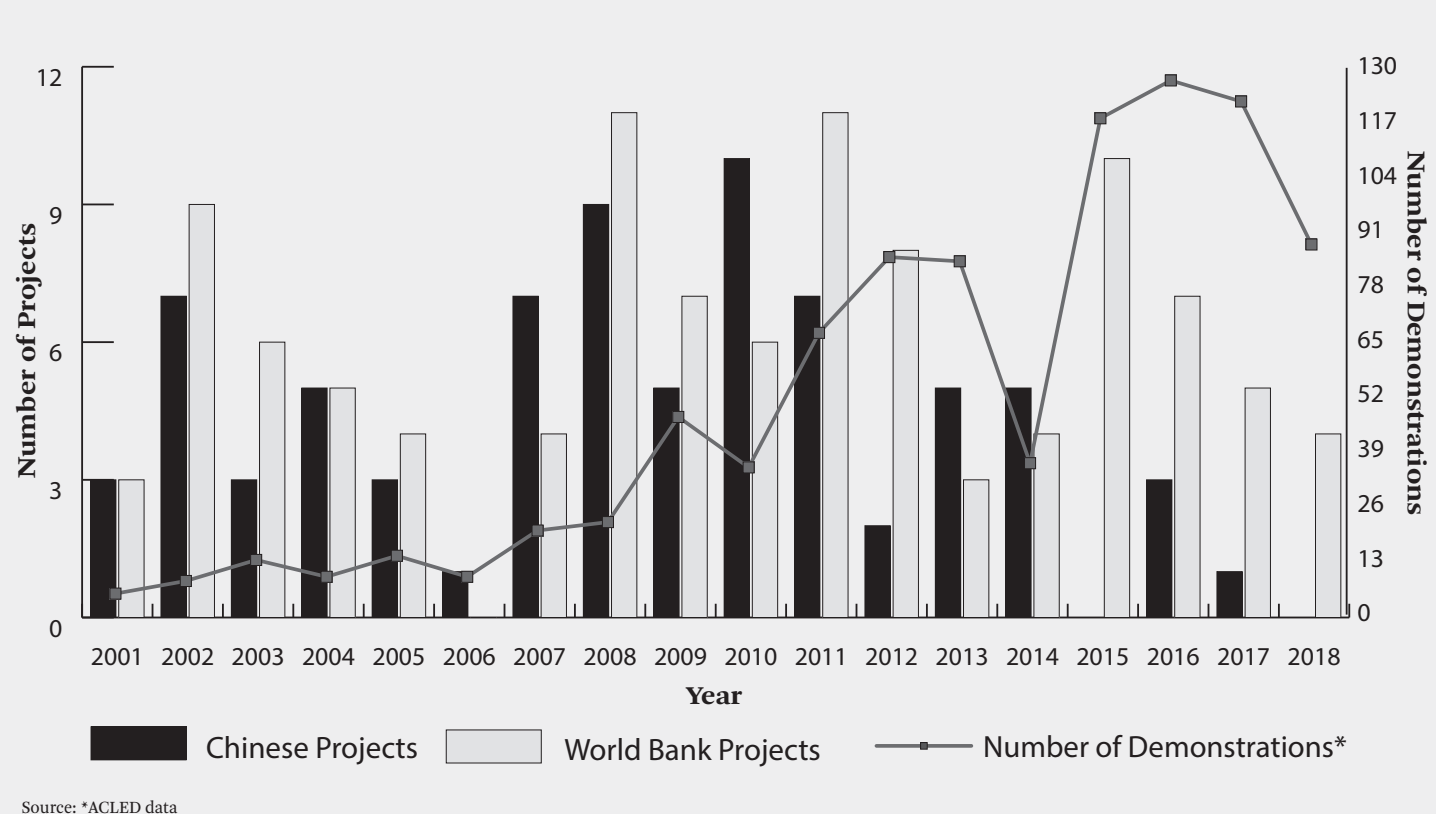


Source: \*ACLED data



Together, districts in Central and Western Uganda have received the most financing from the World Bank and have the highest number of World Bank-funded projects, but the two regions have also suffered more public manifestations than other regions (see Figure 3). The Eastern and Northern districts, while receiving less World Bank aid, have also experienced fewer demonstrations. Although other factors are certainly at play, the regional breakdown of demonstrations offers at least some evidence to support the multiple regression analysis in this study showing a positive linkage between traditional aid and demonstrations. The distribution of World Bank projects and demonstrations within Uganda also serve as corroborative evidence to support the positive correlation between traditional finance and demonstrations. As illustrated in Figure 4, increases and decreases in annual counts of World Bank-funded projects are roughly accompanied by spikes and dips in the occurrence of protests and riots. However, this positive correlation is not as neat and systematic as is the inverse pattern observed between Chinese-financed projects and demonstrations.

**Figure 4:** Annual Distribution of Chinese and World Bank Projects vs. Demonstrations in Uganda (2001-2018)



The positive, albeit weak, correlation between the allocation of World Bank-sponsored projects and distribution of demonstrations in Uganda supports the thesis that traditional official finance is less susceptible to political utilization for gratifying the winning coalition, hence preventing protests and riots that threaten political survival. An increase in the number of World Bank projects in Uganda in the year running up to presidential elections (2011) did not prevent widespread protests. Instead demonstrations surged. Similarly, in the run-up to the 2016 general election, World Bank-financed projects dropped but as in 2011, demonstrations again surged.

