

# **Chinese Loans as a Foreign Policy Tool**

*The Case of the Sino-Mozambican relation*

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Master's Thesis in Political Science

**UNIVERSITY OF OSLO**

Department of Political Science

December 2021

Word count: 32 024

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2021

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<http://www.duo.uio.no/>

Publisher: Reprosentralen, University of Oslo

## Abstract

The purpose of this thesis is to showcase that economic initiatives must be involved when discussing power gain dimensions. This is done by investigating the Sino-Mozambican relation through different theoretical lenses subjected under the realist school of thought as these will account for how Chinese loans may serve as a foreign policy tool responding to systemic and state level incentives. By using economic initiatives, due to money being a limitless variable, both parts of the relation have a greater chance of increasing their relative gains. However, because the power dimension in the relation is highly disproportional, the relative gains are divergent. As China gains increased competitiveness internationally and manages to answer to internal issues related to unemployment and resource scarcity, Mozambique mainly gains infrastructure in the Southern region of the country which again increase their attractiveness for foreign investors. Still, the largest part of the Mozambican population does not gain much access to the benefits this provides, creating unfortunate bases for sustainable development. A fieldwork was planned but was not possible to conduct due to the Covid-19-pandemic. Yet, through a combination of document studies and interviews with scholars known to this topic, a greater understanding of how China operates in Africa, and how smaller nations like Mozambique uses their agency to make the most of Chinese presence, have been added to the existing literature.



## Acknowledgements

This thesis was written during the Covid-19 pandemic while suffering an injury in both my hands. Completing my master's degree would not have been possible without the right support through the last twelve months.

First and foremost, I would like to give a special thanks to my supervisor Karin Dokken for her guidance, encouragement, and adaptability through a challenging time. Followingly, I would like to thank my interviewees in Maputo and Oslo who contributed greatly to my understanding of my chosen case. I would further like to thank Ulrikke Wethal who took the time to discuss my topic and provide me with relevant literature.

On a personal note, I would like to thank my friends, near and far, for all the shared laughs throughout the last year.

Finally, to my parents, thank you for your unconditional love and support. Your patience and humbleness is admirable. This thesis is dedicated to you.

Oslo, Norway            December 14th, 2021

Charlotte Li Buri Olsen

## Abbreviations

China – The People’s Republic of China

China Exim Bank - The China Export Import Bank

ENDE – Estratégia Nacional de Desenvolvimento

FOCAC – Forum on China-Africa Cooperation

FNLA - National Front for the Liberation of Angola

FRELIMO – Frente de Libertação de Moçambique

GDP – Gross Domestic Product

HDI – Human Development Index

IMF – International Monetary Fund

MEF – Mozambican Ministry of Economy and Finance

The CCP – The Chinese Communist Party

The GoM – The Government of Mozambique

UN – The United Nations

UNDP – United Nations Development Programme

US – United States

USD – United States dollar

USSR – Union of Soviet Socialist Republics

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## 1.0 Introduction

The overall theme for this master's thesis is how smaller and larger nations, with relatively different influential stands on the international arena, interact to pursue their foreign policy interests. This will be showcased through a study of China and Mozambique, and how they purposefully adjust and answer to their international and domestic surroundings through Chinese concessional loans. As China has become a highly visible lending actor on the African continent through their Belt and Road Initiative (BRI), China has become the largest source to investment in infrastructure in Mozambique. Foreign direct investments have always played an important part of the socioeconomic development in Mozambique, and due to the influence of new liberal institutions, as many other smaller emerging states alike, Mozambique has made it a part of their national strategy to attract external investments (Sambo, 2020). This is however often done at the expense of prioritizing structural aspects inherent in the development process and Mozambique is no exception to this. Investigating the Sino-Mozambican relation will henceforth contribute to a wider understanding of the the evolving nature of China's growth strategy, and the 'instruments' deployed by China, affects local governments they share inter-related ties with.

Because all states must balance domestic and international relations against other states, a continuous calculation of risks and gains is something that policymakers must do when conducting politics. This thesis wants to argue that by using economic tools, some of the risk of interacting with other states is lowered, which also creates a better chance for states to make incentives from the systemic and state level congregate. Following Kenneth Waltz' international theory, the better a state manages to assess these incentives, the greater the chance is for securing future survival (Waltz, 1979, p. 106). Being able to evolve in an international power vacuum where self-interests push states to see the relative gains of each decision then becomes an important part of this thesis' discussion (Ibid.). Using realism as a theoretical framework to get a deeper understanding of how power plays out is hence arguably beneficial.

China is considered a great power nation with increasing influence in the world system, but with such a role, certain obligations and concerns relating to power structures will follow. Mozambique, being a smaller nation, must hence take this, as well as other domestic aspects, into consideration when conducting politics and interacting with international actors.

Accepting concessional loans as a foreign policy tool in the Sino-Mozambican relation will hence allow for an analysis of how economic initiatives can increase nations' relative gains.

An analysis of the Sino-Mozambique lending context can consequently give more knowledge about the strategic dynamism of interstate ties, thus how the loans can both offer possibilities and limitations for both parts. This may contribute to finding a logic to China's engagements and how their international economic institutions influence local societies in smaller nations, but also how smaller emerging states responds to this. By applying the international relations lens of realism, a new approach to Sino-African relations, as well as developmental strategies amongst smaller powers, will be conducted. Within this theoretical framework, geoeconomics and debt-tapping will also be discussed as these theories are considered relevant to the chosen case. This facilitates a study of how international structural forces makes states act towards other states in accordance with domestic matters. This leads us into the next section, my research question.

### 1.1 Research question

Before presenting my research question, geopolitics, geostrategy and relative gains must be accounted for as these terms are essential to understand my reasoning. Gilmartin and Kofman defines geopolitics as "the practices and representation of territorial strategies" (Gilmartin & Koman, 2004, p. 113). Leaning more towards a more intuitive and limited perspective of this definition, Flint notes that geopolitics can be understood as the competition between states for control of territory and/or the resources within them (Flint, 2006, p. 13). This leads us into the subfield of geostrategy, which is, among other things, concerning the country's resources and the geopolitical means. Hence, geostrategy "entail particular ways of approaching and dealing with the land, of how to move within it and how to change and order it" (Browning & Joenniemi, 2008, p. 526). As Mozambique is a resource abundant nation with the need for development, and China is a nation that currently must look for external sources to sustain their economic growth, the base for an increase of relative gains is present. The Sino-Mozambican relationship can hence be reasoned by geopolitical and -strategical predictions. However, in accordance with realist predictions, states compete in a zero-sum game to increase their own benefits, meaning that you either win or lose (Grieco et al, 1993). Both cannot achieve relative gains with this inferential logic. Then again, if we allow for economics to be a part of relative gains, because money is limitless, the zero-sum game can be replaced by a positive-sum game and still be a subject to realist predictions. Geopolitics and geostrategy then gains a new perspective, that being economic initiatives. My research question is followingly:

*Can Chinese development loans to Mozambique portray a strategic approach for both nations in ensuring and increasing their relative gains?*

To discuss this questioning, I will operate within the theoretical framework of two subdivisions of realism: neorealism and neoclassical realism. This starting point provides a foundation for acknowledging the systemic constraints of the anarchic structure as well as identifying a two-level game between domestic and international factors. The latter is especially relevant as it can explain variation in state sensitivity to relative gains (Purdon, 2017, p. 263). Because the neo-realist school focuses on how the structural framework that states operates in affect how policy makers shape foreign policy and relations to other states (Waltz, 1979), explanations about the Sino-Mozambique loaning context may be found here. As this school of thought view states as rational sovereign actors that act according to the self-interest in survival and security (Waltz, 1979), a greater understanding of why China has an interest in presence in Mozambique, will be likely. This theoretical framework will also offer explanations to Mozambique's position relative to bigger external power's interest. In other words, how Mozambique must see this as an opportunity and/or a pre-set reality they just need to accept due to their relative power position in the world. However, as neorealism is systemically focused, neoclassical realism will fit well together with this approach as factors on state-level will be taken into consideration. Domestic institutions and leadership will hence be included in the analysis. As neoclassical realism draws upon the same base as neorealism in that it acknowledges the systemic forces, using this subdivision of realism will cluster the structural emphasis on the international system with domestic factors. As neorealism and neoclassical realism will explain why Mozambique and China engages with each other, geoeconomics and debt-trap diplomacy will further make this discussion more fruitful as they let economics be involved in the power gain dimension. This provides a base for a more specific discussion of the relative gains from the loans. But, for this theoretical framework to be applied in the contemporary world, there are some assumptions that need to be followed.

#### 1.1.1 Assumptions

To answer my research question within this framework, I will rely on three assumptions. These are necessary to understand my argumentation. Because this study will discuss how smaller and larger powers respond to international systemic incentives, and how Chinese loans through the BRI-initiative can be a strategic tool in this setting, it is important to make some assumptions clear. The first assumption thus rest on neo-realism's fundamental claim – that the world is anarchical – and Waltz' main essence – that states act according to this

structure, which initially encourage states to seek the initial goal, survival and security (Waltz, 1979, p. 126).

*Assumption 1 – The international arena is anarchical with a bipolar system where the US and China are two contesting powers.*

According to Waltz, anarchy makes states seek pursuable means to self-help (Waltz, 1979, p. 111). Luttwak is a scholar that argues that states actively instrumentalize their economic interests in attempts to manipulate their activity on the international arena to serve their own purposes (Luttwak, 1990). Economic statecraft must hence be seen as a way for states to use economic means to pursue foreign policy goals.

*Assumption 2 – There is political motives in economic engagements.*

The balance of power drives states to seek power gain. Building on economic statecraft, because economics is limitless in size, states can engage with each other and build their economic size simultaneously. Because economic size is a part of the power dimension both directly and indirectly – directly through a size GDP and indirectly through the stimulation of material capacities, economics can hence no longer be excluded from relative power gains.

*Assumption 3 – Economics is a part of power politics and relative gains.*

Answering my research question will in essence investigate how both countries use loans to increase their relative gains through diverse theoretical lenses. So, to actualize my study into a larger context, the following paragraphs will present a literature review which brings forth relevant literature to my topic and choice of theory. With this, the reader will get a review of some of the existing knowledge and why this study will contribute to culmination of new knowledge.

## 1.2 Literature review

The literature on China-Africa relations is a developing field of study, and it is safe to say that it has become a much richer body of literature than what it was a decade ago. However, whilst there has been much research on China-Africa relations, the theorisation of this developing field has been rather resistant. In A'Zami's article *China in Africa: From under-researched to under-theorised* a demand for an international relations dimension is emphasized as the theorisation so far has been limited to analysis on state level emphasizing societal measures (A'Zami, 2015). The author brings forth studies carried out by Chan which builds upon the

morality of China in Africa where Confucianism as a moral culture is being reasoned to be the main driver for Chinese activities in Africa (Chan, 2013). However, A'Zami argues that this explanation falls short due to the inadequate theorisation of how morality relates to self-interest as if morality and interests are distinctly different spheres (A'Zami, 2015, p. 728). Besides, the theorising of China in Africa cannot be purely based on the moral of Chinese foreign policy analysis. It must be put into a larger context to understand.

A'Zami also brings forth studies done by Corkin which highlight African agency as a theoretical framework for understanding the Chinese African relations. Corkin contests the widespread notion that China's interest is fundamentally resource-driven and that local African governments are unable to negotiate effectively to avoid exploitation (Corkin, 2013, p. 2). She argues that African states choose to exploit external recognition to strengthen their power in the face of fragile internal legitimacy, and that China simply ends up as being yet another external state that is used by African states for their own purposes (Corkin, 2013). A'Zami argue this to be inconvincible as Corkin, and many others, fail to take the *problems of unequal equals* into consideration (A'Zami, 2015, p. 731). Because every relation is placed in an international context, interests in every relation are affected by international politics. A'Zami hence point out a need for a theoretical featuring of the international relations dimension on the analysis on China-Africa relations to find a broader explanation that does not exclude one or the other.

A study which combines the perspectives of African agency and the motives of Chinese foreign policy whilst applying an international systemic theory will hence fill a gap in the literature. As I have chosen realism, accounting for this choice is of relevance. In Bell's article *Political realism and international relations* considerable attention is given to realism's emphasis on contingency, prudence, historical context, and limits of moral argumentation (Bell, 2016, p. 3). Emphasizing the latter, he claims that "moralism, realists charge, has rendered political theory incapable of grasping the nature of politics" (Bell, 2016, p. 3). He hence brings forth McQueen's argumentation that realism offers an approach that

*(a) affirm the "autonomy" (or, more minimally, the "distinctiveness") of politics; (b) hold an agonistic account of politics; (c) reject as "utopian" or "moralist" those approaches, practices, and evaluations, which seem to deny these facts; and (d) prioritize the requirements of political order and stability over the demands of justice (or, more minimally, reject any kind of absolute priority of justice over other political values) (McQueen, 2017a).*

A demand that politics is addressed on its own terms is at centre and is something that the realist school of thought offer opportunities and the tools to do. It is also of my approach that one must reflect normatively on politics and not make the mistake of thinking politics is reducible to morality. As Sleat writes “realism seeks a way of thinking normatively about politics that is suitably sensitive to the conditions and features of the political sphere, with the hope that doing so will provide us with theories befitting the actual practices of politics” (Sleat, 2017b). By this, A’Zami’s notifications finds support and an answer in the realist theory. At the same time, African agency may be accounted for. Building on these notions, the purpose of this study will be to analyse the Sino-Mozambican relations through different realist lenses. With this, a gap in the theoretical literature on Sino-African relations will be filled. The following chapter, Chapter 2, will then account for the theoretical framework. This chapter will discuss the relevance and application of two theoretical subdivisions of realism, geoeconomics and debt-trap diplomacy as analytical frameworks. Chapter 3 will then follow where a presentation of my methodological approach will be presented. This argues for why my chosen research design will produce a valid discussion of my topic. Chapter 4 will then contain my empirical findings of the Sino-Mozambican relation through the last seven decades. My findings will then be discussed through the theoretical lenses presented. Chapter 5 will apply mainly neorealist predictions, that being systemic forces’ impact on policymaking. Chapter 6 will build on the former but focus on the neoclassical variables of policymakers’ perception and legitimacy of regime. Chapter 7 will apply geoeconomics as an analytical framework for understanding how loans are political means. Debt-trap diplomacy will be accounted for in this chapter. Chapter 8 is the final discussion chapter and will take on the concrete relative gains that China and Mozambique gain from their relation. A concluding statement and final remarks will then follow in Chapter 9.

## 2.0 Theory

### 2.1 Political realism as Theoretical Framework

The aim for the thesis is to investigate how financial initiatives can be interpreted as geostrategic tools for increased influence and resilience in interstate bargaining relations, thereby having an impact on the interstate power dimensions. As the focus will be on Chinese development loans in the BRI-initiative directed towards Mozambique, great power politics becomes relevant as the rise of China must be considered a valid factor in the observed bilateral initiatives that the Chinese government has launched the last decades. Based on this, I choose to pursue a materialist approach, not idealistic one, and a rationalist path rather than

a constructivist. The main reason for this choice is that I consider and want to emphasize that materialist factors driven by self-interest are the key drivers for China's seek for expansion, and that the anarchic world system is the factor allowing it to be realised. A theoretical framework that fits well to these notions is political realism. This theoretical framework analyses how characteristics of the anarchical international system influences and limits the possibilities and policies of states and the outcomes of interaction between states where security and power are the main human motivators (Gilpin, 1984, p. 290-291). It does also include theoretical subdivision that capture factors on the state unit-level which in my opinion will strengthen my foreign policy analysis. It is hence a fruitful base for an analysis on the Sino-Mozambican dynamics in the light of current financial bilateral ties. But before elaborating how the foreign policy analysis will forego, the subdivision of neorealism must be addressed as it projects the context we are operating within.

