

## **THE CHINA-ETHIOPIAN RELATIONS IN THE POST COLD WAR PERIOD: PERSPECTIVES FROM THE MAKING OF ECONOMIC DIPLOMACY**

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### **A Prologue to the Genesis of the Relationship**

Ethiopia and China have long imperial histories. They are Ancient civilizations like the Roman, Greece, Egyptian and any other civilizations in the world, among others, both China and Ethiopia, had experienced an end to imperial rule and had left-wing revolutions in the 20th Century<sup>1</sup>. Ethio-China relations have never been always the same; it had its own ebb and flow. During the period of 1950, Sino-Ethiopia relations were not cordial for Ethiopia has sent its three battalion troops to the Korean war of 1950's as did China.

Ethiopia sent troops in support of South Korea and found itself fighting against the Chinese forces in deployed in support of North Korea. Besides, Ethiopia supported Taiwan in the United Nations from 1950 to 1958. China, on its part, supported for the Eritrean Liberation Front in the early 1960s, which agitated for independence from Ethiopia ( ), China provided the Eritrean insurgents covertly with weapons. Ethiopia also suspected that the PRC backed Somali insurgents in efforts to take control of Somali-inhabited territory in southeastern Ethiopia<sup>2</sup>. This crisscrossed pattern of interaction had debilitated China's effort to establish a viable relation with Ethiopia and vice versa.

Latter time in early 1960's, Ethiopia abstained from supporting Taiwan and supported China thereafter. Ethiopia sent a cultural delegation to China in 1961 and signed an agreement to exchange journalists in 1962 and permitted China's official news agency, Xinhua, to open a

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<sup>1</sup> China's Qing dynasty ended in 1912 with the establishment of the Republic of China followed in 1949 by the toppling of the republican government by the communist forces of Mao Zedong. On the same account, Ethiopian have had a revolutionary squad of transformation from imperial into republican in 1974, which to historians known as a year of Ethiopian revolution.

<sup>2</sup> Ethiopia and China had also experienced different policies on rebel insurgencies in neighboring countries like Sudan. Ethiopia supported the South Sudanese insurgent movements while China backed the Central Government in Khartoum thereby to allow the Eritrean Liberation Front to operate from Sudanese territory in its fight against the central government in Ethiopia. For further details Medahane Tadese (2004), Shin (2015), Paul Henze, (1991),

branch office in Addis Ababa. Following this, Premier Zhou Enlai visited Ethiopia in 1964. China promised Ethiopia to terminate its covert support to insurgents operating within the country and from neighboring Sudan.

This has resulted to the furtherance of talks and formalization of their diplomatic ties. The mutual agreement reached in 1970, at least a case in point, was a turning point in the Sino-Ethiopian relation, it's a period during which Ethiopia has recognized and made formal diplomatic relations with China. Ethiopia has opened its Embassy in Beijing and China in Addis Ababa. In 1971 Emperor Haile Selassie of Ethiopia made a highly publicized visit to Beijing where he praised both the progress being made in China and Chairman Mao's outstanding achievements<sup>3</sup>.

The relationship was solidified by an economic and scientific agreement, along with Chinese grants and interest-free loans. For instance, they signed the Ethio-China Economic and Technical Cooperation Framework of 1971 pertaining to trade, economic and technical cooperation affairs. Concomitantly, China granted Ethiopia an interest-free loan of \$84 million and sent several teams to help with Ethiopia's development endeavors (Shinn, 2015; Thakur, 2009). Despite some positive developments in their relations in the early 1970's, yet, it was not excessively active, particularly during 1974-1991. This is attributed to the new mood of Ethio-Russian relations following the coming of the military junta to power in 1974<sup>4</sup>.

Following the Sino-Russian split, both bid to win allegiance in Ethiopia thereby to assure reliable strategic geopolitical position in East Africa. The same was also true for the Ethio-American Relations and with other Western Block countries with the logics of the Cold War Politics. During this time in recent past history, America has turned its face on the new military government of Ethiopia and start to give support for neighboring enemies and enemies of any variant to Ethiopia. USSR on its part has come to exploit the new political reality in the country in its ideological contest with America. Then, USSR, switched its support from neighboring Somalia to Ethiopia<sup>5</sup>.