Externally-imposed conditions, and the burdensome bureaucratic accountability constraints accompanying flows from the World Bank and other traditional sources, leave leaders receiving predominantly traditional finance with less leverage to use foreign aid as a means to please winning coalitions and enhance political survival, especially relative to leaders receiving mainly Chinese finance. Given these parameters, it is therefore not surprising that a recent study by Briggs found Uganda as one of the African countries where traditional foreign aid was associated with low levels of incumbent electoral support.<sup>43</sup> Although Uganda's President Yoweri Museveni is among Africa's longest serving leaders, the number of protests started by the Ugandan polity is among the highest in sub-Saharan Africa, with the Museveni regime maintaining its grip on power largely as a function of divided and weakly organized opposition parties, electoral gerrymandering, vote rigging, and coercive measures against political opponents.<sup>44</sup>

While the comparative country analysis reveals that predominantly World Bank financed Uganda has endured more demonstrations relative to predominantly Chinese financed Cameroon, based on ACLED data on demonstrations in the two countries I observed that Chinese-funded projects have encountered more anti-project demonstrations relative to World Bank-funded projects. ACLED data showed more protests and riots erupting from employee-related and host community grievances on Chinese-funded (relative to World Bank-sponsored) projects in Cameroon and Uganda over the period 2001 – 2018 (see Appendices D and E). This observation motivated field work interviews of selected Chinese and World Bank-financed projects in Cameroon to verify and explain the greater propensity of Chinese-funded projects to encounter anti-project demonstrations.

## **DEMONSTRATIONS AGAINST PROJECTS IN CAMEROON**

The specific comparative case studies covered three projects funded by China (the Douala-Yaounde expressway project; the Memve'ele hydropower project; and the Kribi deep seaport project) and two projects funded by the World Bank (the Lom Pangar hydropower project and the Douala road infrastructure project). All five projects are in the energy and transport sectors. Notably, ACLED data shows the energy and transport sectors have experienced more protests and riots than other sectors.<sup>45</sup>

Field work started by consulting a Cameroonian academic with research experience on Western-funded projects in Cameroon. Upon sharing this study's research interests, the academic introduced me to two key contacts. The first contact is an engineer and has worked on the three transportation case studies, in addition to working on the construction of the Kribi-Lolabe highway (part of the bigger Kribi deep seaport project). The second served in a managerial role on the two energy case studies.

Field work interviews revealed that Chinese-financed projects in Cameroon have actually encountered more protests and riots than are recorded by ACLED. More rigorous project impact assessments, impact management plans, and the presence of complaint/grievance management offices on World Bank-funded projects figured prominently on respondents' explanations as to

why projects involving the world's top development policy institution encountered fewer protests relative to Chinese-financed projects in Cameroon.

## COMPARATIVE FINDINGS

Findings on the first two research questions are largely deduced from responses by the two key informants, corroborated by information from other project-specific interviewees. Relying on key informants with work experience on both Chinese and World Bank-funded projects allowed the research to gain comparative insight directly from informants and minimized the potential for subjective researcher bias in interpreting responses from several sources on the different projects.

1. *Are there instances of collective grievance expression, especially via demonstrations, against Chinese and World Bank-funded projects in Cameroon? Which projects encounter more demonstrations in Cameroon – Chinese or World Bank-funded projects?*

On the first research question, while there were variations in estimates, respondents consistently reported higher numbers of demonstration than those captured on the ACLED database. Additionally, respondents reported more demonstrations relating to Chinese projects than those associated with World Bank-funded projects. Though recounted grievances associated with manifestations on both Chinese and World Bank-funded projects were similar in nature, demonstrations on Chinese projects were reported to be more severe, usually leading to repressive intervention from state security forces.

2. *Do Chinese and World Bank-funded projects in Cameroon conduct impact assessments to determine social and environmental risks that could potentially induce grievances and demonstrations, including labor-related, flora and fauna-destruction, and community and livelihood displacement protests?*

On the second research question, interviews revealed that impact assessments were conducted for all the selected projects in fulfilment of funding requirements. However, the assessment standards and the accompanying impact management and compensation plans on the World Bank-funded Lom Pangar and Douala infrastructure projects were more comprehensive. Both key informants asserted that while the assessments and accompanying management plans for Chinese-funded projects had to satisfy the Cameroonian authorities and national laws for funding to be disbursed, assessments and risk management plans for World Bank-funded projects took longer to develop, were based on extensive consultations with project host communities, were subject to expert reviews by the World Bank, and were required to conform not only to Cameroonian regulations but also to the World Bank's own international safeguards.

Consistent with different impact assessment and impact management standards between the World Bank and China, proposed compensation for people displaced from their properties and livelihoods by the selected projects were reportedly far more substantial and comprehensive on World Bank projects. Interviewed members of the Lolabe community, affected by the construction

of the Chinese-funded Kribi seaport, reported that their farms were destroyed but they received no compensation. Other respondents, including the key informants, noted that although those displaced by Chinese-funded projects were compensated and, in some cases, resettled the compensation packages did not cover loss of economic livelihoods. Conversely, World Bank projects provided compensation packages that incorporated training to adapt to new economic activities, such as sustainable fishing on the Lom Pangar project. Owing to their more robust impact assessments and impact management plans, it is hardly surprising that World Bank-funded projects suffered fewer manifestations.

In regards to social and environmental risk management plans, respondents suggested further differences in levels of involvement of foreign financiers in the implementation, supervision, and enforcement of contractor's compliance to those plans. Project monitors from the World Bank were more proactive, visited project sites between three to four times a year, and provided elaborate reports recommending both punitive and non-punitive measures for compliance improvement. Meanwhile, monitors from China visited twice a year and acted only when complaints were made by Cameroonian government authorities.

Both key informants in the study admitted that the more regular visits and punitive threats by the World Bank rendered project managers and project contractors more responsive to any non-compliance "red flags" and grievances expressed by employees and project host communities. Consistent with World Bank recommendations, a "complaints office" was setup on the Lom Pangar project, which enabled project managers to systematically receive, process, and address grievances. On the other hand, project managers and implementing contractors on Chinese-funded projects often rebuffed complaints and used state security agencies to repress protests. Looking specifically at the Kribi deep seaport project, respondents shared that when workers and community members raised grievances project authorities and the China Harbour Engineering Corporation, the project contractor, referred their complaints to the Cameroonian government instead.