## 2.2 Neorealism

One of the most influential directions within realism is the structural realism or the neorealist path proposed by Kenneth Waltz (Wivel, 2005, p. 356). This school of thought emphasize that the international system is anarchical with no superior international authority that can govern international relations or guarantee survival of the state (Waltz, 1979, p. 88). The units of analysis are rational sovereign states that because of this anarchic structure are pushed to seek survival through self-help (Ibid.). The strength of states is measured mainly by material factors, usually through military and defence capabilities, and can be used to ensure survival and influence other less powerful states. Another basic predicament is that the anarchic structure leads states to care deeply about relative gains or relative position. It is in essence driven by the belief that the stronger the state is, the more likely it is to realize its goals and guard itself against enemies (Bull, 1977). This leads weaker states to form alliances with mainly stronger states when in a midst of challenging and threatening situations (Grieco et al, 2014, p. 75). States will in other words make policy decisions based on whether their actions increase their power or not.

Neorealism acknowledges two structures, that being the international and the domestic one. The ordering principle of these two structures is that they are distinctly different from each other, where the domestic structures have governmental institutions offices while the international structure is decentralized and anarchic (Waltz, 1979, p. 88). Negotiating on the international arena is hence different from negotiating domestically. In practice, this means that contrasting policies that challenges the military, economic or political interests of a

stronger state may be met by military, economic or political countermeasures. This leads to another point that neorealism highlights – the designation of *realpolitik* which indicates methods by which foreign policy is conducted (Waltz, 1979, p. 117).

“The ruler’s, and later the state’s, interest provides the spring of action; the necessities of policy arise from unregulated competition of states: calculation based on these necessities can discover the policies that will best serve a state’s interests; success is the ultimate test of policy, and success is defined as preserving and strengthening a state” (Waltz, 1979, p. 117).

In practice, this means that states that pursue policies that lead to deterioration of its resources will end up losing power and influence on the international arena. States that wish to retain or strengthen their position, without being balanced against, have limited latitude, but stronger states have greater potential than weaker ones (Risa, 2009, p. 22). The stronger the state, the greater are the possibilities to act unilaterally in international affairs. And if a conflict were to occur, the outcome will highly depend on the state’s materialistic capabilities. The logic of maintaining or increasing the material capabilities and balancing against opponents in the international system, is hence what *Realpolitik* essentially is about (Waltz, 1979, 117). This corresponds to the central notion of “balance of power” which stands strong in the neorealist tradition as it explains why states balance against rising challengers in a predictable and unproblematic manner (Waltz, 1967, p. 306–11). “because those that defy systemic imperatives are frequently defeated and eliminated, the international system socializes states over time to balance against rising great powers and to emulate the successful security behaviour of their peers” (Resende-Santos, 2007). The anarchic, self-help system, where security and survival are the main motives of international politics can hence be illustrated in Figure 1.

Systemic stimuli → Policy response

Figure 1: A neorealist model of foreign policy

However, the assumption that the international system influences state behaviour by rewarding and punishing various actions (Waltz, 1979, p. 74), does not prevent foreign policy from being influenced by other factors. I would like to emphasize that “states do not always perceive systemic stimuli correctly” (Ripsman, 2011). Comprehensive rationality puts limits on policy makers, and the international system can hence be difficult to read (Rose, 1998, p. 152). Leaders are furthermore not always rational when responding to systemic stimuli as the



international system does not always present clear signals about threats and opportunities (Ripsman, 2011). It is also not a guarantee that it is possible to observe immediate outcomes of policies. In other words, policies are not necessarily met with either reward or punishment at once (Risa, 2009, p. 22). Yet another problem arises when one tries to define which policies that serve the national interest best, and whether domestic political and economic circumstances allow for the domestic resources of demand to be mobilized in respond to the international system (Ripsman, 2011). To understand the relation between the international system and foreign policy, other factors must be included in the analysis. To allow for loans being investigated as a part of grand strategies and opening for discussing how these can contribute to relative gains in the interstate bargaining dynamic, thus increasing international influence, theories that allow for domestic factors like the impact of institutions and national strategy must be welcomed.

Because, when deciding on this theoretical framework, there are some consequences that must be addressed. By choosing to focus on material factors, I actively exclude ideas and processes. By also focusing on a rationalistic approach, norms and identities are excluded from the analysis, and by centring the analysis around states as the main actors, the influence of institutions will also be excluded. I do not, however, completely ignore the impact that idealistic factors can possess. China has a rich and old culture that has left its mark on history, and traces from the designation “all under heaven” can be observed in the rhetorical approach that Chinese officials pursue. And as my research question demands that domestic factors are being taken into account, neorealism has further limitations. By only addressing the structure of the international system as the key driver for foreign policy performance, this will fall short for my aims to discuss where the relative gains lay in the bilateral relationship between China and Mozambique. As political realism does not account for specific foreign policy choices, only for how these may influence the state’s possibility to succeed in the international system (Waltz, 1979, p. 71-72), there is a need to seek further specification of the linkage between incentives and actual foreign approaches that may have an impact on the Sino-Mozambican ties. To perform an analysis on geostrategic foreign policy, I hence see the need for an analysis including factors on the domestic level. The influence from non-structural and non-material factors must also be taken into consideration as the definition of power has evolved to including more than pure materialistic military power. The balance of power and treatment to the security dilemma is not merely depending on the capacity of arms and defence any longer. Theories that both address this while also acknowledging how the

anarchical forces and self-help influence foreign policy are hence needed. Neoclassical realism is then another subdivision of realism that will come in handy.

### 2.3 Neoclassical realism

To meet the limitations that neorealism proposes, I choose to include neoclassical realism as another subsection of political realism into this analysis. Because neoclassical realism is a relatively recent theory that attempts to cluster neorealism’s structural emphasis on the international system with domestic factors such as institutions, problems of perception, and concerns of leadership, I find this highly relevant for the analysis on the Sino-Mozambican relationship (Ripsman, 2011). By including unit-level factors, such as state-society relations, the nature of domestic regimes, strategic culture and leader perceptions, non-materialistic and constructivist perspectives are included (Figure 2).

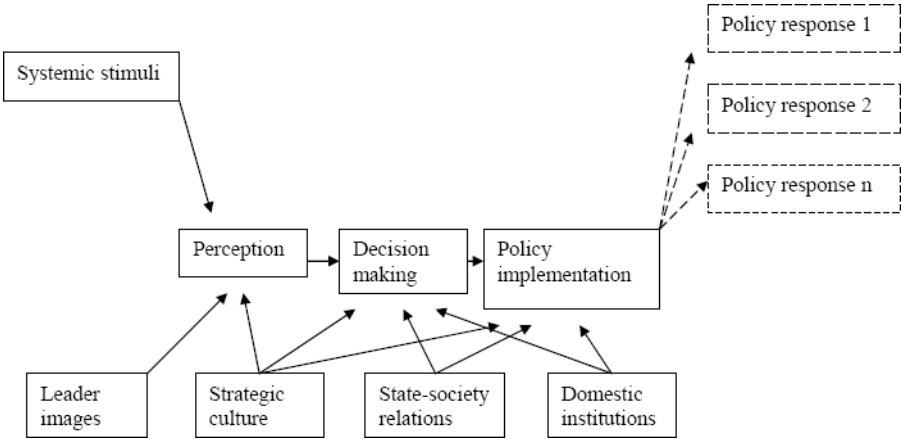


Figure 2: The neoclassical realist model of foreign policy (Ripsman, 2011).

However, as this theory is comprehensive and broad, I choose to limit my focus to domestic institutions and strategic culture as the former catches formal and informal rules that organises social, political, and economic relation and the latter entails a nations attitudes and patterns in ways of adapting to the environment and problem-solving. That does not mean that the other factors mentioned are of any less importance, but to get a deeper qualitative understanding of some elements, emphasizing domestic institutions and state culture will be a good starting point when discussing what shapes foreign policy choices. Leader images and state-society relations would also require a different and more demanding data collection process that currently is limited by the ongoing pandemic as I am not able to conduct a fieldwork. By choosing domestic institutions and state culture, the internal validity is also taken into

consideration as the data availability on these factors is better. As interviews may struggle with measuring neorealism, these will be used as a tool to gather information about domestic matters that I have no access to through my position here in Oslo. My model of foreign policy is shown below (Figure 3).

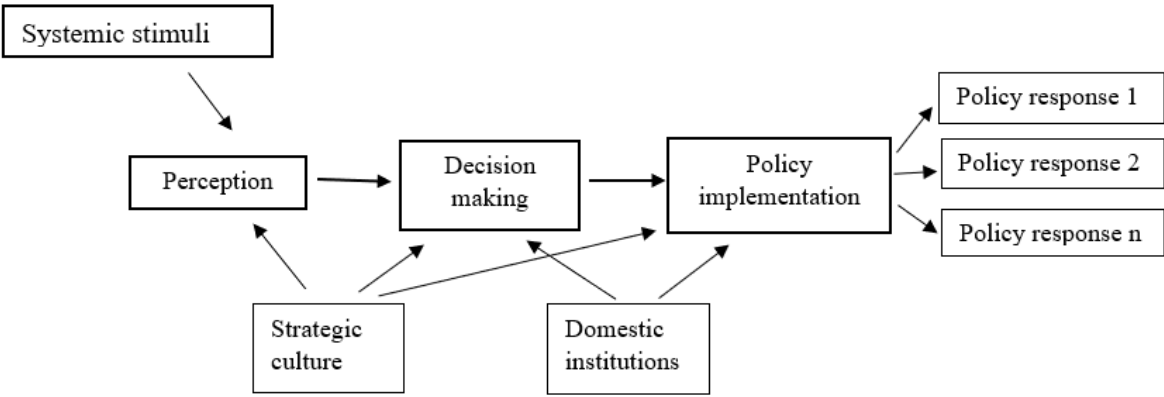


Figure 3: Adjusted neoclassical realist model of foreign policy

With this, ideas and processes, norms and identities are hence no longer rejected entirely from the foreign policy analysis, and the illustration from Figure 1 is now much more comprehensive, as shown in Figure 3. “If power influences the course of international politics, it must do so largely through the perceptions of the people who makes decisions on behalf of the states” (Wohlforth, 1993, p. 2). Neoclassical realism, therefore, aims to revive some of classical realism’s concern for domestic politics and institutions without disconnecting from Waltz’ innovations. This includes the purpose of the quality of diplomacy as a mean to explain foreign security choices (Ripsman, 2011). Following this argumentation, neoclassical realists emphasize the essence of the state to a larger extent than neorealists does. As the state’s role as the foreign security executive, the head of government and the key ministers and officials charged with the conduct of foreign security policy, this is given more attention when discussion policy outcomes. “This executive has access to privileged information about foreign affairs... that makes it more aware of the interests of state than other domestic or societal actors” (Ripsman 2011). Hence, the state is also distinct from the society and the principle of *Raison d’état* resonates well with neoclassical theory. In practice this means that because the state is uniquely situated with privileged information to respond to the challenges and opportunities of the international system, the state occupies a critical position at the intersection between domestic and international arenas (Ibid.). In this, neoclassical realism

acknowledges that not all states have automatic access to human, financial, and material resources to implement their desired foreign policy. As a result, less autonomous states frequently bargain with other government officials over the policies chosen and the resources devoted to the implementation of it. This will naturally shape bilateral interstate relations too. Mozambique is a country with lesser autonomy on the international arena compared to China, which makes it an incentive for the Mozambican officials to actively seek and bargain through their preferred policies on several arenas. With the compromised capacity to challenge more powerful states, other arenas where they have more to offer becomes even more important.

To elaborate on neoclassical attempt to cluster Waltz's innovations with a new approach, it is necessary to stress that the assumption that international politics is played out in a vacuum where states respond to the distribution of capabilities, is supported by neoclassical realists as well. Sovereign states are conducting their foreign security policies with the regard to threats and opportunities that arise in the international system.

Since their very survival is at stake if they fail to secure themselves properly from without in an anarchic international system, where the slightest misstep could lead to defeat in war, the incentives are extremely high for states to focus on external stimuli and craft foreign policies to respond to them appropriately (Ripsman, 2011).

As survival is key, incentives for securing policies are ever present. Securing comes in different solutions and may play out in development strategy plans for sustainable growth. In essence, this makes the theoretical framework of neorealism more fit to be a mechanism to international outcomes rather than foreign policy approaches. Why China is currently active on the African continent can easily be explained by this. Neoclassical realism enables me to connect this matter with a more suited framework for a policy analysis that fills in the need for state level factors. Accordingly, how not only the balance of power enables for political outcomes to evolve, but also how a powerful state like China and a smaller power like Mozambique are impacted by domestic matters and how they cluster this into their foreign policy approach. Because I want to pursue a foreign policy analysis, like the theoretical framework of neoclassical realism proposes and builds on, I see it as natural to bring in geoeconomics and debt trap diplomacy as theories that relates directly to Sino-African relations. These are both theories that builds on economic factors as political means when discussing bilateral and international relations. As mentioned, Mozambique does have relatively little material capacity, and may therefore seek to other arenas for bargaining such as their abundance of agricultural land and natural resources. My aim with my analysis is

hence to concretize how the financial sphere can be used as an arena for geostrategic policies to flourish, as material military power is not the main factor that characterizes the Sino-Mozambican relationship. How the bilateral bargaining dynamic between these two countries evolves can hence be discussed following these assumptions.

One weakness with this approach is that when including domestic and perceptual variables into the foreign policy analysis, problems with measurement and comparativeness appear. The research might end up as less precise and more open to speculation (Risa, 2009, p. 25).

Accepting that I will not have the full access to the decision makers and that insecurity regarding whether my informants give me complete and correct information is recurring, quantification and generalization becomes impossible. The external validity will suffer from this. It is however not my goal to quantify, nor to generalize the results, and by including ideas and perceptions, it is in my belief that the discussion of ideas and processes behind the actual political decision will be richer. The strength of this approach will hence downplay the weaknesses in my case.

#### 2.4 Geoeconomics

There is no specific definition of geoeconomics. Some scholars focus on the use of military power for economic ends, and some focus on the interplay between economics, politics, and strategy. The focus in this thesis will be the latter. Blackwill and Harris' definition of geoeconomics is hence the most fitting as they define geoeconomics as the use of economic instruments to promote and defend national interests, and to produce beneficial geopolitical results (Blackwill & Harris, 2016, p. 20). They also define it as the effects of other nations' economic actions on a country's geopolitical goals (Ibid.). Investigating how Chinese loans may serve as a strategic tool in the Sino-Mozambican relation then becomes more approachable. Because geoeconomics often is used in a geopolitical context and vice versa, there is importance in stressing the difference between the two terms. While the two terms are related, they are not interchangeable, and they should be distinguished. However, doing so is not easy as both terms are not locked to one single agreed-upon definition, and the definition of geopolitics is perhaps even more loose than geoeconomics. In general terms, geopolitics is interpreted as a method of foreign policy that seeks to understand, explain, and predict international political behaviour primarily based on geographical variables (Evans & Newnham, 1998). Geopolitics is also bound to the assumption that the quest for power is competitive and locked to a zero-sum game (Blackwill & Harris, 2016, p. 24). Geoeconomics combines this logic of geopolitics with the tools of economics, viewing economic actions and

options as equivalents to sources to power. Geoeconomics is hence a way to understand how a state builds and exercise power in reference to economic factors (Ibid.), and because economics is included in the power dimension, not only as a goal, but also a mean, wealth becomes a measurable variable. And since this variable it limitless, the power game is no longer characterized as a zero-sum game. The game is now a positive-sum game, which creates a sphere where relative power gain is possible for more than one part.