### **Post War Period Trends in the Sino-Ethiopia Relations**

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Ethiopia was among a number of nations to have supported China's bid to join the UN in the same year.

<sup>4</sup> Group of Military officers led a left-wing military coup in Ethiopia in the year 1974 that toppled the traditional monarchy, established US ally and a new Chinese friend of the time.

<sup>5</sup> This development complicated China's goal to strengthen relations with Ethiopia because the Soviet Union, seeing an opening after Ethiopian relations worsened with the United States. This had occurred at the height of the Sino-Soviet conflict, in which the Soviets promised to support more than what China could offer to the incumbent military regime in Ethiopia. China made clear that it was ready to give moral support to Ethiopia's new revolutionary government, but it was not prepared to compete with the Soviets in providing arms and financing its ideological and military fight at home and beyond. As a result, the Sino-Ethiopian relations took dramatic negative turn under the military junta which aligned itself with the Soviet Union for about 17 years (Shin, 2005).

Very recently, when the Ethiopian People's Revolutionary Democratic Front's (EPRDF) toppled the military junta and took ascendancy in 1991, China's relations with Ethiopia experienced resurgence (ibid). With the overthrow of the Derg regime and coming into power of the EPRDF in 1991, Ethiopia's foreign policy turf underwent changes in tune with domestic and international changes. The FDRE constitution mentioned in its Article 86, that Ethiopia "will conduct its foreign relations on the basis of the principles of respect for the sovereignty and equality of states and non-intervention and non-interference in the internal affairs of other states as well as the promotion of mutual interest". *Ipso-facto*, constitutional affirmed the Bandung Declaration of 1955 to which, both Ethiopia and China are parties<sup>6</sup>.

The post-Cold War Ethio-Chinese relation is different from the earlier years; it is geared to assure sustainable mutual benefit in a multifaceted and multi-sectoral dealings. *Interallia*, Economic and Security ones are few to mention. Pursuant to this, Ethiopian Prime Minister Meles Zenawi made his first visit to Beijing in 1995, and six months latter President Jiang Zemin visited Ethiopia. Then after, they signed a series of new agreements, including an important one on trade, economic and technical cooperation<sup>7</sup>. Coupled with this Premier Wen Jiabao visited Ethiopia in 1996 and 2003<sup>8</sup>.

In 2003, Ethiopia hosted the conference of the Forum on China Africa Cooperation in which the Addis Ababa Action Plan was adopted. This, new plan is meant to establish new type of partnership between China and Africa featuring long term stability, equality, mutual benefit and comprehensive cooperation. Besides to the point, the Ethiopian Prime Minister made his second visit to China in 2004, when he signed additional cooperation agreements, he co-chaired the Forum on China-Africa Cooperation held in Beijing, in 2006. This also reflects Ethiopia's commitment to the South-South and Africa-China cooperation in general and the Ethio-China cooperation in particular. Seen from the global and regional political dynamics of the 1990's, Ethiopia's newly designed Foreign policy postures came at a time when the US has assured its global power preponderance, the disintegration of the giant East bloc-USSR and it was a period when Beijing was reeling under the Western criticisms of its human rights record such as those

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<sup>6</sup> Subsequent national foreign policy setups and principles have also reiterated same, among others, the need for promoting development and operating within the broader globalized world by way of "creating a conducive environment for making use of available market and investment opportunities and getting technical assistance, loans and aid for the development and democratization endeavor of the country" (Ethiopian Foreign Policy Document 2002:2-15). The foreign policy document also mentions the need for realizing the twin objectives of bringing about democracy and development for which external economic support through economic diplomacy is needed (FDRE, Foreign Affairs and National Security Policy and Strategy 2002:23-24). The document further emphasized on securing China's Foreign Direct Investment and promote trade and investment in Ethiopia (ibid: 151-152).

<sup>7</sup> Agreement on Trade, Economic and Technical Cooperation (ATEC) was signed. Automatically renewed every three years, the agreement led to the creation in 1998 of a Joint Economic Commission, which meets every other year. The agreement confers "most favored nation" status on Ethiopia and covers the whole bilateral economic cooperation, be it in the matter of investment promotion through the formation of Sino- Ethiopian joint ventures or private entities, maritime transport, or exchanges of "technical personnel."