3. *Are the protests and riots, from 2016 on, that are plaguing the Northwest and Southwest regions of Cameroon related to the marginalization of Anglophone regions in the distribution of Chinese and World Bank-financed projects?*

As per interviewed Ambazonia activists, the drive for independence in the Anglophone regions (Northwest and Southwest) is fundamentally a function of "institutionalized and systematic marginalization" with regard to the use of state resources, including foreign finance inflows to Cameroon. While resistance to the imposition of the French language and the French legal systems on the Anglophone regions sparked the current unrest in late 2016, the crisis goes much deeper and continues to persist largely owing to neglect of the Anglophone regions in Cameroon's development projects. One of the activists portrayed a stark contrast between the Francophone regions that makeup the current president's political base and Anglophone regions that have been at the core of political opposition to the president.

You said you have been to the South region. Did you notice how the people there enjoy electricity all day every day, but we are here living in darkness? Did you see how good their roads are compared to the potholes and earth roads in the Northwest? They even have a seaport despite being close to the Douala seaport, but the government does not care about developing a port in Limbe (a seaside city in the Southwest region). They discriminate against us Anglophone Cameroonians while exploiting our oil in the Southwest.

A more even distribution of state resources, including foreign official finance, could be instrumental to ameliorate grievances and the crisis in Northwest and Southwest Cameroon.

## CONCLUSION

This paper has examined the effects of Chinese and traditional official finance on state repression and on unarmed or non-militia challenges, in the form of protests and riots, to state security. While disaggregating foreign official flows by flow amounts, grants, loans, and flow allocation status, I find more similarities than differences in the effects of Chinese and traditional official finance on state repression. Whether or not financing is conditional is the only aspect where there are directional differences in the effects of Chinese and traditional official finance on repression. Unconditional traditional flows have a distinct positive and statistically significant effect on repression. Specification of purpose for foreign official finance flows is therefore recommended for traditional finance. While China has instituted some reforms to its unconditional aid structure since 2013, this paper cautions against excessive reforms that could make Chinese official finance more condition-based and hurt the political utility of Chinese aid for the provision of public goods that minimize risks of anti-government protests and state repression.

Preceding Chinese aid reforms, from 2000-2013 I find more differences than similarities in the effects of Chinese and traditional official finance flow attributes on anti-government demonstrations. In terms of flow amounts, while Chinese financing has a statistically insignificant negative association with public demonstrations, traditional finance has a statistically significant positive association with protests and riots. In terms of flow types, while Chinese grants have a positive and statistically significant relationship with public demonstrations, traditional grants have a negative but weak effect on anti-government manifestations. Whereas the effect of Chinese loans on public demonstrations is statistically insignificant, traditional loans have a statistically significant positive effect on the rate of protests and riots. Both unconditional Chinese and traditional official finance have statistically insignificant effects on protests and riots.

Case studies of distributions of foreign official finance and demonstrations in Cameroon and Uganda reveal evidence to support the negative correlation between aggregate Chinese official finance and public demonstrations and the positive relationship between aggregate traditional (Western) aid and demonstrations. In Cameroon, which receives mostly Chinese official finance, the South region (the current president's birth region) harbors one of the most expensive Chinese-funded projects in Africa (the Kribi deep sea port project), hosts the most Chinese-funded projects after the Central region, and has only had one major ACLED-captured protest between 2001 and 2018. Conversely, the Southwest region harboring only one project has endured the highest

number of public demonstrations in Cameroon. This bears at least some support for the argument that the unconditional structure of Chinese official finance enhances its political utility for providing public goods and forestalling anti-government grievances and demonstrations.

In Uganda, which receives mostly World Bank aid, slightly more demonstrations took place in the two regions with slightly more World Bank-funded projects (the Central and Western regions), indicating at least some, albeit weak, support for the positive link between aggregate traditional aid and public demonstrations observed in the quantitative section. The positive relationship between traditional aid and demonstrations could well be explained by the fact that traditional aid from the West usually flows in smaller amounts and is accompanied by several “supply-driven” conditions which are oblivious to the growing demands of broadening winning political coalitions in Africa for gigantic public goods. Accordingly, political leaders in Uganda and other African countries receiving mainly traditional Western aid have less leverage to use foreign aid to please their winning coalitions and forestall anti-government demonstrations, relative to states receiving mostly Chinese aid.

In addition to exploring distributive patterns of foreign official finance and demonstrations in Cameroon and Uganda, this study undertook fieldwork involving interviews on selected Chinese and World Bank-funded projects in Cameroon to verify and explain higher ACLED rates of anti-project demonstrations against Chinese-sponsored projects, relative to World Bank-funded projects. Interactions with key informants revealed that World Bank-funded projects were less susceptible to anti-project demonstrations. This is due to more rigorous project impact assessments, project impact management plans, and the presence of complaints management systems on World Bank-sponsored projects.