What also accounts for geoeconomics is that the definition that I have chosen is both a form of statecraft and a method of analysis. Scholvin and Wigell supports this and suggest looking at geoeconomics both as a foreign policy strategy and an analytical framework. As a foreign policy strategy, it refers to the application of economic means of power by states to realize strategic objectives. As an analytical framework, geoeconomics relates to the principles of realism as it focuses on how states use and build power, but because it also focuses on geographical and economic features, geoeconomics transcends realism (Scholvin & Wigell, 2018, p. 74). Using geoeconomics as an additional analytical framework will hence compliment realism well and fit nicely for my case analysis.

### 2.3 Debt trap diplomacy

Because the focus in this thesis will be on financial development loans in the context of China-Africa relations, the term of dept-trap diplomacy becomes relevant. As the concept of dept-trap diplomacy is carried out in bilateral relations and builds on the assumption that a powerful lending country seeks to saddle a borrowing country with a large amount of unsustainable debt to increase its leverage, I consider this aspect as relevant to apply in my analysis (Chellaney, 2017). Besides, in addition to the framework that the realist school of thought offers on explaining interstate relationships, another theory is needed to explain how the geostrategic use of loans degenerates into practice. With the Chinese government resting on stronger institutional resources giving them more leverage in negotiation with African governments, an unequal power distribution might be a subject to abuse (DeBoom, 2017, p.17). But when this is said, it is necessary to address that the term of debt-trapping often is connected to Western concerns over Chinese debt being used as a geopolitical tool where the loans are explicitly characterized as “unidirectional relations of power which the lender holds all the cards” (Ibid.). Following this notion, some scholars claim that debt trap diplomacy is a part of a Western narrative that aligns well with the geopolitical anxieties that characterize China as the geopolitical villain. This narrative builds on the characterization of China as the

“aggressor” and the African countries as the “victims” (Mawdsley, 2008). It is nevertheless not my aim to discuss the discourse of this narrative. My aim when applying this theory on the Sino-Mozambican relationship is to investigate if there are traces of imbalanced loaning terms in favour of Chinese dominance locally.

If one follows the assumptions about the anarchical structure that neorealism and neoclassical realism rests on, there could be several reasons to why China would use loans to increase their overall power and influence in the local government of Mozambique. As mentioned in the introduction, resources and fulfilling their potential, may lay a fertile ground for a further discussion of these thoughts. Within this theoretical framework, conducting an analysis to find possible empirical findings can hence reveal whether my assumptions presented are upheld in the Mozambican case, regardless of what narrative one follows. Applying a relatively smaller and more recent theory compared to neorealism and neoclassical realism will also be helpful to uncover the details in the larger picture by adding a different perspective from the recent political sphere. Due to the fact that it questions the motives of the Chinese loans, it naturally allows for an analysis on where the relative gains lay in the Sino-Mozambican relationship.

### 3.0 Methodology

In this chapter I will present my chosen research design. In the following paragraphs I will hence explain and argue for why and how I have made my choices in this design. The first part will discuss my sampling techniques, where I see it as most beneficial with a non-probability sample regarding my research question. The second part will discuss my sources of information, more specifically how I intend to conduct literature search and my interviews. Ethics will also be discussed in relation to my execution. The last part will discuss the reliability and validity in a qualitative research design and the relevance of the two terms in my research project. Limitations caused by the COVID-19 pandemic will also be discussed through this chapter as it has affected the availability of relevant information to a meaningful degree. Adjustments were hence made to preserve authenticity and trustiness in this project.

#### 3.1 Sampling techniques

When it comes to the sampling of data, I see it most fitting to use non-probability sampling as I do not seek to sample my data based on randomization (Bryman, 2016, p.408). Because my research question asks for investigation of the contextual understanding of Chinese loans to Mozambique, purposive sampling of my selection of units will intuitively serve the whole

study better. Purposive sampling entails that data only relevant to the research question will be sampled and is hence a fundamental part of qualitative research (Bryman, 2016, p. 407). This process will accordingly be provided through a triangulation model where more than one source of data will be applied (Denzin, 1970, p. 310). The first part of this process entails to place my study into a context, where a literature study about different international and local contexts is necessary. For the analysis of the dynamics between Mozambique and China, reports on foreign policy and recent news and academic articles will be investigated. To trace further relevant evidence of strategies and relative gains, the conduction of semi-structured interviews will be pursued. The interview objects consist of relevant informants from Norwegian and Mozambican institutions that I see as relevant.

To find these people, an investigation of official mentioned in documents and the projects related to China-Africa relations have been conducted. Fieldwork was initially planned as it would have complemented my study to the highest degree. Relevant people associated with the development projects would have been a priority to communicate with during this fieldwork. However, this was not possible to conduct due to the limitations that the Covid-19 pandemic facilitated. Not getting in touch with these informants have sadly weakened my aim to broaden my informational base. Getting in touch with locals in Maputo became more challenging, but through using the snowball method I did gain some access to people of relevance after all, as I managed to get in touch with one Mozambican scholar as well as three Norwegian scholars, that all were a part of my initial preference. Furthermore, I must emphasize that getting a foot inside Maputo's local sphere was challenged by distance and a shift in priorities, as reaching out to several people of relevance were dismissed.

As already mentioned, generalizable answers are not what I ask for, and I want answers from people of relevance that have the potential to give meaningful and deep answers that can unlock patterns. Asking random people about this matter will be useless. To find interview subjects that have the potential is of priority. I therefore saw the value in applying snowballing to reach the people of relevance based on the evaluations of people that had experience with my topic. Snowballing entails "a study sample through referrals made among people who share or know of others who possess some characteristics that are of research interest" (Biernacki & Waldorf, 1981, p. 141). Asking my respondents for additional interview subjects that might be of relevance also contributes to saturation. Saturation can be said to be reached when no additional "new" information or names are mentioned (Bryman,



2016, p. 412). Due to limitations, complete saturation is not realistic, but I still strive for it through triangulation of my data.

However, there are disadvantages to using the snowball method. One of the main hazards is that it entails bias in the selection process (Biernacki & Waldorf, 1981). Yet, my goal is not a randomized sample but a sample that can provide comprehensive and relevant answers. Hence, some bias is necessary. This will also benefit me with the regard to the time and resource constraints I am working under. Having said that, it is nevertheless important to be observant that one can be caught in a paradigm. It is not uncommon to overlook those who does not agree with you, which results in referring me further to the people the individual consider as suitable. Being aware of this bias and potential vested interests then becomes important. To control for this to some extent, other sources of validation will be useful. Hopefully, reviewing the broader literature, reports, journals, and other projects will be able to balance for some of these risks, but by and large, the benefits of adding some bias outweigh disadvantages.

### 3.2 Triangulation for saturation

Data saturation is reached when there is enough information to replicate the study when the ability to obtain additional new information has been attained. There is however no “one-size-fits-all” method in qualitative research methods, especially not when it comes to reaching data saturation, but there are some agreed upon principles that applies to the concept – no new data, no new themes, no new coding, and ability to replicate the study (Guest et al., 2006). The aim of the research will naturally determine when data saturation is reached. Because the aim in my research is to understand how Chinese loans can benefit both parts, a triangulation of my sources was necessary. An attempt to reach saturation under constraints due to the Covid-19 pandemic then had a greater chance of succeeding. As the global pandemic put more constraints on my research design than first expected, the literature search became a bigger part of the data collection. Before moving on to the interviews, it is hence necessary to explain how a literature search contributed to a review and a more comprehensive understanding of my topic.

### 3.2.1 The use of literature to gain a comprehensive understanding of the case

The aim of this study is to gain contextual understanding based on rich and deep data, not generalization (Bryman, 2016, p. 401). As a data collection method, pursuing a literature search is hence in line with the process-tracing method which aims to extract empirical data purposefully and selectively through an investigative approach (Collier, 2011, p. 824). Because science is cumulative, new knowledge is often created in the process of interpreting and combining existing knowledge (Brocke et al., 2009). Using documents as sources of information, both those intended for research and not, can all contribute to authenticity, representativeness and trustworthiness because they all can represent different perspectives of the same topic. In this thesis, focus will be given to official state documents, news articles, academic texts, and political statements. This is also important for the validation of my research project as information found in one source can be validated through other sources. If my interviewee mention or discuss the matters in the documents, or vice versa, a higher degree of authenticity is then ensured in the origin source.

Using literature is also important to get an overview of the topic and find the names that are relevant to this field. Doing this is followingly useful to find the right informants to answer my research question as it is more likely to cover the most important and informational areas relevant to my study. With regard to the circumstances that this research operates within, triangulation as a data collection method grants a higher degree of saturation.

### 3.3 Using interviews to explore geostrategic affairs

Before the project started, it was important to apply to NSD - Norwegian Center for Research Data, a national archive in Norway for research data, as I was to conduct interviews. This is a part of a research standard when using interviews and safeguarding privacy issues related to my informants. The project was approved as follows.

One commitment qualitative research pledge to is viewing the world through the eyes of the people that they study (Bryman, 2016, p. 393). By using interviews, I argue that this will meet this commitment as it allows people related to the chosen case to speak about their experiences and thoughts. Because I aim to look for indications of strategic behaviours connected to the loans to Mozambique, it can be hard to find publicly available sources that can give substantial and reliable information about this matter. To discuss the purpose and outcomes of the Chinese loans to Mozambique, I saw the need for other sources that went beyond official documents and legislations, as the latter may lack purposeful information. As already mentioned, this included academic articles, which again lead me to scholars that were

familiar with discussions of similarity to mine. As qualitative interviewing typically aims to access to as wide a range of informants relevant to the research question, so that many different participant perspectives can come forth, this was a great starting point for narrowing down my sampling frame (Bryman, 2016, p. 408). Due to the Covid-19 situation, my sampling frame was also narrowed down to those reachable through digital communication tools. On these terms I henceforth saw it as most useful to narrow my sampling frame down to scholars known to my topic.

Conducting interviews with a few relevant people known to this topic, that being China-Mozambican relations, will then come in handy. Because interviews draw knowledge from conversations, it is also a data collection strategy I find important in my attempt to triangulate findings from the available data sources (Beyers et al., 2014, p. 177; Kvale, 1996, p. 19). Asking for distinct actions and experiences from people who are relevant to the research question can then be put together with pre-existing literature. This will contribute to new insight and knowledge expansion about pre-existing assumptions. Preparing “good” interviews can hence be highly useful for capturing informal interactions and processes that tell us something about the adopted aims, tactics, and strategies amongst relevant actors of relevance in conjunction with the loans (Beyers et al., 2014, p. 174). Quotes from the interviews is followingly be actively implemented into the discussion chapter. Through the next sections, a review of the reflections of my choices will be shown.

### 3.3.1 Ethics

No research is free of ethical considerations. Even though the goal of this project is to contribute with the expansion of knowledge, ethical perspectives and issues related this research must be considered. Moreover, thinking of possible ethical issues that typically arise on the various stages of an interview investigation, I the researcher, will be better suited to reflect on the choices I make when designing this study. As an interview inquiry is a moral undertaking, ethical issues will arise on all stages of the project. To elaborate, interviews are moral undertakings because “the personal interaction in the interview affects the interviewee, and the knowledge produced by the interview affects our understanding of the human situation” (Kvale, 1996, p. 109). Due to the dependency on human interaction, special attention must be directed to two hazards that comes with when using personal information as data. These are consent and confidentiality.

Informed consent entails informing my respondents about the overall purpose of the investigation and the main features of the design, as well as the risks and benefits from

participation in the research project (Kvale, 1996, p. 112). Meeting this requirement of full disclosure may be difficult to fulfil when changes in purpose and design occur as I am conducting further research. This is due to the new knowledge and insight gained during a research project's course. Being aware of this throughout and preparing for updating my respondents continuously if academic changes would occur, has been a priority. In hindsight, there were no need for the latter through the project's timeframe.

Confidentiality implies that private data identifying the subjects will not be reported unless the respondents agree to release the identifiable information (Kvale, 1996, p. 114). Whether or not my respondents want to be identified will be stated through a written agreement where I will add how and to what I will use the information for, as well as their rights. Protecting confidentiality can involve serious legal problems if I reveal obtained information that was meant to be anonymous. The consequences of my interviews must hence be addressed with respect to possible harm to the subjects involved as well as the expected benefits of participating in the study. Undertaking a study that involved China can be conflicted as they run a regime with strict censorship. Keeping myself factual and apolitical will thus be a priority as my role as a researcher is powerful. A good interviewing process is therefore dependent on identifying the ethical issues and responsibilities to act appropriate regarding these issues (Kvale, 1996, p. 117).

### 3.3.2 The feasibility of a semi-structured interview

When choosing an interview design, it is all about to which degree one wants to let go of the control. Whether the questionnaire style should be open and loose, or closed and standardized, should be decided according to the purpose of the analysis and the use of the data. When deciding how structured my interview will be, trade-offs must be taken into consideration. As this is an explorative study which does not aim to compare or generalize answers, this lowers the need for a structure. However, there is a research question that is theory guided and built upon assumptions to some extent. This raises the need for some structure. Finding a balance is a key point, and semi-structures interviews allows for flexibility. Because I want specific information, I find the application of an interview guide highly relevant and useful as this involves preparing a list of questions or topics that needs to be addressed (Bryman, 2016, p. 468). The general approach will then be to prepare individual interview guides adjusted for my respondents.

When deciding how much structure I would add to the interview guides, there are some factors to evaluate. First, this is an explorative study which does not aim to generalize the

answers. A study like this demands less structure and gains from open questionnaires. At the same time, my research question that builds on testing theories and assumptions. This raises the need for some structure. Second, there is time and resource limitations. Because I will interview scholars that most likely has a tight schedule, I see the value in adding some structure to my questions in the belief that this will retrieve relevant information more effectively (Bryman, 2016, p. 467). Adding structure will also lead to more consistent interviews with relevant answers. An open and loose approach could give a lot of broad in-depth information, but it is however useless if it is not the right information when considering what my research question is asking for. As Beyers et al. writes “effective interviewing for research requires a structured approach, with well-designed questions that minimize the risk of introducing measurement error” (Beyers et al., 2014, p. 179). Well planned questions in structured interviews does add bias to the answers, as it does not let the interviewee answer fully openly and freely about the theme, but it is however necessary to get the information I need within the time and resource limitations I am working under. The pros of adding bias hence outweigh the cons. I am conducting these interviews alone and will be transcribing them by myself. Transcribing is time consuming, as there will not be anyone else to do it for me. Getting the relevant data in the most effective way, is the goal. A third factor is how I want to use the information retrieved from the interviews. My focus will to be to use the information as statements representing perspectives in the discussion chapter. Some parts will be characterized by comparisons, but I mainly aim to capture different sides of the same story to be able to see how loans affect the different actors involved. Comparisons do increase the need for structure and the same questions should be asked towards the respondents. Therefore, some questions must overlap.

#### *The interview guide*

Preparing an interview guide demands a lot of preparations. As Martin writes, questions should be designed to maximize neutrality and minimize bias, and whenever it is possible, questions about behaviour should be prioritized over questions about attitudes or preferences (Martin, 2013, p. 117). Knowing how the questionnaires can uphold these demands is challenging, and implementing these criteria are even harder. Standardising the questions can save time and produce distinct answers but also add a weakness to the analysis as the level of bias is higher. This can be harmful for the research study. By asking open questions and letting the respondent talk freely, the chance of getting sincere validation of theory rises.

If the respondent mention something of relevance unsolicited this is a validation of the presence, or evidence, of a theory, but this is highly time consuming. Standardized probing questions can hence be useful. These are questions that can produce valuable and complete information as they enable me, the interviewer, to explore and clarify inconsistencies within respondent's accounts (Barriball & While, 1994, p. 331). These will allow for the bias to be reduced to the extent possible and answers characterized by individuality and consistency. The interview guide is added in the Appendix.