<sup>8</sup> The official news agency of the Chinese government Xinhua has signed a news exchange agreement with the Ethiopian News Agency and now operating having its own branch office in Ethiopia's capital, Addis Ababa.

in reference to the 1989 Tiananmen incident. This was also the period that ushered viable prospects for Ethiopia's national development aspiration and regional hegemony in the context of its sub-region and Africa. Tuned with the above, thus, Ethiopia regained its geopolitical preeminence in the eye of super and major powers. Yet, Ethiopia is criticized for its poor human rights record as like China.

### **Relations on the Political Sphere**

Although the strength of the Ethiopia-China relationship is in the economic area, political ties are also flourishing in no comparable to any African State. The EPRDF and the CPC frequently exchange visits and have even formalized their interaction. While the EPRDF has ongoing relationships with a few Western political parties, it is doubtful they are as close as they are with the CPC (Capital news paper, 2015).

In 2006, for example, the Ethiopian Parliament passed a resolution in support of China's Anti-Secession Law. In 2007, Ethiopia has mobilized and joined other African countries in preventing a resolution in the UN Human Rights Commission that censored China's human rights practices. In 2008, Ethiopian Prime Minister blatantly and publicly said that "Tibet is an internal affair and external powers have no right to interfere". In uttering this, he goes on saying that "Ethiopia strongly opposes any external force's attempts to destroy China's national unity and create hatred among Chinese nationalities". China's ambassador to Ethiopia praised Addis Ababa's "strong support" for China's position on Taiwan and Tibet. For its part, China never criticized Ethiopia's human rights worst records or comments publicly on internal controversies within Ethiopia.

On a party level relation, the incumbent party has managed to assure a strong tie with Communist Party of China. Top party officials made several visits to China in the name of experience sharing. Besides, sources disclose that Ethiopian party officials and top military personnel's and security officials are trained in china. In support of this claim, former US Ambassador to Ethiopia, Professor David H. Shinn (2015), stated that the leadership of the ruling EPRDF in Ethiopia certainly gives the impression that it is more comfortable with the style and leadership of the Communist Party of China (CPC) than with the leadership and ruling parties of Western countries, including the US. In further explaining the relationship in between the CCP and the EPRDF, the Ambassador has the following to say:

*.....both the EPRDF and CPC operate with little transparency and tend to make decisions involving small groups of insiders. Western, and especially American, policies on human rights and Ethiopia's democratization process limit the degree to*

*which Ethiopia (and China) is willing to cooperate with the West. These issues do not pose a problem for China's relations with Ethiopia.*

The above explained political underpinnings both at state and party level also signifies the new trend in the Ethio-Chinese economic relations that further strengthened the plausibility of the diplomatic relations of the countries under discussion, the subsequent part will look into it.

### **Relations on the Economic Field**

Sino-Ethiopian economic relation has crucial national imperatives for a mutual benefit of the new model on South-South cooperation. Their economic relation is supported by a variety of formally signed bilateral trade, investment, and economic cooperation agreements. Until the multilateral engagement of China with Africa in 2000, both states signed agreements on trade, economic and technological cooperation in 1996 and Ethio-Chinese Joint Commission for Economic Cooperation was signed in 1998 (Alemayehu, 2008). The commission was entrusted with the task of undertaking technical and scientific exchange meetings every two years.

During the commencement of China-Africa Cooperation Forum (CACOF) in 2000, Ethiopia sends its delegates to Beijing<sup>9</sup>. Their formerly stagnated diplomatic contacts kept afresh and diplomatic contacts between them show a spiral increase. After the establishment of China-Africa Cooperation Forum, relations expanded in which Ethiopia and China signed an agreement for economic and technological cooperation in a new manner in the year 2002(ibid). Indeed, trade volume between them raised, Chinese FDI, aid and concessional loan increased immediately and then after<sup>10</sup>.

Similarly, both parties concluded a bilateral investment treaty in 2005. In 2006 China adopted its African policy in the third CACOF to which committed itself to the realization of African states Millennium Development Goals by fulfilling its pledges. China pledged to open its market, increase development assistance and act on African debt relief (Alden and Ricardo, 2008). In this regard, China proposed to focus on three key projects in Ethiopia that could be very “vital to foster...bilateral cooperation, referring to an agriculture technology demonstration center, an all

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<sup>9</sup> The Beijing Ministerial Meeting of 2000 on the Sino-African Cooperation Forum was meant for anew mood of the China-Africa multifaceted cooperation based on a win-win approach. Besides, it draws a new framework of action for a country level deal with China.