To ensure robustness in this study’s findings *vis-à-vis* public demonstrations, further research involving a disaggregation of demonstrations from the ACLED database is required. This paper’s political survival theoretical framework predicts a negative link between Chinese aid and anti-government demonstrations and a positive relationship between traditional aid and demonstrations. But the ACLED database used for regression analysis is an aggregate measure which captures all pro- and anti-government demonstrations, as well as political and non-political protest and riot events including religious, cultural, and business demonstrations. However, as a majority of the demonstrations recorded by the ACLED are political and against government institutions, findings of this study are likely to be upheld in analysis using data that exclusively covers anti-government demonstrations. Also, while this study finds that anti-project demonstrations are more likely on Chinese relative to World Bank-funded projects, analysis are restricted to selected project studies in Cameroon. For global insight, large-n analysis covering demonstrations (or the absence thereof) on all Chinese and (traditional) World Bank-funded projects in Africa and elsewhere should be conducted. ★

**Appendix A: Variables in Standard Multiple Regression Analyses & Data Details (1/2)**

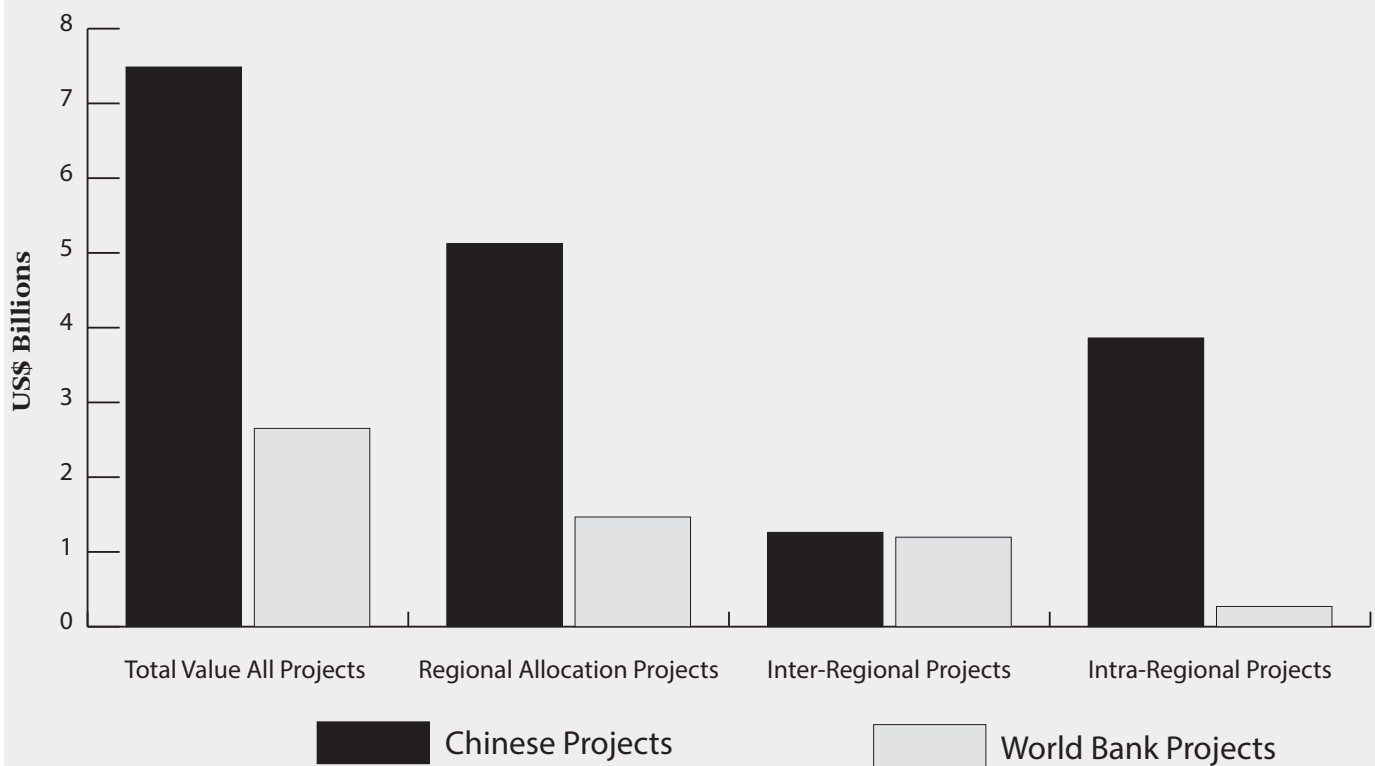
| <b>Variables</b>                       | <b>Description</b>  | <b>Data Source</b>  | <b>Coverage</b> |
|--|---|---|-----------------|
| <b>Chinese Official Finance</b>        | Total amount of Chinese official finance received by a given state in a given year. Amounts exclude pledges and covers Official Development Assistance (ODA-like), Other Official Flows (OOF-like) and “vague” official finance | AidData’s Chinese Official Finance to Africa Dataset, version 1.2 | 2000 - 2013     |
| <b>Traditional Official Finance</b>    | Total amount of non-Chinese official finance received by a given state in a given year  | AidData’s Core Research Release, version 3.1                      | 2000 - 2013     |
| <b>Chinese Loans</b>                   | Total amount of Chinese loans received by a given state in a given year   | AidData   | 2000 - 2013     |
|  |   | SAIS-CARI loan data   | 2000 - 2017     |
| <b>Chinese ODA Loans</b>               | Total amount of Chinese ODA-like loans received by a given state in a given year  | SAIS-CARI loan data   | 2000 - 2017     |
| <b>Traditional Loans</b>               | Total amount of non-Chinese loans received by a given state in a given year   | AidData   | 2000 - 2013     |
| <b>Chinese Grants</b>                  | Total amount of Chinese grants received by a given state in a given year  | AidData   | 2000 - 2013     |
| <b>Traditional Grants</b>              | Total amount of non-Chinese grants received by a given state in a given year  | AidData   | 2000 - 2013     |
| <b>Unallocated Chinese Finance</b>     | Total amount of purpose-unspecified or sector-unallocated Chinese official finance received by a given state in a given year  | AidData   | 2000 - 2013     |
| <b>Unallocated Chinese Loans</b>       | Total amount of purpose-unspecified or sector-unallocated Chinese loans received by a given state in a given year   | SAIS-CARI loan data   | 2000 - 2017     |
| <b>Unallocated Traditional Finance</b> | Total amount of purpose-unspecified or sector-unallocated non-Chinese loans received by a given state in a given year   | AidData   | 2000 - 2013     |
| <b>Civil Liberties</b>                 | Index capturing a government’s level of respect for civil liberties in terms of absence of government constraints on private and political liberties  | V-Dem Civil Liberties Index                                       | 2001 - 2017     |
| <b>Democracy</b>                       | Index denoting a state’s level of democracy   | Polity IV Index, version 2017                                     | 2001 - 2017     |
| <b>Political Corruption</b>            | Index capturing pervasiveness of political corruption, especially in terms of political leaders’ ability to “capture” the state and its resources, including foreign finance  | V-Dem Political Corruption Index                                  | 2001 - 2017     |
| <b>Armed Conflicts</b>                 | Number of dyadic armed conflicts involving a given state in a given year  | UCDP Dyadic Dataset, version 19.1                                 | 2001 - 2018     |
| <b>Gross Domestic Product</b>          | GDP of a given state in a given year  | World Bank  | 2000 - 2017     |
| <b>National Military Capability</b>    | Index capturing a given state’s national military capacity in a given year, based on various indicators including military personnel size and military expenditures   | COW National Material Capabilities Data, version 5.0              | 2001 - 2012     |