Even though I invest a lot in the preparations, I will not be able to know exactly how the respondent will react and interpret my questions. However, to get some idea of how the questions might be received, I will benefit from running a pre-test of the interview guide. Testing it on my friends that does not study political science can be useful to get an idea of my language. Testing it on my fellow international relations students can be useful to see whether they understand what I am asking for in relation to my research question. The aim of this phase is to confirm the coverage and relevance of the content and the formulations, as well as identifying the possible need to reformulate questions and to test implementation of it (Kallio et al., 2016, p. 2960). By pre-testing the interview guide, it is possible to make improvements and adjustments to the interview questions thereafter (Barriball & While, 1994). An exercise like this improves my overall questions so that my respondents have a greater chance of giving meaningful answers and assuring that the operationalization grasps the right data. As interviews may struggle with measuring neorealism, these will be used as a tool to gather information about local matters that I have limited access to through my position here in Oslo. Relative gains will for example be addressed by asking of which benefits the interviewees can identify of China giving loans to Mozambique (see Appendix). Asking which sectors that are affected and whether political leaders take advantage of the loans can followingly explore the areas the two countries are gaining and if bargaining power is gained. This will hopefully uncover a trend, or a strategic approach pursued by the involved actors. Limiting the risk of measurement error is a goal. Reliability and validity are therefore essential to discuss.

### 3.3 Reliability in qualitative research

Both reliability and validity are terms that are a part of a larger discussion in qualitative research. The discussion builds on the argumentation on whether the terms are fit for qualitative studies at all due to fact that both terms represent a standard for replicability and

generalizations of findings. For qualitative in-dept studies, this is usually not a goal when conducting the research. However, because this study implies to theorize and find a logic of Chinese loans, but in a contextual context of Mozambique, I argue that there will be traceable patterns that can be found in other cases where a larger power interacts economically with smaller powers. I will hence discuss the terms in the following paragraphs.

There are several factors that will have an impact on the reliability and the validity of my research method. With the interviews, as expressed above, a well-planned interview guide can adjust for some of these. As reliability is about the consistency of the measure of a concept, it is necessary to address LeCompte and Goetz' terms of internal and external reliability (Bryman, 2016, p.157). External reliability is about the degree to which the study can be replicated to other contexts and produce same results and is hence usually a difficult criterion to meet in qualitative research (Bryman, 2016, p. 383; LeCompte & Goetz, 1982, p. 32). Due to the focus on the in-dept exploration of Chinese-Mozambican relations, this criterion is therefore not as relevant. This does not mean that similar findings cannot be found in other contexts but expecting the same results in another context with other interviewees and political, historical and social contexts cannot be expected. Internal reliability, on the other hand, is relevant in this research. This criterion is about whether the members and participants in the research agree on what they see and hear (Ibid.). What this means is whether the questions asked gives an accurate collection of information (Mosley, 2013, p. 24). The issue here will be to create interview guides that will make interviewees give authentic and trustworthy answers. The interview guide is thus formulated with the goal of making the questionnaire as clear as possible to lower the risk of misunderstandings. Controlling for this could be done by conducting interviews at a later point in time using the same interview guides, but due to my time limitations as well as the respondent's, this is not doable. As argued above, pretesting the guide can, however, limit the risk of measurement errors, and will be the treatment to balance this out to some extent. It is in the end all about standardising the stimuli in the interviews to get precise and sincere answers that also allows for openness and individuality, thereby limiting the risk for measurement errors.

As mentioned above, adding structure to the interviews increase the bias. When asking distinct questions about a theme, this leads the respondent in a direction. I seek to use probes in order to balance this trade-off, since asking open questions will not be functional from my point of view and circumstances. Some bias must hence be allowed when calculating what I gain from it. Other concerns about reliability relates to interviewer effects, meaning that my

skills and positionality will have an impact on the results. For this issue, two issues must be addressed. The first one is that different scholars may receive different answers (Mosley, 2013, p. 25). Even though this might be impossible to control for, I argue that my intention of triangulating the data collection process with pre-existing literature can balance this out to some extent. When looking at other sources of information, this can give some sense of the interviewer effects when comparing previous “results”. The second issue is that scholars may interpret the same answers differently. Familiarity and experiences with the topic will vary, which means that the answers will be applied differently from individual to individual (Ibid.). Letting another scholar re-interview, the same respondents could help me control for this, but this is again a part of positionality, qualitative studies, and replicability, where the fact is that not everything in qualitative studies can be controlled for. Replication and external reliability are in general dismissed in my research design, but not forgotten. Being aware of this is important as it does add potential measurement error in some research designs. The overall goal is to be transparent in collecting data to create credibility and trustworthiness, ensuring that this study is conducted in the best potential way when working under the circumstances I do.

### 3.4 Validity in qualitative research

When it comes to validity, which refers to the issue of whether we are measuring what we want to measure, a lot depends on getting “good” respondents (Bryman, 2016, p. 158). Here as well, LeCompte and Goetz adds two terms to the understanding of validity. The first one is external validity, which refers to whether the finding can be generalized across other settings (LeCompte & Goetz, 1982, p. 32). Intuitively, this is not a focus in this research as I am focusing on conducting a case study on the Sino-Mozambique relation. The other term discussed is internal validity, which is what I mainly focus on in this research. Internal validity entails whether there is a correspondence between the observations I do and the theoretical ideas I try to develop (Ibid.). Meeting this criterion requires an evaluation of how I can extract the information I need in the best manner. As Bryman emphasizes, this is usually the strength of qualitative research as the prolonged participation in a matter of interest enables the researcher to develop a wider congruence between observations and concepts (Bryman, 2016, p. 384).

In terms of interviewing my respondents, validity refers to whether I can observe or identify the patterns in the literature and interviews or not through the interviews (Mason, 2017, p. 24). Getting the information from the right people is then important to grant that I get the



information that I need to answer my research question. As I consider non-response to be one of the main issues here, addressing this is mandatory. I will be interviewing scholars that might have busy schedules, which makes the risk of non-response even higher. To address this, being precise when I contact them is important. Formal letters (see Appendix 3) are attached in an information email where the project and the use of the data are described. The rights of the respondent regarding anonymity and confidentiality will also be included. Proposing a time frame and moving away from showing flexibility, will also come in handy as I do not want to be put further down on the prioritizing list. However, by attaching an information letter, I expose the respondent to my project, which leads to response bias. Nevertheless, I consider this highly necessary as I seek consistent answers relevant to my research question and generalizability is not my main goal.

Bias should nevertheless be limited to the extent possible. Balancing this requirement for reliable and valid research will thus be met by omitting assumptions, hypotheses, and the theoretical frameworks from the respondent's acquaintance. Informing the respondents about these can contribute to leading the answers in a certain direction where respondents want to answer fitting to the wanted outcomes of the research. This hinders authentic answers, which results in collecting data that are irrelevant to what I aim to measure. Keeping the information given as neutral and objective as possible, as well as including probes, can then account for this risk as they will allow for answers characterized by a balance between concretization and individual characteristics to emerge. Getting meaningful answers relevant to my research question while receiving individuality is hence doable.

Also, due to political surroundings, refusing to answer to certain questions or feeling apprehensive about being interviewed can be a challenge. Information about confidentiality and followingly focus on ethical perspectives is hence important as they can choose to be anonymous. This is included in the Consent Letter. I also want to emphasize the importance of the language communicated during the interviews. Language can determine how the respondent reacts to and interpret my intentions, and limits connected to intentionally or unintentionally misrepresenting some features of their corporation or department can hence occur (Beyers et al., 2014, p. 179). For this, I want to stress adjusting the language from interview to interview. As Denzin writes, both validity and reliability depend on conveying equivalence of meaning, not upon using the same words in each question (Denzin, 1989). This means that one must adjust the language to the interviewee so that the individual actor understands the questions (Luo & Wildemuth, 2009, p. 250). Interviewing a Norwegian

scholar is different from interviewing an administrative representative in Maputo. Nevertheless, my sample frame is familiar with the use of English, and the interviews were conducted in English. This omitted the risk of translation misunderstandings that could have occurred if I were to use a Portuguese translator when interviewing Maputo's locals. The latter could have opened for more informants but was not possible to conduct due to the Covid-19 pandemic and the cancelled fieldwork. To add on to the issues related to the political sphere, I will seek to apply a neutral language, as some words can be interpreted in a political or a negative manner. Words like "strategy" or "means" will consequently be left out as they can be interpreted as speculative or politically one-sided.

As there will be some questions in the interview guides that will overlap, adjusting the language is even more important if I want to compare approaches. The questions are also consistently designed to ask respondents examples of specific events rather than processes that require analytical reviews (Leech et al., 2013, p. 2019). The interviewee is not supposed to conduct an analysis when answering my questions (Mosley, 2013, p. 219). They should only be answering their thoughts as it is first and foremost the researcher who will perform the analysis. Words such as "why" and "how" are thus omitted from the interview guide because they are words that can promote analysis in the individual. The order itself is also well thought out, where I have consistently chosen to start with a "grand tour" question, and then sharpen with specifications and concretization (Leech et al., 2013, p. 216). Making sure that the respondent understands what I am asking for is a key point. "It is this equivalence of meaning which helps to standardize the semi-structured interview and facilitate comparability" (Barryball & While 1994, p. 330). By and all, validity is much resting on the interviewer's preparation skills knowing what data is needed is step one and educating oneself on how to get it is step two.

The interviews were conducted through Zoom, a video platform, where I could record the interviews. After I finished the interviews, I had to transcribe each interview. The focus was on the content. Hence, semantic details were not added as I do not seek to investigate the language. I considered what was being said as relevant. Formalities are elaborated in the Consent Letter added in the Appendix. The following chapters will from now on contain an analysis on the Sino-Mozambican relation through the last seven decades with a focus on how their relation has evolved throughout the years. This is important to grasp as it gives a great understanding of how the loans can portray a new approach to an old pattern of cooperation. The analysis will be discussed through the theoretical framework that were represented in the

previous chapter. This discussion will focus on the different aspects of power in the Sino-Mozambican relation, but also contain a part where debt trap-diplomacy will be tested. In hindsight, even though constraints were present in the performance of this research design, I argue that this research design has contributed to existing knowledge on the field of study regarding Chinese loans and African agency.

## 4.0 Empiricism

Because realism is a school of thought that works within the framework of interrelated power dynamics, I see it necessary to conduct an empirical analysis of the Sino-Mozambican relationship from the early engagements during the 1950s till the recent decade through an international relations lens. This will not only be appropriate for the understanding of how the international power balance and development of institutional branches has had an influential impact on the Sino-Mozambican relation through time, but also for laying the base for the further analysis on how the loans can be interpreted as tools in a larger policy approach from both parts. China's role in Africa can be interpreted in different distinct ways, but by following the logic of commerce that neorealism and neoclassical realism proposes, it will become evident that the Sino-Mozambican relation has been shaped and influenced by the two nations' seek for a place in the world system. By focusing on how their historical context has shaped policy approaches in earlier time frames, this might uncover patterns that can help this research in understanding how the current policy approach is shaped and used to achieve national goals.

### 4.1 The context of the engagement

When the People's Republic of China (China) was established on October the 1<sup>st</sup> 1949, the new regime led by Mao Zedong called for a massive reform of the old imperialist system (Zhao, 2004, p. 209). One of the first steps of this reform was to cancel all the former international relations and agreements that the old regime had established. These were to be replaced by new ones with countries of political interest to China, meaning those in leaning towards the socialist camp (Zhou Yihang, 2004, p. 14). It must be emphasized that the world post-1945 was to an influential extent overlaid by the arms race between the Western and Eastern blocks, which not only put a strain on the defence policy of the US and the USSR but also that of Mao's China (ten Brink, 2019, p. 57). Economic competition was put aside for political ideologies, and military-led movements that aimed to create an alternative non-capitalist form of social organization naturally became a part of Chinese foreign policy manoeuvres (Ibid.).

Mutual respect for internal affairs and the right to self-determination were central elements in China's foreign policy, which was formally formulated in the Five Principles of Peaceful Coexistence proposed by the former Chinese Premier Zhou Enlai in 1953 (Li, Banik; et al, 2014). The principles showcased a mutual respect for territorial integrity and sovereignty, non-interference, equality, mutual benefit, and non-aggression (Ibid.). Anti-colonial and anti-hegemonic sentiments became appealing for the government of Mozambique (GoM),

and as other international actors alike, China also felt an urge to pursue an active role on foreign lands. An active foreign policy towards the Third World countries was hence something that characterized Chinese foreign policy until the late 1970s. Chinese policymakers referred to this as a protection of the local populations against interference and aggression. Support for African anti-colonialist movements, like in Mozambique, was being pursued through foreign policy. From an outsider's point of view, this was more likely motivated by ideology and politics and the *realpolitik* balancing against the US, USSR, and Taiwan (He Wenping, 2008). However, one shall not undermine the effects that this approach had on political groups fighting for independence.

This is something that Mozambique, and other countries alike, during a decolonization period, drew benefits of. When trying to understand the scope of Sino-Mozambican relations, one must understand some of Mozambique history. Being a colony under Portuguese colonial rule for over 400 years has left its marks on the socio-political sphere whereas until the late nineteenth century, Portugal's control of the country was largely confined to the coastal regions (Taylor, 2006, p. 93). Extension of control towards other Mozambican territorial regions was only motivated by the general European scramble for Africa (Ibid.).

Industrializing only parts of a country created gaps in the population and pushed an uneven distribution of resources. Shared frustration across the African continent became a fact and resulted in a spark in African nationalism expressed through anti-colonial sentiments, that was escalated even further following the Second World War<sup>1</sup> (Munslow, 1983). The Frente de Libertação de Moçambique (FRELIMO) was hence formed in 1962 as an amalgamation of several Mozambican nationalist parties (Taylor, 2006, p. 94; Mondlane, 1969: FRELIMO, 1982). What the next paragraphs will show is that this situation pushed through an approach

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<sup>1</sup> As the Second World War affected both European and African societies psychologically, militarily, politically, and economically, a further escalation of the nationalism followed in the years post-1945 (Munslow, 1983)

between the two nations characterized by an urge to utilize each other's positions and political stance to the very extent possible.

#### 4.2 The Sino-Mozambican relation 1963-1974; Decolonization

The first contacts between Mozambique and China stems back from 1962 when FRELIMO's Secretary for External Relations visited Beijing to seek interest in their support for to Third World countries (Jackson, 1995, p. 398). In a midst of a Sino-Soviet rivalry, attention was given to concerns about the intentions of such an intervention. FRELIMO, largely aloof of such concerns, received promises of military aid (Taylor, 2006, p. 94). From China's side this responds well to the foreign policy that China pursued towards other nations in situations alike Mozambique's during this decade. Trying to avoid becoming involved in the Sino-Soviet ideological split, FRELIMO ended up receiving aid from both parties to finance their movement (Taylor, 2006, p. 93). As this policy was highly successful, Mozambicans managed to maintain a policy of neutrality, and a continuation of this policy was applied in Maputo's foreign policy after the independence as well (Ibid.). The Sino-Mozambican relationship during the 60s can hence be characterized by Chinese support to the growing liberation movements and organisations by supplying military training and equipment (Robinson, 2012, p. 6; Taylor, 2006, p. 93). Party to party cooperation with FRELIMO to ensure Mozambican autonomy is ever present and fits into the context that characterizes China's approach to Africa and other African nations' political focus in this period.