<sup>10</sup> Since then economic and political relations with China has been developing. In fact, the foreign affairs and national security policy and strategy of the Federal Democratic Republic of Ethiopia (FDRE) viewed relations with China as vital. It underlined the importance of further consolidating relations with China (MoFA, 2002). Ethiopia has particularly emphasized on China's FDI inflows, market access, development finance, acquiring China's development experiences, capacity building through training and technical supports as its objectives in relation with China.

packed economic and trade project including the construction of hydropower stations, and the establishment of an oriental industrial zone to attract investment from Chinese companies” and beyond (Asayehegn, 2008; 2).

In 2007, high level meeting was held in Beijing, high level official visits, as the trice visit of Ethiopian Premier Meles Zenawi, to China became most frequented (Xinhua News, 2011). Accordingly, China responded by committing itself to further facilitation of investment with Africa in general and in particular. The opening of its representative office of Export and import (EXIM) Bank in Addis Ababa can witness its part good gesture to Africa in general and to Ethiopia in particular (Capital news paper, April 11, 2010). Moreover, China is underway in making operational its industrial zone in Ethiopia that is under implementation, while the Awassa Industrial park is inaugurated this year, three are under implementation and the remaining six are to be completed within the coming four years to come). These measures have shown the special significance China attaches to Ethiopia in its engagement in the African regional scenario. This positive attitude has even got public support. Put simply, optimistic view about China has become not only the view of the government of Ethiopia but the people.

According to the 2007 Pew Global Attitude Project Opinion Poll report, there is a growing positive public opinion about China as opposed to relatively negative predispositions to the US (Carola, 2009 as cited in Venkatraman and Solomon, 2015). The government of Ethiopia and its various institutions are getting attracted to financial loans of China to undertake various projects (ibid).The Ethiopian Electric Power Corporation (EPCO), Ethiopian Telecommunication Corporation (ETC), Ethiopian Roads Authority (ERA) and recently the Ethiopian shipping Lines S.C are maintaining and expanding strong attachments to Chinese credit facilities.

There are various factors that have been anchoring these relations. One set of factors is the increasing engagement of China’s firms, inflow of FDI, progressively growing trade interactions and the ability to access financial aid and concessional loans enhanced by close political relations. This in turn has been influenced by domestic and external political and economic factors. No doubt, political ties of China with its Ethiopian counterpart bilaterally and in multilateral forums as in CACOF and at various Ministerial levels are a significant factor to be underlined in the discussion of vital Sino-Ethiopian multifaceted economic relations. Also, economic rationales are similarly equal in strengthening political trust between them.

Chinese low bidding offer and the financing of Ethiopian projects which they bid for are economically too attractive to forgo (Alemayehu, 2008)<sup>11</sup>. With the heightened multilevel and multi sector relations, Ethiopia has opened three consulate generals in Guangzhou, Chongqing, and Shanghai, besides to its Embassy in Beijing. On top of this, the Ethiopian Air lines increased its number of flight and destination to China. There are now about 20 passenger flights and three cargo flights weekly between Addis Ababa and Beijing, Guangzhou, and Shanghai and Hong Kong. These are indicatives of the close relations in between the people of Ethiopia and the Chinese People in general and the political bodies in particular. This strong tie signifies the plausibility of their mutually beneficial Politico-economic relations with greater propensity to increase and viable win-win diplomatic interplay in between the global major power China and the East African hegemony Ethiopia.

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<sup>11</sup> Very recently the incumbent has crafted and is implementing its Growth and Transformation Plane. Among others, it aims to link 49 cities with the construction of eight main lines and also connect Ethiopian railways with those of the two Sudanese and Kenya while being restored its link with Djibouti. Almost all these projects are believed to be implemented with the financial and technical support of the Chinese government, as it did in many of the Ethiopian mega Projects, including the Addis Ababa – Djibouti electrified railways. This will also provide Chinese construction companies with a new opportunity in their business dealings in Ethiopia and beyond. This in turn will propel and intensify their relations for a mutual benefit.

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