**Appendix A:** Variables in Standard Multiple Regression Analyses & Data Details (2/2)

| <b>Variables</b>               | <b>Description</b>   | <b>Data Source</b>            | <b>Coverage</b> |
|--------------------------------|--|-------------------------------|-----------------|
| <b>Tax Revenue</b>             | Revenue generated from taxes in a given state in a given year as a proportion (percentage) of GDP  | World Bank                    | 2000 - 2017     |
| <b>Demonstrations</b>          | Aggregate number of instances of anti-government public protests and riots that occurred in a given state in a given year  | ACLED                         | 2001 - 2018     |
| <b>Protests</b>                | Number of instances of peaceful anti-government public demonstrations that occurred in a given state in a given year; that is, demonstrations in which the participants (protestors) did not engage in spontaneous violence                              | ACLED                         | 2001 - 2018     |
| <b>Riots</b>                   | Number of instances of violent anti-government public demonstrations that occurred in a given state in a given year; that is, demonstrations in which the participants (rioters) engaged in spontaneous acts of violence such as arson and rock-throwing | ACLED                         | 2001 - 2018     |
| <b>Repression</b>              | Aggregate number of instances of violence by state forces against protests, riots, and civilians in a given state in a given year  | ACLED                         | 2001 - 2018     |
|                                | Index denoting degree of disregard for a person's physical integrity in a given state in a given year  | V-Dem Physical Violence Index | 2001 - 2017     |
| <b>Repression of Protests</b>  | Number of instances of violence by state forces against protests/protesters in a given state in a given year   | ACLED                         | 2001 - 2018     |
| <b>Repression of Riots</b>     | Number of instances of violence by state forces against riots/rioters in a given state in a given year   | ACLED                         | 2001 - 2018     |
| <b>Repression of Civilians</b> | Number of instances of violence by state forces against civilians, including "targeting" of unarmed government challengers through torture, arrests, abduction, rape, torture, and forced disappearance  | ACLED                         | 2001 - 2018     |