#### 4.3 The Sino-Mozambican relation 1974-1989; Bipolarity, power politics, economic growth, and aid

Due to the widespread disillusionment at Portugal's inability to win wars in their African colonies, a new, Portuguese anti-colonist government pledged to withdrawing from Africa. The result was a ceasefire agreement being reached in Mozambique in September 1974 (Taylor, 2006, p. 96). As FRELIMO practically was the government in-waiting, China was quick to express their support to this coalition as their perception of the political party was the "true representatives of the Mozambican people" (Jackson, 1995, p. 400-410). China was hence naturally among the first countries to recognize Mozambique as an independent state in 1975 (Robinson, 2012, p. 7). Frequent communication between the two nations about the risk of neo-colonialist entries drove Samora Machel, FRELIMO's leader and Mozambique's first president, to visit Beijing in 1975 where he expressed a wish for Chinese support in their development plans (Taylor, 2006, p. 97). China ended up committing US\$59 million to

Mozambique in aid and replacing Portuguese doctors with Chinese ones as an attempt to help rebuilding Mozambique (Alden et al., 2014, p. 2). The Chinese did also express, together with their warning about neo-colonialist initiatives, a strong emphasis on anti-hegemonism as the Soviet Union was an attractive supporter during this time frame. This worked as Maputo denied a Soviet military base in the country.

Sino-Mozambican relations strengthened even further with the signing of an economic and technical agreement during the summer of 1975 (Taylor, 2006, p. 97). However, following the mistake of China supporting the National Front for the Liberation of Angola (FNLA), 1976 is a year that testify the fragility of stability in bilateral relations (Taylor, 2006, p. 98). As FNLA was regarded as the counterpart-organisation to The People's Movement of Liberation of Angola, an organisation that was ran by a close friend to Machel, Maputo turned to Moscow instead, thereby moving away from their ties to Beijing (Abegunrin, 1984, p. 202). China's anti-hegemonic policies were neglected, and because of Beijing not being able to meet Mozambique's demands, Moscow grew through as a predominant partner. After the case of Angola, this became yet another failure of Chinese foreign policy in Southern Africa (Taylor, 2006, p. 98). As Machel aimed at making Mozambique into the first socialist African nation, the Treaty of Friendship and Co-operation was signed between the USSR and Mozambique. But Machel's desire to stay non-aligned in the Sino-Soviet controversy was still an expressed priority. This gave room for a renewed treaty of economic and technical cooperation being signed between Beijing and Maputo in 1977 (Ibid.). This is what the rest of this period entails – an ever-present Chinese effort to recruit Maputo into the anti-hegemonic branch against the Soviet Union. And despite the criticism Maputo expressed regarding the Chinese stance on the international political arena, their relation grew stronger as Maputo saw the potential benefit of keeping such an ally by their side (Taylor, 2006, p. 100).

Destabilization in Southern Africa in the beginning of the 1980s urged a seek for security amongst Mozambican policy makers. However, something was happening internally in the Chinese society. By the end of the 1970s, after nearly three decades of ideology and political principles under Mao, the focus was now shifted to political pragmatism and economic growth (Risa, 2009, p. 29). The beginning of this epoch is normally attributed to Deng Xiaoping's take over in 1978 and his reform policies inspired by the Tiger states of East Asia (evt footnote) were introduced. Recovering from the trauma of the Cultural Revolution, policies were now focused on liberalizing the economy, facilitating deeper integration into the global market, and increase the country's focus on exports (ten Brink, 2019, p. 76). Foreign

policy was now focused on economic growth rather than ideology and political principles. This meant that Chinese relations with the developing world was scaled back significantly, and as a result support for organisations and regimes that were of no economic benefit to China was reduced or terminated (He Wenping, 2008). It was also at this time that a perception of a safer world grew forth (Yong Deng, 2008, p. 5). As the United States of America and the Union of Soviet Socialist Republics divided the world into two blocks, creating a bipolar state, the old system of multipolarity was replaced. Chinese policymakers now considered the risk of war between superpowers less likely (Risa, 2009, p. 29). As with every point of view, there are contesting ones, and it is safe to say that evidence of the opposite is present in this case. It is however not relevant as to whether the feeling of security was realistically reflected or not as the shift in mindset of the policymakers enabled Chinese focus to be centred around long-term growth rather than short-time survival. China's willingness to strengthen its economic and technical cooperation was ever more present, and the first signs of an attempt to establish somewhat of an economic order started to show (Taylor, 2006, p. 101). Financial aid from China to Mozambique also increased. With China's re-engagement in Africa, China provided Mozambique with emergence assistance in 1983 and later an interest free loan of US\$13 million in 1985 (Alden et al., 2014, p. 3).

#### 4.4 The Sino-Mozambican relation post-1989-2000s, new institutions

After the demise of the Soviet Union, and the United States' elevation as the new superpower became a fact, China again looked towards the developing world. With the regard to their still relatively weak position in the international system, a resumption of their ties to Mozambique and other developing countries on the African continent was one of the most substantial elements of their foreign policy approach in the first years after the end of the Cold War (Taylor, 2006, p. 103). And as large amounts of aid and assistance that Mozambique received during the political race between the Soviet Union and the United States ceased in the following years, China became a natural partner to continue and develop links with through the 1990s (Ibid.). It is henceforth important to notice the change in governmental structure that happens in China. It must be emphasized the transformation China has had moving away from rule by a single all-powerful leader which has resulted in a dissolution of the old traditional hierarchical chain of command (Corkin, 2013, p. 60). Li Cheng, a scholar specialising in Chinese elite politics and society describes it followingly:

Over the past three decades, China has been transforming away from rule by a single charismatic and all-powerful leader toward a more collective form of leadership. This shift has ended the era of strongman politics and, to a certain extent, China's long history of arbitrary decision-making by one lone individual (Li Cheng, 2008, p. 55).

As Li explains, instead of policy being formulated and implemented through a clear hierarchy, it has followed this shift and led into becoming the product of negotiation between different governmental bodies embedded within overlapping institutions (Corkin, 2013, p. 61). A fragmentation of command has hence resulted in several active and influential policy implementing units that sometimes can blur the chain of command. On the one hand, this has resulted in policy implementation being conducted in a more consultative manner, making it more prone to checks and balances. On the other hand, a clear holistic direction has been distorted out making it challenging to grasp the overall foreign policy approach. The establishment of several institutional bodies working through diversified foreign policy tools is hence characteristic to this period. It is in this context that the policy banks of China are created, and Chinese concessional loans become a foreign policy tool that through the next decades will have a substantial impact on Chinese bilateral relations. Being one of the policy banks owned and managed by the State Council of China, the Export-Import Bank of China (China Exim Bank) must be understood as an instrument that enables China's national development strategies (Moss & Rose, 2006). Through export credit, international guarantees, loans for overseas construction and investment and other official lines of credit, the main goal is a promotion of exports and investments as well as a boost of trade to enhance Chinese relations abroad (Brautigam, 2019, p. 134). And since the establishment of the Exim Bank in 1994, this bank has grown to be the sole provider of Chinese concessional loans towards Mozambique. These loans, mostly soft loans, are usually given to governments in developing countries on more generous terms over longer periods (OECD, 2003), and is in today's Sino-Mozambican relation maybe the most important factor that tie the two nations together. The bilateral relationship characterized by economic ties did hence continue into the 1990s and especially in the beginning of the early 2000s (Taylor, 2006, p. 100-103). Even though Western aid still played a large role in the Mozambican government expenditure during the 1990s, China's relation to Mozambique was gradually strengthened further when the Chinese president Jiang Zemin took a trip to Africa in 1996, which ended up with a loan of US\$20 million through the Exim Bank. This loan was the beginning of providing incentive for Chinese companies to operate in Mozambique. Technological cooperation has since diversified, and military training and equipment has been provided and donated by the



Chinese to the GoM. As was financial support to health and education. A trade-investment agreement was signed in 2001, and several have been signed since. So has debt-relief agreements cancelling debts dating back to the 1980s (Alden, Chichava & Roque, 2014, p. 4). Chinese presence has expanded, not only through Chinese initiative, but also due to Mozambican agency growing stronger. The GoM has continuously looked to China as a resourceful option for financing of their bigger infrastructural projects. As a major share of the economic input from China has been, and still is, in the form of official development aid, China has shown to be an eager benefactor of infrastructural, agricultural, and educational projects in Mozambique. This has as said encompassed grants for public projects, cheap loans and implementation of social, cultural, and technical programmes, and human cooperation (Robinson, 2011, p. 7). Educational assistance, which has given several scholarships to Mozambicans to pursue a higher education in China, is also a result of this engagement (Alden et al., 2014, p. 5). It is important to emphasize that this was, and is, not uncommon for Sino-African relations, and that the Chinese investments and funding usually is carried out by Chinese corporations, using Chinese workers and goods. To explore this further, the following paragraphs will account for contemporary contexts of China and Mozambique as well as some of the recent projects funded by China.

#### 4.5 The Sino-Mozambican relation 2010-present, infrastructural projects

The Sino-Mozambican relations did become even more tied by financial loans as enormous gas reserves were found outside the Mozambican coastline in 2010. At that time economists predicted that Mozambique would be able to take on any loans as the incomes from the exploration of resources would cover the costs after a few years. It is during this time that China's engagement in projects located in Mozambique starts to increase (Chichava, 2014, p. 35). What numbers show is that Chinese financing, including the loans, has mainly been centred around Maputo as 91% per 2014 was directed to the capital (Chichava, 2014, p. 33). Jobs generated by these investments have followingly also generated jobs mainly in this city (Ibid.) Naturally, even though the loans would finance important infrastructure in Mozambique the following years, looking at this through a development perspective, the projects have not been free of scrutiny. There are many examples of projects, so the following paragraphs will present some of the largest and most relevant ones.

#### 4.5.1 Two major infrastructural projects in Maputo - a bridge and a ring road

In 2012, China Exim Bank announced that they would finance a ring road around Maputo (74km) estimated at a cost of USD 400 million and a bridge linking Maputo to Catembe at a cost of USD 1.1 billion (Chichava 2014, p. 11). The loans would not be fully concessional as there would be extended commercial terms. The ring road, also called the Maputo Circular Road, is road consisting of six roads with the goal of improving the traffic flow around the capital city of Maputo. The project lasted from 2012 to 2015. The Maputo-Catembe bridge is on the other hand the largest and most expensive suspension bridge built on the African continent and connects Maputo Bay to the Southern bank of Catembe. The GoM has emphasized that the infrastructure will benefit as a new contributor to poverty reduction by increasing tourism and trade (CBS, 2019). Both projects were completed by the China Road and Bridge Cooperation with materials and technology imported from China (Chichava, 2014a).

However, despite the plausible economic gains, several unfortunate consequences have started to show with these projects. Questions about why these projects were prioritized when nor the ring road or the bridge connects Maputo to productive areas or rural provinces, were risen. In both project, families had to be moved, and poor working conditions were reported by the few Mozambican workers that worked at the construction sites. Illegal smuggling of goods and people also made corrupt police officers the major benefiter of the new bridge (CBS, 2019). Highly priced tollgates also limit the access to bridge and road for almost half of Mozambique's population that earns an equivalent of 20 US dollars a month.

#### 4.5.2 The Xai-Xai projects – Airport and Rice production

There are mainly two projects that I want to highlight in this region, and these are the newly opened airport and the rice farm. These are two projects that were both funded by Chinese loans and are both built with Chinese technology. As the current president of Mozambique, Filipe Nyusi, could inaugurate the new airport in November 2021, this is one of the newest infrastructure projects opened in Mozambique. In a statement the President expressed that this project highlighted the friendly and cooperative relations between Mozambique and China, and as the airport allows the country to make connections to the outside world, will facilitate development of tourism, industry, agriculture, and logistics to Gaza (Xinhua, 2021). He continued to express this as a historic landmark that will boost the regional and the national economy (Ibid.). The loan is expressed to be amounted at USD 60 million (FORUMCHINAPLP, 2021). The other project is the Xai-Xai Irrigation Scheme, which

started following the Forum on China-Africa Cooperation (FOCAC) promised to boost the agricultural sector in Africa. As the soil located in the capital of Gaza, Xai-Xai, fits well for agriculture, this became the location for a Chinese-Mozambican “friendship” rice farm (Chichava, 2015). The project was funded by Chinese loans and was estimated at the cost of USD 1.2 million by the Mozambican Investment Centre (CPI) and implemented by a Chinese state-owned company (Chichava, 2014). The motive was again to transfer agricultural technology from the Chinese to the Mozambican farmers to increase their productivity.

#### 4.5.3 The Mphanda Nkuwa dam

The Mphanda Nkuwa dam is one of Mozambique’s biggest infrastructural projects so far as the cost was estimated to be USD 2.3 billion. The dam, and the hydro-electric plant, is a part of the larger state strategy developed in the colonial era to harness the Mozambican hydropower for national and regional development (Chichava, 20214a, p. 10). The China Exim Bank of China was asked to fund this project, but they said no. Maybe it was the fact that construction was given to a Brazilian company? The reasoning was not announced publicly. A smaller dam project estimated at USD 300 million, that was supposed to supply electricity and water to Maputo city, was also declined by the China Exim Bank. This was also never reasoned publicly.

To get an overview, the Mozambican Ministry of Economy and Finance (MEF) publishes quarterly reports on public debt, and what the latest number from the third quarter in 2020 tells us is that the total debt of Mozambique is USD 12.5 billion where USD 9.9 (79%) billion is foreign debt (MEF, 2020, p 3). As the list of creditors show, The World Bank is the largest lender with 29% of the debt, while China is the second largest with 20% of the debt (Ibid., p. 4). There were no new loans from China this year, nor debt relieves, but some loans were given by Austria and the International Monetary Fund (IMF) in relation to the Covid-19 situation (Ibid. p. 8). It is also interesting to note that the debt increased by 6,8% from the previous quarter. This is a relatively high rate. These numbers are however only representative for the public debt. Moving onto Mozambique’s development strategy and a hidden debt scandal proposes that this sum is much larger.

#### 4.6 Contemporary Mozambique – Development strategy and hidden debts

Mozambique is a country that in many ways shares the history and path of other former colonies. The legacy of being subject to a colonial master has left a wear and tear on local

socio-economic self-sufficiency. Poor access to basic human services, lack of functional infrastructure, weak institutions and seasonal climatic hazards are thus something the population of Mozambique has had to confront as a country emerging from a long period of conflict. Despite its abundance of natural resources, the country is one of the poorest countries in the world as poverty remains high, with up to 46,1% <sup>2</sup> of the population of 28 million living below the poverty rate <sup>3</sup> in 2015 (UNDP Mozambique, 2021). Only 24,2% have access to electricity, and living standards are not evenly spread across the country as improvements have been heavily concentrated to areas in the Southern part of the country (Ibid. 2021). On the Human Development Index (HDI) Mozambique is ranking at 181 out of 187 countries (UNDP, 2020), and further ranked as number 140 on the Transparency International's index, which indicates a high incidence of corruption (Transparency International, 2021). This implies challenges related to trust, institutional governing capacity, and management, as well as insight in economic flows. It is in this context that China is considered as a strategic partner in assisting the GoM in their development strategy (Chicava, 2014, p. 24). As Maputo is still heavily dependent on aid from the international community, this fosters a government that has implemented a policy approach that mainly aims to maintain external inflows and other financial sources (Sambo, 2020). Great importance is therefore attached to cooperating with China when taking Mozambique's Country Strategy Paper that African Development Bank published in 2018 (African Development Bank, 2018, p. 1-7). It emphasizes the expansive development plan *Estratégia Nacional de Desenvolvimento (ENDE)* that the country currently is working on as it extends from 2015 to 2030. The two main focuses are (1) development of infrastructure to enable growth and creating employment and (2) supporting the agricultural transformation and value chain development (Ibid.). In doing so, attracting foreign direct investments (FDI) will be a part of the strategy as these will help with funding the projects (Sambo, 2020). Previous paragraphs indicate that this is in full motion. It is however not as simple as one would expect as Mozambique's international credit score sunk drastically when hidden debts were revealed.

As Mozambique's "hidden debt" scandal of 2016 is one of the biggest corruption scandals on the African continent, several negative repercussions followed. The incident finds place in 2012-2013 as bankers in Europe, businesspeople in the Middle East and senior politicians and

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<sup>2</sup> This is only down by 6.7 percentage points from rates prevailing at the beginning of the 2000s: 52.8% in 2002/3. In absolute terms the number of poor people in Mozambique has remained relatively unchanged (UNDP, 2021).