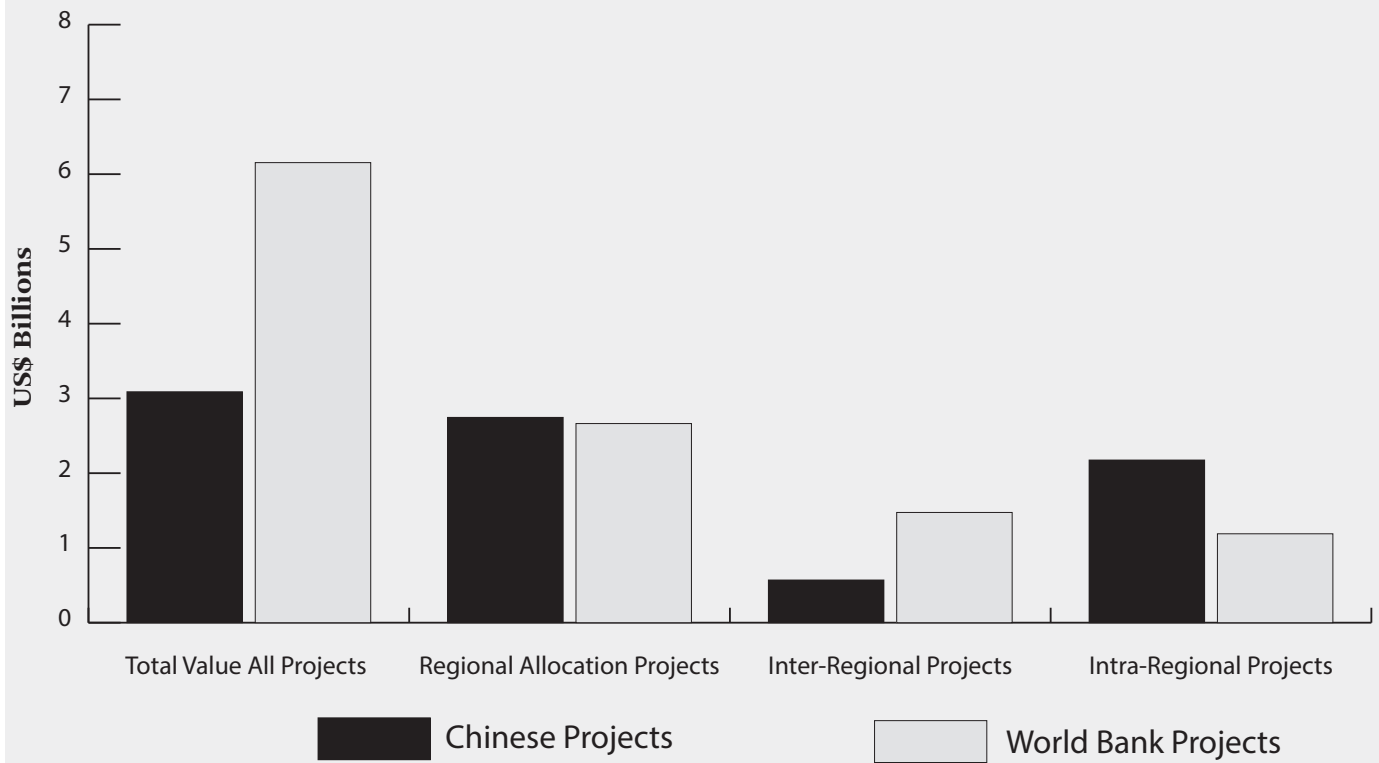


### Appendix B: Chinese and World Bank Finance to Cameroon (2000-2017)



Source: AidData (2000-2013), SAIS-CARI (2014-2017) and the World Bank.

**Appendix C: Chinese and World Bank Finance to Uganda (2000-2017)**



Source: AidData (2000-2013), SAIS-CARI (2014-2017) and the World Bank.

**Appendix D:** Demonstrations in Cameroon at Chinese-Financed Projects 2001-2018 (ACLED)

| Project                          | Contractor   | Sector                | Region  | Grievance       |
|----------------------------------|--|-----------------------|---------|-----------------|
| Memve'ele Dam                    | Sinohydro Corporation (Chinese)                                      | Energy                | South   | Employee rights |
| Douala-Yaounde Road Construction | China First Highway Engineering Company                              | Transportation        | Central | Employee rights |
| Provincial Stadiums' Renovation  | China National Machinery and Equipment Import and Export Corporation | Social Infrastructure | Central | Identity-based  |

**Appendix E:** Demonstrations in Uganda at Chinese & World Bank-Financed Projects 2001-2018 (ACLED)

| Project   | Finance Source | Contractor                            | Sector         | No. of Demonstrations | Region   | Grievance       |
|---|----------------|---------------------------------------|----------------|-----------------------|----------|-----------------|
| Karuma Hydropower   | China          | Sinohydro Corporation (Chinese)       | Energy         | 1                     | Northern | Unemployment    |
| Second Kampala Institutional and Infrastructure Development | World Bank     | China Railway Seventh Group (Chinese) | Transportation | 1                     | Central  | Employee rights |
| Ugandan Support for Municipal Infrastructure Development    | World Bank     | Plinth Technical Services (Ugandan)   | Transportation | 2                     | Western  | Host community  |
|   |                |                                       |                |                       | Western  | Employee rights |

## ENDNOTES

1. See for instance Austin Strange, Axel Dreher, Andreas Fuchs, Bradley Parks, and Michael Tierney, "Tracking Underreported Financial Flows: China's Development Finance and the Aid–Conflict Nexus Revisited," *Journal of Conflict Resolution* 61, no. 5 (2015): 935–963. Dataset on Chinese Official Finance to Africa (version 1.2) is available at <https://www.aiddata.org/datasets>.
2. The data referred to here is the Armed Conflict Location and Event Data (ACLED) by Clionadh Raleigh, Andrew Linke, Håvard Hegre and Joakim Karlsen, "Introducing ACLED-Armed Conflict Location and Event Data," *Journal of Peace Research* 47, no. 5 (2010): 651–660.
3. The secessionists are striving for what they call an independent "Ambazonia" state made-up of the Northwest and Southwest, the two Anglophone regions of Cameroon.
4. Traditional official finance in this study refers generally to non-Chinese sources of official finance to African states, majority of which are Western states and agencies organised in the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD).
5. See for instance John Cohen, "Ethnicity, Foreign Aid, and Economic Growth in Sub-Saharan Africa: The Case of Kenya," HIID Development Paper No. 520. Cambridge, MA: Harvard Institute for International Development (1995); and Joseph Wright, "Aid Effectiveness and the Politics of Personalism," *Comparative Political Studies* 43, no. 6 (2010): 735–762; See for instance Herschel Grossman, "Foreign Aid and Insurrection," *Defence Economics* 3, no. 4 (1992): 275–288; and Roudabeh Kishi, Giuseppe Maggio, and Clionadh Raleigh, "Foreign Investment and State Conflicts in Africa," *Peace Economics, Peace Science and Public Policy* 23, no. 3 (2017): 1–22.
6. Deborah Brautigam, *The Dragon's Gift: The Real Story of China in Africa* (Oxford, UK: Oxford University Press, 2009); Nkunde Mwase and Yongzheng Yang. 2012. "BRICS' Philosophies for Development Financing and their Implications for LICs." IMF Working Paper No. 12/74. Retrieved from <https://www.imf.org/en/Publications/WP/Issues/2016/12/31/BRICS-Philosophies-for-Development-Financing-and-their-Implications-for-LICs-25770>; Yunnan Chen and David Landry. 2016. "Capturing the Rains: A Comparative Study of Chinese Involvement in Cameroon's Hydropower Sector." SAIS-CARI Working Paper No. 2016/6. Retrieved from <http://www.sais-cari.org/publications/>.
7. For example, see Axel Dreher, Andreas Fuchs, Roland Hodler, Bradley Parks, Paul Raschky, and Michael Tierney. 2016. "Aid on Demand: African Leaders and the Geography of China's Foreign Assistance." AidData Working Paper No. 3. Retrieved from <https://www.aiddata.org/publications>.
8. Strange *et al.*, "Tracking Underreported Financial Flows."
9. Strange *et al.*, "Tracking Underreported Financial Flows.,"; Kishi and Raleigh, "Chinese Official Finance and State Repression."
10. Strange *et al.*, "Tracking Underreported Financial Flows."
11. Raleigh, Linke, Hegre, and Karlsen, "Introducing ACLED."
12. Brett Carter. 2016. "Repression and Foreign Aid in Autocracies: Exploiting Debt Relief Negotiations in Post-Cold War Africa." AidData Working Paper No. 29. Retrieved from <https://www.aiddata.org/publications>; Roudabeh Kishi and Clionadh Raleigh. 2017. "Chinese Official Finance and State Repression in Africa." ACLED Working Paper No. 2017/04. Retrieved from <https://www.acleddata.com/wp-content/uploads/2017/04/Chinese-Aid-Repression.pdf>.
13. Kishi and Raleigh, "Chinese Official Finance and State Repression."
14. Kishi and Raleigh, "Chinese Official Finance and State Repression," 3.