<sup>3</sup> The poverty threshold was adjusted in 2011 to USD 1,90 a day (The World Bank data, 2021)

public servants in Mozambique conspired to organise USD 2 billion in loans to Mozambique, equivaling 12% of the GDP in 2013 (Orre, 2021). The loan was supposed to finance shipbuilding, fishing, and maritime projects, but the transfers were kept hidden to the public, and years later news agencies are asking where the money went (Toulemonde, 2021). Investigations of the loans have in the aftermath revealed that none of the borrowed money went to Mozambique, except bribes to politicians, as the money was given to mainly three companies. None of these money was invested in services or products of benefit to the Mozambican people. The corruption scandal has since been estimated to have costed Mozambique USD 11 billion, and followingly pushing 2 million people into poverty by 2019 (Orre, 2021). Mozambique's credit score suffered from this as uncertainty related to the conflicts within a political system worsened the overall quality of state institutions and government. The ability for Mozambican policymakers to guide their politics through this economical blizzard has additionally worsened with the Covid-19 pandemic. Future aspects are hence highly uncertain.

#### 4.7 Contemporary China – resource scarcity, demographic migration, and sustainable growth

When speaking of the Chinese economic growth, the emphasis on sustainability has become more prominent. The discussion of what creates maintenance and expansion of welfare for the Chinese society over time is becoming vastly relevant as there are issues that are becoming ever more real in the Chinese society (Aglietta and Bai, 2013, p. 162). Economy is one of the scholars that draws upon these issues, that being the wide-scale migration to urban areas, social tensions, and the current environmental degradation caused by pollution and degradation of land (Economy, 2011, p. 60). As capitalism has pushed China's heavy industries to unsustainable production models, the result has been that the most polluting enterprises have manufactured themselves to the brink of resource scarcity (Muldavin, 2000, p. 255). The future growth aspect then becomes hard to predict. One example is the water scarcity caused by pollution of water sources. Because water is vital for life, water scarcity pose great social, economic, and political challenges (Economy, 2011, p. 67). Some of these includes increased pressure on the demand for water in the agricultural, residential, and industrial sectors, as well as a need for clean drinking water. Another example is the degradation of forests and grasslands due to the over-exploitation. This has led to shortage of wood, altering of ecosystems, soil erosion and flooding (Economy, 2011, p. 65). This creates

instability and unpredictability as natural capital for the coming generations are scarce. Another issue that impacts the growth model's sustainability is the growing migrant population to the bigger cities following the rise of unemployment. Migration to cities place high pressure on the resources in the cities, resulting in higher unemployment rates in the cities as well (Ma & Xiang, 1998). Social instability is on the rise and is especially illustrated through the rise of civil protests. According to Hong Kong's Information Centre for Human Rights and Democracy found that the protests in China almost tripled from 1998 to 2000, and most of these protesters were done by unemployed workers and migrant labourers (Roberts, 2000). Smil brings forth the consequences of events like this and argue that civil unrest can pose a great risk on the administrative control, which could have an impact on the national unity and thereby damaging future economic growth (Smil, 2000, p, 90). It is hence vital for the CCP to find alternative ways for providing work and growth for their population. Sustaining their economic growth that they gain through access to external resources, is one way of doing so.

The bilateral relation between China and Mozambique can in hindsight be interpreted as a typical case that has been shaped by and after its domestic needs and international surroundings. The school of realism fits well for the further analysis on how the financial situation between the two governments today can be interpreted as an answer to the current political sphere. It will also fit nicely to address the relative gains of such a relation, where my aim is to discuss how these two nations constantly make assessments and adapt their manoeuvres to get the most out of each other. Where regime security and stability play a key role for states, sustainable development and the right ties to other international actors must be regarded as evidently crucial. It is in this context that the next chapter will discuss my assumptions emphasising that my purpose with the following chapters is not to test hypotheses, but rather to analyse the Sino-Mozambican relation through theoretical lenses with the aim to fill a gap in the literature.

## 5.0 Realism as an analytical lens

In Chapter 2, I presented the framework of neorealism and neoclassical realism, emphasizing how these two together would complement each other well in a two-level analysis of a bilateral relation. In this theoretical model, incentives from the international system are the independent variable, factors on the inter- and intra-state levels are intermediate variables and

foreign policy decisions is the dependent variable. This translates to how incentives on the international level makes the loans serve as a strategic tool for both parts in both nations' national strategies for increasing relative power and having a greater chance for survival. The analysis will naturally start on the neorealistic structural level, emphasizing the general predictions and logic of inference and commerce that Waltz reasons for. Empirical contributions on the inter- and intra-state level will then follow where components from neoclassical realism will serve as analytical tools. The aim is that each of these level analyses will account for the different aspects of the Sino-Mozambican relation in the light of the Chinese loans. By presenting an analysis for each of the two levels that the loans connect to, variance in strategy approaches will be accounted for.

The theory chapter also contains a presentation of two other theories, one that can be used as a complimentary analytical framework to realism, and one that would serve as a base for an analysis of a phenomenon widely discussed in Sino-African relations. Geoeconomics as an analytical framework is something that cover an area of power politics that has become ever more relevant to Chinese foreign politics and international relations. The independent variable's effect on the dependent is here how power dynamics affects economic policy approaches. This will tie together incentives, actions, and a consideration of what is gained, making the traces of the causal relationship that realism seeks to theorize more visible and traceable for the researcher. As for the discussion of debt-trap diplomacy, to say something about what this narrative presents, the other three analyzes must be reflected on and put together with what emerges in the interviews. The same accounts when discussing which relative gains Mozambique and China are left with in the present. The analysis will naturally start out on the more general note moving towards a more specific one, pushing the analyst to investigate how incentives from the international system are translated into concrete policy choices in the inter- and intrastate relations (Risa, 2009, p. 39). The aim is to seek an explanation to how each policy decision is a result of a calculation of risk and gains based on incentives on the international and state level. In other words, how a seek for relative power gain shapes interstate relations today.

There will hence be four discussion chapters. The first and current chapter will be an analysis where I conduct an analysis with neorealism as the analytical lens. Incentives on the international relations level for both nations to pursue seek one another/a bilateral relationship with each other through the loans will be in focus. The second analysis will seek to understand how internal factors pushes the nations to pursue the bilateral relationship.

Neoclassical realism will hence be used as a framework for analysing how come China hands out loans they know cannot be repaid and why Mozambique welcomes external interference and may gain from this. The third analysis will add onto these by elaborating why the role of economics is important when understanding what shapes foreign policy approaches. Debt trap diplomacy will be addressed in this chapter. The final analysis will clarify the relative gains that China and Mozambique gain from the loans. As a triangulation of sources is a way to strengthen the internal validity, statements from my interviewees will complement the analysis all through.

### 5.1 Neorealism and incentives on the structural arena

The first level of analysis is the international system through the lens of neorealism.

Neorealism is not a theory that predicts how sovereign states will act, but rather a theory that offer an explanation to why states act and behave as they do, mainly based on unwritten laws in the international system. It also predicts that states will be rewarded or punished for obeying or disobeying these laws (Risa, 2009, p. 40). States must hence make calculations on their every move as a miscalculation can be costly. As one of the main assumptions of neorealism is that the nature of the international system is anarchic, this is hence also the main incentive that drives states to act. Because the anarchy leaves the international system to be a zero-sum game where only relative gains can be achieved, this push states into a seek for alliances and an ongoing fight for an increase of one's military, economic and or political capabilities, whereas this will make survival more likely (Waltz, 1979, p. 91-92). Chinese loans to Mozambique must hence be analysed as a tool to accomplish this. Following neorealist predictions, every foreign policy choice is made to increase relative power, thereby increasing the chance of survival.

As the previous chapter shows, a linkage between the Sino-Mozambican relation to the international surroundings has always been present. Ties between the two nations have always been dynamic following the changes in relative power on the international arena whereas both nations have been dependent on an ongoing calculation of external and internal factors. But as earlier chapters explain, even though they may have started out with a similar incentive to grow stronger, both starting out as relatively weaker states, the result of one's policy choices have led the countries into two very different relative power positions. Whereas China's relative position in the world has shifted greatly to becoming the second largest economy in the world, Mozambique's has mainly stayed the same. China has now gotten a greater latitude than Mozambique to decide on future outcomes. However, none of the states are free from the



need to calculate their every foreign policy move. Being cautious towards external factors to secure future survival is something that Mozambique must continue to do, but so must China even though they posit more leverage than what they did four decades ago. Being in the latter's position will sometimes create an even greater incentive to make evaluate their steps as the risk is higher and much more can be at stake. The following paragraphs will further discuss how this plays out in practice.

#### 5.1.1 Strong and weak states

Relative power position results in divergent incentives from the international system, and as the Sino-Mozambican relation is characterized with an uneven distribution of power, opposing incentives from the international system is to expect. Weak and strong states are therefore bound to the same laws but are forced to develop different approaches to them. When looking at China in absolute terms, China can be regarded as a strong state as they now rank second in the world after the US, making them a great power. However, even though they have had a remarkable growth rate the last four decades, China still fails to meet several of the criteria of a developed nation those being factors being especially connected to their recurring internal societal issues. On relative terms, China is hence regarded as a weak state too. Mozambique, on the other hand, can be regarded as a weak state in both absolute and relative terms as it is a developing nation with several challenges in society where the GoM struggles to provide some of the most basic essentials to human security and economic growth. This leaves Mozambique in a cluster of states that has relatively little power in the international arena. Contradictions between China's and Mozambique's foreign policy is hence inevitable. However, I argue that if both states manage to realize their relative position and act thereafter in a strategic manner, the degree of losses can be lessened and rather be turned around to a source for relative gaining.

In neorealism, the aims and means of foreign policy is survival. This accounts for weak and strong states. For Mozambique, it is expected by neorealist thought that they will align themselves with stronger states, but being a weak state means that there is less autonomy to choose their own path. For Mozambique, the optimal strategy is hence to accept their weak position and decide on an approach that responds well with both international and domestic demands. this is however not as easy, which often forces weaker states to choose between one over the other. As foreign policy aims to increase sovereignty and security, one of the prime priorities for a smaller nation is to acknowledge their limitations opposed by external factors, hence adjusting their policies in accordance to international demands. Following neorealist

predictions, if a weaker state pursues an acquiescent foreign policy like this, a plausible attempt to strengthen itself is more likely. There are mainly five possible strategies that Mozambique has; bilateral alliance with a great power, alliance between small states, multilateral alliance which includes a great power, non-alignment and neutrality, and non-alignment without neutrality (Wiberg, 1987, p. 343). Empiricism shows that Mozambique has pursued a non-alignment strategy through the last decades with the attempt of staying neutral. As any other option could have limited their foreign policy possibilities by choosing a side and opposing another, future security and development could have been at risk, even if this could have benefitted domestic needs in a better way. At the same time, knowing that the approach they are applying now is a successful one compared to other paths they could have taken is impossible to test. On this, I argue that some proof of the degree of success can be found in some areas, those being especially in infrastructure building sector. This will be discussed further in chapter 7. Either way, as survival depends on securitization, staying aloof and open to potential actors must be seen as an attempt of strengthening themselves, and due to their weaker relative position, I argue that this is a clever approach of securing and creating options in their foreign and domestic policy. Following the chosen theoretical framework, an analysis of smaller states and international relations makes it clear that smaller states are usually not active in international relations due to a limited financial and military position or very active because the need for survival. In that sense, that is some proof of the GoM being able to realise their relative position and making the best of it by taking advantage of the great power presence that China represents.

For a state like China, which is both regarded as strong and weak, the analysis becomes more complicated, and it is not as clear which strategy China has chosen. What the empiricism shows is that China has had a contradictory foreign policy at times. This is logical as the incentives from the international system can be divided and distinct from another when it comes to their weak and strong position. Following this notion, the logic of neorealism predicts that acting on one incentive following their strong state status may lead to a clash with another incentive following their weak state status. Obeying one law may hence translate into disobeying the other, resulting in punishment for either one of their considered statuses as they are serving one over the other. On the one hand, China has acted responsibly as a stronger nation, taking a stand in the international community. Creating ties and providing foreign aid to developing countries like Mozambique, are signs of this. On the other hand, China has always been involved in world politics opposing both Soviet and Western

dominion. Providing political and military aid for FRELIMO, the political party who decisively fought for independence from the Portuguese, is an example of this. This attempt to support a political government that opposed colonial-friendly movements and aimed at throwing the Western-friendly GoM, showcase a situation where China went against their principle of non-intervention. In neorealist understanding, China's strength is supposed to drive China into the more assertive and demanding foreign policy, while the weakness is supposed to push China to align itself with stronger states (Risa, 2009, p. 41). Empiricism shows that China has not pursued an assertive approach in the Sino-Mozambican relation. Nor can the Sino-Mozambican relation support the supposed alignment to stronger states that the weakness of China would drive them to. China's loans to Mozambique are rather a manifestation of the responsibility that the international community expects of a great nation, making good relations to the developing world their recognition as a great power. In doing so, incentives from the international system on weak and strong states are combined. This analysis does in some parts challenge the explanatory power of neorealism, but this does not mean a rejection of neorealist principles. It only shows that more complexity from inter- and intra-state variables must be taken into consideration, but before doing so, China's rise must be elaborated further as their rise must be put into the context of the assumption mentioned in the introduction; that they now contain the role as the contesting power to The US.

#### 5.1.2 China's change in relative power

It is only logical that strong and weak states would aim to pursue foreign policies that maximise their security. As changes in the balance of power is dynamic, this means that relative power internationally will fluctuate. Incentives on this level will hence alternate along. States that want to pursue the foreign policy that optimizes security and influence, must hence adjust, and the degree of ability to adjust will be determined of and determine future relative position. China's rise into the international relations arena, especially their economic expansion and growth, has given them an increase in relative power. A prediction following neorealist theory on growing powers is that China will and must adjust its foreign policy towards strong states and away from weaker ones, or risk suffering loss of security.

Empiricism shows that even though they have adjusted their approach away from weaker states in earlier decades, it does not seem to have been the case the last decade or now. The Sino-Mozambican relation is a case where the relative power on the international arena is highly divergent in both political and materialistic terms. Using neorealist predictions to

explain how come a great nation like China seeks a bilateral relation with Mozambique is hence not as intuitive as vice versa. China is a greater state that has a more autonomous ability than Mozambique to adjust their foreign policies towards power increasing relations. So, what are the incentives for Chinese policymakers to pursue this relation and hand out loans? As security is one of the focus areas in neorealist theory, the question is inherently asking how China can gain from the relation in terms of security. Contemporary Mozambique is volatile and, in some areas, fragile with the regard to domestic political conflicts, and external factors still have a great impact on Mozambican decision-making. This applies more risk onto China's security by increasing the number of conflictual matters that touches upon Chinese foreign policy. As mentioned in earlier chapters, stability on the international arena has given China more ability to grow in peace, and for a long time, China has taken advantage of this. Both Risa and Nuland emphasize that even though the focus on sovereignty and non-intervention is still strong, it appears that China has oriented less towards conflict and more towards compromise and cooperation (Nuland, 2006, p. 59; Risa, 2009, p. 42). Empiricism from Mozambique supports this claim as most of the relations between the two countries today mainly is bound together through loans for development and trade investments in raw materials instead of military supplies and conditionality. Following this logic, this means that Chinese security strategy rests more on cooperation and that the relative gains from giving loans to Mozambique are beneficial to their survival strategy, and vice versa for Mozambique. Even though China is a greater state with more autonomy in their foreign policy, it seems that they still seek relations with weaker states in hopes of gaining from it in both absolute and relative terms.

Does this mean that China disobeys the laws of the international structure, and do they inherently suffer from this? The answer is complex. If we look at China post Mao, they have gone from being relatively isolated to become an active and engage international actor, both bilaterally and multilaterally, and even though they pulled out of developing countries during the 1980s, the decades after shows a different path. In this, they have managed to become the second largest economy in the world and even reached the point where the third largest economy cannot challenge them anymore, making the world bipolar again. So, while they may have disobeyed some of the neorealist assumptions of security optimization – that being that a stronger state should align itself with stronger states – while growing into their relative position today, it does not seem to be that they have suffered from it. Listening to the incentives from both their weak and strong position has not resulted in punishment. The

question is whether they would have been stronger if they would have followed the laws of one over the other, for example turning only to stronger states. That is a scenario that is difficult to predict. The situation today is nevertheless that they are the second largest economy, making them a great power nation, and because the Chinese economy is impossible to catch up with for the third largest economy, international relations theory claims this to signal a bipolar state. I hence argue that the answer to the opening question of this paragraph, is that even though the policy China has had towards weaker nations might have portrayed a disobedience on both absolute and relative terms, this is a way for China to explore a new approach that only is expected of a nation that posits two roles in the international system – one being a great power in a bipolar world and one being still the largest developing country in the world. This also responds well to the new liberal institutional and globalized world, which has made economics play an even bigger role in relations to other states. This will be discussed further in Chapter 7.

#### 6.0 Neoclassical Realism and the impact of domestic factors on policymaking

The second level of analysis is the domestic level, which will seek to investigate how factors on this level affect incentives from the international level. Those chosen in this analysis are perceptions and legitimacy of regime as these variables will include a discussion of domestic institutions and strategic cultures through the decades. The aim of this chapter is followingly to investigate how these domestic factors can have an explanatory effect for why China and Mozambique want to pursue their bilateral relationship and how the relation has emerged into what it is today. As the previous paragraphs have discussed, Chinese foreign policy has not always followed incentives from the international system. This signals that the structural focus in neorealism is not comprehensive enough to account for the holistic causal relationship. This does not mean that neorealism's principles should be rejected. It means that another theory must replenish the analysis with input from another point of view, and as neoclassical realists acknowledges both material and non-material factors on domestic level as intervening variables that influences foreign policy, their assumptions are still compatible with neorealist ones. The independent variable is still the international system, and the dependent is foreign policy, while domestic ones are intervening variables.

What makes neoclassical realism different from neorealism, is that lack of the specification of variables that affects foreign policy. As Wivel suggest, variables must be identified on a case-by-case basis (Wivel, 2005). To identify such variables demands a holistic analysis with a rigorous testing of variable. What my investigation of the Sino-Mozambican relation shows,

is that there are the two main factors of substantial relevance, that also may be traceable using my research design. These two are the perceptions of policy makers and the legitimacy of the state. Empiricism shows is that the perceptions of the policymakers in the case of China with Mao and Xiaoping, has had a great impact on both domestic and foreign policy. A new approach was pursued which resulted in not only an exceptional economic growth, but also a strengthened legitimation of the government's regime. As a non-democratic nation legitimacy must come from other sources than through democratic elections. Perceptions of policymakers is hence vital to understand and act on incentives to ensure future survival of the state. In the case of Mozambique, the post-colonial era has put extra pressure on FRELIMO to create a government that could pursue the promised developmental goals in a political sphere characterized by wear-and-tear effects after colonial rule. Policymakers here are also highly dependent on perceiving their surroundings and acting on them carefully so they may have the best survival outcome. Both countries have their incentives to legitimize their regime, and both are resting on calculations of their policymakers. Both factors are hence related to one of the main focuses in realism, that being the securitization for survival of the state. In essence, I argue that both legitimation of regime and the perceptions of policymakers can explain some of the reasoning behind China handing out loans with a high risk of not being repaid, and why Mozambique welcomes external interference in aims of gaining from this.

### 6.1 Perceptions

As neoclassical realism discusses, policymakers' perceptions is an important variable when trying to understand foreign policy approaches. Consequently, because politics and policies are conducted and performed by human beings, I argue that there is relevance in discussing the impact of perceptions on policymaking. Perceptions are highly subjective and is usually a result of an individual's bounded rationality. Measuring this variable can henceforth be difficult as there are no standardized measures to apply for such subjectivity. This analysis will thus focus on what has been done and try to interpret whether it has been rewarded or not based on socio-political and economic indications.

Human beings have limited information, and I argue that how a policymaker identify and conceive a policy problem or incentive is an important part of the policy process. As discussed, states are punished or rewarded for obeying or disobeying the incentives of the international system, and because survival is the goal and mean, states will try to adjust their policies to secure this aim. In this lies the urge for a relative power gain. However, even though the goal of security may seem clear, the right decisions to reach this aim may seem

less accurate. Incentives from the international system is hence not always obvious for the policymaker nor the observer. This part of the analysis focuses on the intervening impact of the perceptions of policymakers on foreign policy, more specifically how incentives from the international system in the Sino-Mozambican relation are impacted by Mozambican and Chinese policymakers' perceptions. To test this, we must assume that policymakers choose policies according to their beliefs and that traces of policy success or failure can be identified through standardized indicators and indexes keeping track of several socio-political aspects of a nation. These include indicators such as economic growth, infrastructural development, education and income levels, transparency scores and general health. Further on, it must also be expected that policymakers, within their situational contexts and informative framework, precedes with the Sino-Mozambican relation based on the evaluation that it is advantageous for these indicators.

#### 6.1.1 Chinese leadership

That Mao and the first group of Chinese leadership would view the world as hostile and the probability of war as high, is not surprising given the recent end of a world war and a violent and insecure backdrop of the proclamation of China in 1949. As seen, this view appears to have been correct for the first years of the China's existence. However, as China's surroundings became more stable, a shift in policy from survival to growth should have been implemented as it would have provided China with more long-term security (Risa, 2009, p. 49). What empiricism shows us is that Chinese policymakers under Mao did not shift their policy. They continued to fight against internal and external enemies like before. A misconception of incentives from the international system may explain this as this led to China suffering both economically and technologically.

The post-Mao leadership can in hindsight be seen as a breakage from the previous leaders' view as they saw it in China's best interest to open to the world to increase China's material capabilities. The subsequent changes in political and economic priorities reflected a perception that security was no longer as threatened by war as it was in the post-WWII era. Nonetheless, the shift on the international arena was not as sudden as the change in China's foreign policy approach. The changes that took place after Mao's death did not correspond or reflect a sudden disappearance of the risk of war. It was rather a sudden shift of perception that the new leadership had on domestic and foreign affairs. It is this change that I argue was an important part of China's new approach and China's economic growth, and what empiricism shows is that the policies that were implemented in the late 1970s created a new

institutional framework to work within. By establishing institutions like the development banks of China, this has resulted in a widening Chinese presence and access to resources and markets in countries all over the world. China's materialistic capabilities have followingly increased as their materialistic base now is expanded. Both presence and materials are to be an advantage if a potential war were to break out. Chinese influence and security have henceforth become more current and present. In hindsight, it is reasonable to consider that the leadership after Mao had a more realistic picture of the international system than their predecessors had. The Sino-Mozambican relation can at several times be proof and validation of this as the loans today finances infrastructural project based on Chinese technology that only a few decades ago was nonexistent in China. In return, both parties get a raised materialistic capability.

#### 6.1.2 Mozambican leadership

For Mozambican policymakers the ways of adapting to the environment and problem-solving in the decades during, and after the fight for independence, have been focused on making the most out of external actor's support and interest in domestic resources and political rivalries. In a midst of the Sino-Soviet rivalry during the 1960s, FRELIMO received aid from both parts as both parts of the rivalry showed interest in developing countries in the Third World. Even though it was controversial, FRELIMO saw this as a way to support their idea and fight for independence from colonial rule. FRELIMO, which after independence would become Mozambique's incumbent government, saw the desire to become an independent state as a driving force to engage with external actors. In the aftermath of the independence, however, policymakers have been more careful and calculated in their choices to engage in such rivalries thus evolving their attitude towards external interactions towards neutrality. With aims of avoiding weighing against one side, thus closing the possibility of being able to cooperate with the other, it became certain that institutional guidance had to be formulated. In the Sino-Mozambican relationship, both parties have seen this as an opportunity to build soft power relations in the form of agreements on development and aid. China's anti-colonial attitudes, during a political sphere concerned with neo-colonialist movements, further became a binding point pushing the two nations to cooperate and creating institutional agreements on economics and technology.

As Chinese leaders supported the FNLA in the Angolan case, the response from the Mozambican government was to turn towards Soviet instead. China's miscalculation in matter of the Sino-Mozambican relation was hence punished by Chinese anti-hegemonic policies



being neglected. The GoM did however see the need for neutrality even though interests in the region differed. Another economic and technical agreement hence followed. In terms of perceptions, creating an ally with an emerging China surpassed their regional interests, and as China has grown to become a contesting power to the US, not only are policymakers in Mozambique seeing this as important for security, but also another rivalry that can be taken advantage of. To test whether Mozambique for example would have more or less influence on the international arena if they did choose a side in the Sino-Soviet rivalry is not possible, but following the theory regarding smaller states, I argue that Mozambican policymakers have perceived their political surroundings well due to their current ties to several nations, including the great powers of the US and China that among other things implies that their material capabilities transitions into capability when infrastructure is expanded.

How a strategic culture evolves will be impacted by several variables, but how policymakers perceive these and evaluate the risk of their decision making will always determine what will be implemented. However, whether the policy implementation is a success, or a failure will further be determined by other policymakers' decisions previously and currently, and how these emerge together. At the same time, success is also subjective, meaning that a policy might be successful in one area while a failure in another. Measuring the success rate is hence difficult, but not impossible. One way of checking is whether the government has the general support in the population and whether there are indications of growth, for example economically. The next paragraphs will discuss this matter in terms of legitimacy of the regime before a chapter on how political interests can be integrated into economic initiatives will take place.

## 6.2 The legitimacy of the regime

Legitimacy is important for recognition and acceptance of the ruling elite. For the governmental bodies, this is essential for staying in power. Domestically, the government will be evaluated based on how well their policies performed and whether the interests and needs of the population feels represented in these policies. If the policy performance is bad, legitimacy will decrease and weaken. The consequence of such can lead to social unrest and/or a change of regime. However, if the policy performance is regarded as successful, the likelihood of staying in power stays or increases. Internationally, realism's predictions says that states will be evaluated based on how well policymakers interprets the incentives from the international system and acts thereafter. If the policy response is evaluated as poor, loss of

power will be the outcome. That leads to increased security issues as chances of survival are lowered. War would be the worst-case scenario. If the policy response however is evaluated as successful, power and security increases. In some cases, incentives from domestic and international matters may line up and congregate. This is often the case when economic growth and stability are the main source to legitimacy since economic growth will provide legitimacy domestically while enhancing the country's position in the international system. In other cases, opposing incentives from domestic and international matters are present. This can be the case when expectations about responsibility and open trade from the international arena clashes with domestic development needs. Some states may accomplish meeting both, but most of smaller development states, are driven to choose between one over the other. This usually accounts for weak states.

#### 6.2.1 The legitimacy of the CCP

To illustrate, in undemocratic countries, like China, policymakers must find legitimacy in other ways than through elections (Risa, 2009, p. 50). What the empirical evidence suggests is that the legitimacy of the CCP under Mao was largely based on the ideology and ability of the party to function the country against external and internal enemies. As later years show, Mao's China did not take advantage of its growing security as the nationalist and socialist ideology made it nearly impossible for Chinese internal actors to connect with external ones, which resulted in China falling behind on technology and capital. This made economic growth difficult. What China needed during this time was to open their borders to Western capital and technology to create growth. This however would fit poorly with the legitimacy for the CCP as opening their borders translated into opening them for their previous enemies. Chinese leadership was torn between external and domestic demands, where the domestic ones were emphasized. This resulted in loss of potential relative power gain, influence, and security. Following this, I argue that Xiaoping's market liberalization must be understood as a breach from the previous system, which shifted the base of legitimacy. The focus was now economic growth. One would expect that internal and external incentives would align with this change. This was however not the case it may seem. As China's approach to developing countries during the 1990s and 2000s received criticism due to the lack of conditionalities in dealings with developing countries in general, the CCP did not seem to care or loose legitimacy as fuelling economic growth overrode other incentives. Pressure from the

international system to take responsibility was neglected, meaning that incentives from the international system were disregarded and domestic matters were still in favour.

This view has however appeared to change gradually since the mid-2000s. Starting in 2006, as China was now a major player in international production trade, that meant that China also would easily be negatively affected by local national and international insecurity. Regardless of the reason for this tentative policy shift the double effect of bringing China more in line with international community and creating a safer environment for continued growth economic growth in this instance legitimacy based on economic growth and incentives from the international system are mutually reinforcing rather than competing. Politics is hence naturally an important component of China's economic approach to the external world. The shift from the old hierarchical chain of command to a new institutional model with several bodies is also worth mentioning in this context, as it created a new approach where international institutions, like the Exim Bank of China, made it easier to diversify the responsibility for granting legitimacy. As one of the main focuses of the China Exim Bank is to bolster opportunities for national companies to work abroad, this is a clear attempt to narrow the gap between Chinese companies and other international ones that for a long time grew due to the Maoist policies holding them back. This institution, amongst others, is hence acting like an outstretched arm of pursuing foreign policy interests. A widening of areas where power plays out is established, and pure economic initiatives are a part of a larger political agenda. Also, there is no longer one body that can be held responsible for potential failure. Risk of failure is then lowered considerably.

Due to domestic demand being too low, China's growth is dependent on external demand. The low demand can be explained by several factors, but the middle-income trap and Confucianism are two I see as relevant. I will however not elaborate these more as data on this is limited and rather an interesting topic for a further analysis on consumer behaviour in China. What I will continue on with is emphasizing that this demand from the external no longer can be met by Chinese domestic resources as decades with hard manufacturing industries has demanded too much of the environment. It is hence necessary for Chinese policymakers to look outwards to other parts of the world for the resources they need to keep their large workforce active working for Chinese economic growth. Reaching out to the world is hence an important part of the CCP's political interest, hence also legitimacy. Interacting with Mozambique is hence important for the legitimacy of the CCP. The Sino-Mozambican relation is followingly a great example of how the CCP seeks to secure regime legitimacy

externally through seeking resources in other geographical areas to cover the demand for production and growth at home.

### 6.2.2 The legitimacy of FRELIMO

The legitimacy of FRELIMO will always be connected to the emergence of a new government in a landscape impacted by postcolonial wear and tear. The contemporary political sphere must hence be analysed through a recycling of older local beliefs and institutions together with the emerging globalization and a new great power dynamic. Changing power structures are nevertheless not new to the African continent. Contexts has changed, but what I argue is that the incentives are the same. Realism predicts that smaller states will seek power gain through alliances. China being an emerging power, also seeking external sources to grant domestic legitimacy, is naturally a tempting strategic partner. It is in this context that I argue that the Sino-Mozambican relation must be seen as a way for FRELIMO to secure and foster legitimacy.

As Mozambique categorize as a smaller development state, Mozambican policymakers will naturally aim to meet international and domestic expectations. Their ability to do so is however not as autonomous as China's, and I argue that this can be an explanation to recent positive economic growth rate nationally while poverty levels domestically has stagnated. When infrastructure is invested in, parts of society will benefit. A good example of this is the trade in commodities. The income from these trades is beneficial to the overall economy by upholding businesses and industries. However, this does not translate into benefitting the local communities of Mozambique. The number of people living below the extreme poverty rate shows that the population living in extreme poverty has been stable at 50-60 percent the last two decades (World Bank, 2021). Despite this, I do not want to write off entirely that the investments in infrastructure and expansion of trade is without socio-political purpose. Infrastructure is important for sustainable development but reaching the level where larger parts of the population can take part in the benefits can be long, especially in a world where globalization and open trade may override local government. The Maputo-Catembe Bridge is a prime example of this as it benefits trade but is too expensive for the average Mozambican to access daily. Externally, such development contributes to increased competitiveness and greater attractiveness to larger investors. This can thus be an example of what I am discussing above - that a smaller state such as Mozambique must realize their limitations by the external needs and pressures before realizing what possibilities they have meeting their domestic

requirements. As a contact in Mozambique said, you cannot feed a starving population with democratic values - it needs infrastructure and jobs first.<sup>4</sup> What remains to be seen is whether Mozambican leaders prioritize Mozambican resources – human and natural – for the benefit of society, cf. a form of right of restitution of their natural resources when their infrastructure is strong enough to uphold and strengthen domestic industries, so they become strong enough to compete on an international level.