15. See for instance “China Does Not Support Rogue African States, It Creates Them – Report,” *Mail and Guardian*, April 9, 2015, <https://mg.co.za/article/2015-04-09-china-does-not-support-rogue-african-states-it-creates-them-report>; and Bill Corcoran, “Chinese Aid to Africa Creating Pariah States, Study Claims,” *Irish Times*, June 16, 2015, <https://www.irishtimes.com/news/world/africa/chinese-aid-to-africa-creating-pariah-states-study-claims-1.2250472>; Roudabeh Kishi and Clionadh Raleigh, “When China Gives Aid to African Governments, They Become More Violent,” *Washington Post*, December 2, 2015, <https://www.washingtonpost.com/news/monkey-cage/wp/2015/12/02/when-china-gives-aid-to-african-governments-they-become-more-violent/>.
16. ICISS. 2001. “The Responsibility to Protect.” Report of the International Commission on Intervention and State Sovereignty. Published by the International Development Research Centre. Retrieved from <https://www.idrc.ca/en/book/responsibility-protect-report-international-commission-intervention-and-state-sovereignty>.
17. Lindsay Heger and Idean Salehyan, “Ruthless Rulers: Coalition Size and the Severity of Civil Conflict,” *International Studies Quarterly* 51, no. 2 (2007): 385 – 403.
18. Bruce Bueno de Mesquita, Alastair Smith, Randolph Siverson, and James Marrow, *The Logic of Political Survival* (Cambridge: The MIT Press, 2003).
19. The reform “guidelines” were jointly issued by China’s Ministry of Commerce (MOFCOM) and the Ministry of Environmental Protection in February 2013 and are published on MOFCOM’s webpage: <http://english.mofcom.gov.cn/article/policyrelease/bbb/201303/20130300043226.shtml>; In April 2014, MOFCOM released a new policy guidance entitled “Measures for the Administration of Foreign Aid” which require Chinese enterprises to apply stricter standards in processes of project appraisal, supervision and evaluation as noted in Dreher *et al.*, “Aid on Demand,” 10.
20. Kishi, Maggio, and Raleigh, “Foreign Investment and State Conflicts.”
21. Deborah Brautigam, “Aid ‘With Chinese Characteristics’: Chinese Foreign Aid and Development Finance Meet the OECD-DAC Aid Regime,” *Journal of International Development* 23, no. 5 (2011): 752–764.
22. This is, perhaps, owing to most foreign official finance coming to Africa as loans.
23. A high level of correlation between civil liberties and democracy violated the assumption on multicollinearity in multiple regression analysis. As such, both variables were not included in the two sets of analysis. While civil liberties added to models predicting repression, democracy was incorporated in models predicting public demonstrations.
24. Raleigh, Linke, Hegre and Karlsen, “Introducing ACLED”; Michael Coppedge, John Gerring, Carl Knutsen, Staffan Lindberg, Svend-Erik Skaaning, Jan Teorell, David Altman, Michael Bernhard, Steven Fish, Agnes Cornell, Sirianne Dahlum, Haakon Gjerløw, Adam Glynn, Allen Hicken, Joshua Krusell, Anna Lührmann, Kyle Marquardt, Kelly McMann, Valeriya Mechkova, Juraj Medzihorsky, Moa Olin, Pamela Paxton, Daniel Pemstein, Josefine Pernes, Johannes von Römer, Brigitte Seim, Rachel Sigman, Jeffrey Staton, Natalia Stepanova, Aksel Sundström, Eitan Tzelgov, Yi-ting Wang, Tore Wig, Steven Wilson, and Daniel Ziblatt. 2018. “V-Dem Dataset, version 8.” Varieties of Democracy (V-Dem) Project. Data retrieved from <https://www.v-dem.net/en/data/data-version-8/>.
25. Coppedge *et al.*, “V-Dem Dataset, version 8.”
26. OECD stands for the Organisation for Economic Cooperation and Development, an inter-governmental organisation composed predominantly of Western countries and agencies working together to foster economic prosperity. DAC stands for Development Assistance Committee, which is the OECD’s committee that deals with development cooperation matters. The OECD’s DAC categorizes official finance flows to developing countries into two broad categories, namely Official Development Assistance (ODA) and Other Official Flows (OOF). ODA flows are composed of grants and loans (with a grant element of at least 25 per cent) undertaken by the official sector, with a primary objective of promoting economic development and welfare. OOF flows are transactions by the official sector which do not meet the conditions for eligibility as ODA, ‘either because they are not primarily aimed at development or because they have a grant element of less than 25 per cent.’ The DAC’s ‘Glossary of Key Terms and Concepts’ contains the definitions provided here and can accessed online at <http://www.oecd.org/dac/dac-glossary.htm#DAC>.
27. Strange *et al.*, “Tracking Underreported Financial Flows.”
28. Pledges and cancelled or suspended projects are excluded from calculations. While repression and demonstration events are observed from 2001 to 2018, observations of foreign official finance flows are lagged (2000 to 2017) to control for direction of effect.

29. Michael Tierney, Daniel Nielson, Darren Hawkins, Timmons Roberts, Michael Findley, Ryan Powers, Bradley Parks, Sven Wilson, and Robert Hicks, "More Dollars than Sense: Refining Our Knowledge of Development Finance using AidData," *World Development* 39, no. 11 (2011): 1891–1906. Updated in: AidData. 2017, "Aid Data Core Research Release Level1\_v3.1 Research Releases Dataset." Williamsburg, VA: AidData. The data on traditional official finance is retrieved from <https://www.aiddata.org/datasets>.
30. Statistical outputs from the regression models in the two sets of analysis relating to the effects of Chinese and traditional official finance on repression and public demonstrations can be obtained on request from the author together with detailed interpretations.
31. Kishi and Raleigh, "Chinese Official Finance and State Repression."
32. See note 24.
33. Project ID's: Douala-Yaounde expressway project AidData Project ID 30926; Memve'ele hydropower project AidData Project ID 289; Kribi deep seaport project AidData Project ID 350; Lom Pangar hydropower project World Bank Project ID P114077; and the Douala road infrastructure project World Bank Project ID Po74490.
34. Dreher *et al.*, "Aid on Demand," 6.
35. Strange *et al.*, "Tracking Underreported Financial Flows."
36. World Bank aid project data retrieved from <https://projects.worldbank.org/en/projects-operations/projects-list>. Only projects approved by the World Bank between 2000 and 2017 are incorporated in analysis. Cancelled or suspended projects are excluded; Data on regional allocations of Chinese and World Bank-sponsored projects generated in this study at the regional levels in Cameroon and Uganda are available on request.
37. Cameroon and Uganda chosen as case studies share similar political trajectories. Both states' current Presidents, Paul Biya of Cameroon and Yoweri Museveni of Uganda, are among the world's longest standing leaders. This provides some grounds to assume common commitment to keeping political power consistent with the logic of political survival underlying theoretical framework in this paper. Both countries amended their constitutions during the 21<sup>st</sup> century to ensure the eligibility of their current leaders for re-election. This further reinforces the assumption of common commitment to political survival by both countries' leaders. Also, as noted below, both countries have received about the same amount of foreign official finance from China and traditional sources combined, between 2000 and 2017. Thus, it can be assumed that neither country received more foreign inflows which could provide a disproportionate advantage for leadership survival.
38. World Bank aid project data retrieved from <https://projects.worldbank.org/en/projects-operations/projects-list>; Tierney *et al.*, "More Dollars than Sense"; Strange *et al.*, "Tracking Underreported Financial Flows"; Atkins, Brautigam, Chen, and Hwang, "Chinese Loans to African Governments Dataset, version 1.1."; More specifically, Cameroon received US\$ 12,127,107,114 spread over 982 projects and Uganda received US\$ 11,938,746,052 spread over 2,210 projects.
39. Consistent with the statistical section of this study, public demonstrations in the case studies are gauged from ACLED and cover the period 2001-2018, with observations of foreign official finance lagged (2000-2017).
40. Dreher *et al.*, "Aid on Demand"; A project has an indicative regional allocation status if I effectively determined the specific region(s) in which the project is located or in which majority of funds for the project is spent. Efforts were made to track the project sites of all Chinese and World Bank-funded projects in Cameroon and Uganda, including projects titled and/or described as "national" projects. National projects whose specific regional locations were either not reported or could not be tracked or determined were excluded from case study analysis together with other projects whose regional locations were not reported and/or not determined. Projects with determined regional allocation status are divided into two categories: intra- and inter-regional projects. The former refers to projects that are largely concentrated within specific regions and the latter refers to projects substantially spread across two or more regions. While project finance going to intra-regional projects is captured as provided in Chinese and World Bank project databases, it is challenging to determine how inter-regional project finance is distributed across the different project host regions. Thus, analyses relating to regional project finance focus on intra-regional projects while excluding inter-regional projects. But in analysis relating to numbers or counts of foreign-funded projects, both intra- and inter-regional projects are included.
41. Samuel Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Oklahoma and London: University of Oklahoma Press, 1991); ICISS, "The Responsibility to Protect."

42. Mickey Raza, Jonathan Moyer, Xuantong Wang, and Paul Sutton. 2017. "Estimating District GDP in Uganda." Frederick S. Pardee Center for International Futures, Josef Korbel School of International Studies, University of Denver. Retrieved from <https://pardee.du.edu/estimating-district-gdp-uganda>. Uganda's Northern region, however, appears to be the poorest region with six of the ten poorest districts located in Northern Uganda. Based on the poverty-targeting "supply-driven" model of Western aid, the Northern region should have received the largest amount of World Bank project finance but this was not the case.
43. Ryan Briggs, "Receiving Foreign Aid Can Reduce Support for Incumbent Presidents," *Political Research Quarterly* 72, no. 3 (2019): 610–622.
44. Roger Tangri and Andrew Mwenda, "President Museveni and the Politics of Presidential Tenure in Uganda," *Journal of Contemporary African Studies* 28, no. 1 (2010): 31–49.
45. Selection of the Kribi deep seaport project – which, based on ACLED observations (2001 – 2018), has not suffered any demonstration – allows for comparison even among Chinese-sponsored projects *vis-à-vis* factors giving rise to protests and riots on some Chinese projects but not others.

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Afa'anwi Ma'abo Che holds a Ph.D with emphasis in International Relations from Swansea University, UK. Currently, he is a Senior Lecturer in International Relations and Peace Studies and the Deputy Director of postgraduate studies at Kampala International University, Uganda. He has previously served as a teaching fellow at Swansea University, UK and as a Lecturer, Director of Research, and Dean of Student Affairs at Kwararafa University, Nigeria. He regularly codes data for the Varieties of Democracy (V-Dem) Index, the world's largest democracy measurement project. Afa'anwi has published in diverse outlets, including reputable Western scholarly and policy-oriented journals such as the UN-affiliated *Peace and Conflict Review*, *Peace and Conflict Studies*, and the *International Journal on World Peace*.

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