As Mozambican policymakers have applied a policy of neutrality, it is important to point out that receiving support from China is not necessarily a sign of leaning towards one external actor over the other. It is simply the fact that Chinese lenders are offering sums of money that Western donors are not able to deliver any longer. Ask for loans for political processes, like elections, and Western donors will most likely support Mozambique, but larger and expensive investments are not what Western donors prioritize, partly because internal dimensions and issues in these countries are changing and they simply cannot afford to hand out such large sums, as that might lead to unpopularity among the general opinion and affect domestic needs. The opportunities that China offers are simply what is available and the most inviting to Mozambique to accomplish some of their development goals. The infrastructure built with the help of Chinese money is useful to increase their material capabilities and is a driver for positive repercussions to other parts of society, and because building infrastructure effectively shows us physically that the policymakers are “doing something”, I argue that Chinese interventions is an indirect driver for the legitimization of FRELIMO.

Even though it might be controversial to state, as a supporter of democracy, I argue that the overall legitimization of FRELIMO is even more important to ensure as they currently run by somewhat a democratic model. The corruption is highly present amongst Mozambican policymakers, and the hidden debt scandal did weaken state institutions and democratic values, but what I want to highlight is that an alternative to this will not necessarily be better. So, if legitimacy were to be lost even more, democratic institutions could further be weakened. Some of democracy’s most present enemies are divided and unstable societies. Infrastructure can in some areas provide stability and some safety, especially as lack of infrastructure has been an issue for many years. On these terms, Chinese interventions, even though coming from an autocratic one-party-system, can foster a ground for the development of stronger societal institutions locally that will provide stability in the longer run. Pursuing

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<sup>4</sup> Personal communication with a Mozambican Scholar in April 2021.

this analytical path is however controversial as the money from China proven to fund corruption, partly because Chinese loans are given through the GoM and Western donations does not. This is anti-democratic, which then showcase how Chinese loans may threaten or hinder the development of democratic institutions. A lot depends on whether the gains are actually overshadowing the cost or not. This will be discussed further in Chapter 7 and 8.

In terms of relative power, policymakers of Mozambique should also seek good relations with larger powers as it, in the worst case of war, will have a larger material capability. Creating and joining institutions and ties, like their agreements on economics and technology, keeps the Chinese occupied and present in Mozambique and is hence security increasing approach. This is followingly something I argue will provide a sense of trust in government amongst the Mozambican population. So, as a smaller nation, I argue that Mozambican policymakers have understood their external pressures well and are able to turn some of that pressure into a benefit for domestic demands even though indications may show otherwise. If policymakers for Mozambique manages balance this dragon fight between external and internal demands in a way that benefits the people of Mozambique, legitimacy will grow both on state and systemic level.

Because legitimacy is vital for state sovereignty, the rationale of policymakers is to make sure that their regime has legitimacy domestically. In this lies the importance of perception of policymakers towards risks. Policymakers of both nations, being aware of the need for material capacity and development to secure legitimacy, are hence bound to carry out calculations and build strategic approaches and institutions that can support their logic of inference. The following chapter will discuss how economic tools can be deployed as political tools to make the chances of meeting both domestic and international pressures more doable, as well as doing this with a lowered risk

ones.

## 7.0 Geoeconomics – economics as a political mean

Geoeconomics as an analytical framework seeks to emphasize how states use and build power through economic tools as geoeconomics is the studies the political aspects of economic initiatives and resources in a geographical area. While the focus of this analysis chapter is still how incentives from the international system has an impact on the foreign policy choices of China and Mozambique in the Sino-Mozambican relation, it wants to discuss the political

aspects of the loans. More specific how incentives from the international system push China and Mozambique to actively practice loans as a tool in their foreign policy strategy to increase their material power. In this analysis my aim is to identify how the loans can serve as favourable means of power and their realization of their strategic objectives. Because my theoretical base is realism, my argumentation will contain a discussion of how this contributes to increased security and chance for survival. Also, by accepting and discussing economics as a part of the power dimension, using neorealist predictions to explain how come a great power nation like China seeks a bilateral relation with Mozambique becomes more intuitive. This allows neorealist predictions to stay relevant for current interstate relations and does hence provide a solution to what my earlier chapters have questioned, why China engages with weaker states.

Economic assistance is perhaps one of the most straight forward examples of economic tools and have been present for as long as diplomacy. To further this, geopolitically motivated deals can become important factors in each state's foreign policy calculus due to the means behind many of the investments pursued (Blackwill & Harris, 2016, p. 43). As there is always risk in conducting statecraft, I argue that geoeconomics enables new policy choices in statecraft that levitates risk in some ways. Because geoeconomy can be used to increase economic power and influence without engaging directly in war or violence, the risk of losses is lessened. However, as economic ties are prone to internal and external dynamics, the sphere where economics is pursued can change rapidly. When discussing loans from China to Mozambique, both countries engage with a calculation of costs and benefits. China still is a developing country and domestic resource scarcity pushes China to look for alternatives. Because of internal shortage of materials to keep their industries going and unemployment is on the rise, securing future sustainable growth, is dependent on accessing foreign grounds and markets. For Mozambique, external investments have been necessary for covering their national expenses and funding development projects. Making themselves attractive to foreign actors is then important. This creates incentives for both parts to partake in each other's business on several platform.

For China's part, there are different perspectives of how the loans can be used as a foreign policy tool, meaning that they have a political motive behind them. Economically, it has been a key part of China's foreign policy goal to ensure that Chinese companies go global, and expand, and Africa in this respect a key continent, especially in the early days (E. Tjønneland, interview, May 18<sup>th</sup>, 2021). "As Chinese construction companies really started to become

important players globally by first getting established in Africa and learn the tricks of competing, Africa has been important in China's political strategy" (Ibid.). The generous funding is additionally made available to support Chinese companies as it is usually Chinese companies conducting the construction and manufacturing of the products, which also is of great economic and commercial value for the individual companies involved. In this context, the China Road and Bridge Cooperation, a state-owned company, is one of these. In this sense, China's loans are returned to the Chinese economy again. The loans are then serving China's interests in gaining access to resources, securing work for their workforce, and promoting technological development through own funds but foreign grounds. Politically, presence is important for soft power. Despite China's states policy of non-intervention, I argue that Beijing has managed to wade directly into domestic political processes, one of them being Mozambique's, through Chinese investments. The reason for this is that these investments made in Mozambique, and several other African countries, strengthen the argument that China's military build-up is couched in terms of backstopping its resource investments overseas. By building the Maputo-Catembe Bridge and Gaza airport China enable Mozambicans and themselves to mobilize quicker if the risk of war or conflict were to become reality. With Chinese assistance, countries across Africa are being enabled to pursue infrastructural projects, but it also increases Chinese presence. Soft power can then be faster turned into hard power if a situation of conflict calls for it.

For Mozambique, which is a smaller power on the international arena, economic ties are their unique opportunity to cooperate with several actors on a relatively low-risk and more autonomous arena where they posit more leverage, relatively. As mentioned in the theoretical chapter, wealth is a positive-sum game, meaning that there is not one part that either wins it all or loses it all. Because power includes economic size, this means that a potential relative gain can be present for both parts, instead of just one. China and Mozambique can in their economic ties both gain from it while knowing that the loss is not absolute if something were to change. The risk of conflictual matters is in my opinion then not as dangerously brutal if it would turn out to become reality. Employing geoeconomic tools can then not only change the nature of diplomacy, but also markets. For Mozambique, being a country with a well-suited geographical location and a resource abundance, the loans can hence be seen as a way for the GoM to realize some of their potential. For Mozambique's part, Chinese loans are beneficial to the development of infrastructure in particular. Infrastructural projects are being conducted with Chinese money and resources and is contributing to making the flow of products and



people easier. Through a personal conversation with a local in Maputo, something very fitting to this was said. “We cannot feed people with democratic values. We need infrastructure to develop” (Mozambican researcher, 2021). China also gains from this as trade and transport of goods of their interest can make it easier through the country. Goods from landlocked countries can be transported to Mozambique, which has a long coastal line where transportation back and forth from China is recurring every day. I argue that the loans must be seen as a political tool that applies in the Sino-Mozambican relation as the investments opens for alternatives for power gain through increased capabilities found in physical construction and human, natural, and monetary capital. Through economic branches both gain access to resources without the direct land-grabbing tradition usually pursued in traditional war.

### 7.1 Geoeconomy and the Autocratic regime of China

An analysis of geoeconomics and the rise of China is necessary as China is designing BRI to serve its own interests, fits well into their entry to the international arena by providing work to its state enterprises and accessing resources through foreign markets. Success of such policies will enhance Chinese power and prestige as their institutions, like Exim Bank of China, which is designed to dovetail with the Bretton Woods institutions, will get strengthened through increased involvement across the world. The ‘instruments’ deployed by China is a way for Chinese policymakers to fulfill their political goals by narrowing the inter-relationship of China’s domestic and foreign policies through economic tools. Money is fungible, so the risk of losing is lowered, and as liberal institutions for long has dominated when it comes to presence in developing countries, Chinese policymakers has seen the need to adjust to gain access to local contexts.

Geoeconomics does also enable states to use foreign policy tools that the US and many other Western countries no longer are able to use. Because the autocratic state of China still controls state-owned companies and industries, geoeconomics can aim to strengthen diplomatic ties in sectors that now is left to the private sector in many Western countries. This type of economic diplomacy is in other words not as available for Western countries, which leaves a vacuum/room for a state like China to roam freely “without geoeconomics competitors” (Blackwill & Harris, 2016). It is also something to mention that, in previous wars, it has been shown that stronger states often have a great advantage in the military arena. The material capability is usually greater among stronger states, and it is more complex for weaker states to deal with and challenge. The story is however different for the economic and diplomatic

arena. The difference between weak and strong states might be as great, but the ability for smaller states to use economic and diplomatic means are more prominent. This is something that both China and Mozambique should take advantage of as both nations still are regarded as weak developing countries. Economical tools can hence increase their material capacities and capabilities<sup>5</sup> on relative and absolute terms.

But does that mean that China's power increases in relations to smaller nations? Not innately, but I argue that while China seeks access to new markets, their position as one of two great powers in a bipolar system gives them incentives to increase their presence in smaller nations like Mozambique. This is beneficial when responding to the power dynamics that naturally follows being a contesting power to the US. Neorealism can support this, and in terms of international power politics and security, neorealism can explain why Mozambique wants to engage with China due to the added materialistic potential that Mozambique gains through both the investments in infrastructure from the Chinese loans and the Chinese presence locally. However, as mentioned explaining why China engage with Mozambique based on pure neorealist terms is harder because they inherently disobey some of the predictions set for a growing power. Among these is the prediction that stronger states should align with stronger states in their alliances. As discussed shortly above, there are internal motivations, that being resource and employment shortage, that can be one explanatory factor. In both economic and materialistic terms, China does gain access to resources and hence increase their material potential to expand both domestically and internationally by feeding in the elements needed to secure current and future industrial production, hence securing growth.

As said, one would expect, following the principles of neorealism that the economic growth and the relative power China has experienced and posits would drive them away from weaker states and more towards stronger states. But, because material capabilities are defined by access to resources and ability to mobilize, weaker nations may have a substantial place in the relative power increase strategy. Knowing that Mozambique purposely has calculated their foreign policy to gain from it in developmental terms, and that China does offer opportunities for them, the question is whether both nations gain more security from the relationship. Due to the rise in material capabilities that China has experienced during the last four decades, China is much more secure and influential in world politics today. To find a specific indication and measurement of how the Sino-Mozambican relation may adjust the relative

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<sup>5</sup> The capacity is the ability that exists at present whilst capability refers to the of ability that could be realized or demonstrated under the certain conditions – for example in a war.

power is difficult, if not impossible. Knowing whether China would be more secure if they did not interact with Mozambique, is a scenario that cannot be predicted. The same accounts for Mozambique's engagement with China, but it is perhaps easier to locate traces of power gain here as China's loans does cover larger investments in development, which most likely would not be possible to implement if it were not for Chinese money.

## 7.2 Debt-trap diplomacy

My aim for this thesis was also to explore the concept and narrative of debt-trap diplomacy which suggests that there is an actively pursued policy for Chinese policymakers to put African countries into debt so they can rule them. Building on what is already discussed in previous chapters, this analysis chapter will followingly aim to discuss the Chinese loans to Mozambique in relation to this narrative. When looking at relative gains and the situation in Mozambique today, my immediate argument is that there are few traces that can support that this narrative represents the actual situation of the Sino-Mozambican relation in general. Debt-trap diplomacy is henceforth not an actively pursued foreign policy approach by China towards Mozambique. Loans and debts can as discussed above have political motives, and hence be a victim of scrutiny. However, even though there is limited with information that outsiders can get a hold off, there is not so much complexity to these loans. They were given at a time where Mozambique's economy proposed a positive future for future investments, but as time showed governmental issues related to corruption and rent seeking behaviour put a stopper for this by decreasing Mozambican credential for taking on the responsibilities that large amounts of money demands.

What the situation on Mozambique tells us about the current state, is simply that they most likely will struggle to pay the Chinese debt due to internal struggles related to poor economic institutions. China did most likely not expect that this would be the outcome when they entered Mozambique as a donor during the beginning of the 2010s. At that time, petroleum reserves were discovered in Mozambican seas and the prospects were promising an exponential income from these. Flash forward to 2016, and the situation with the hidden debts damages Mozambique's credibility, hence creating insecurity for external investors. To go back to the beginning of the Chinese loans to Mozambique, from a Chinese perspective, as Orre expresses, in which I agree with, there was most likely an idea that they could just flood the African continent with financing and that that would end up with better diplomatic ties,

easier flow of their products and creating workplace for their abundance of workers (A. Orre, interview, May 31<sup>st</sup>, 2021). It would be the perfect commercial relationship where Chinese workers and companies would be active on the continent. This seemed to be the case for a couple of years during the most rapid building of infrastructure throughout the mid-2010s, but as for Mozambique macro and micro economic problems followed the hidden debt-scandal. Development stagnated partly due to this, but also due to the disintegration of Western donors that focused on giving loans to projects for poverty reduction. The money from China could be spent wherever the Mozambican policymakers wanted almost free of questions. This is where corruption especially becomes a huge part of the problem and signs of anarchy starts to show. One example is the Chinese company exporting timber in the North where they are bringing out valuable timber and shipping it off to China without paying any taxes locally because they have settled an agreement with a corrupt politician in Maputo or one of the locals in the province. This is not a part of a debt trap-diplomacy as it looks like more of a product of independent Chinese entrepreneurs and local businesses who are stuck in a relationship with the Mozambican economy and trying to make the best of it (A. Orre, interview, May 31<sup>st</sup>, 2021). Also, as Chinese money could be spent more freely, debt trapping, which usually is under strict control from the donor country, is not a part of Chinese foreign policy strategy here.

Chinese companies have also reached a level where they are able to compete international, meaning that one of that main aim of China's engagement is nearly accomplished, and what China seemingly want to get out of the relation to Mozambique is centred around factors to fill in gaps in their own socio-political- and economic issues. Debt-trapping a country with its own developmental issues is not answering to this. Another indication that debt-trap diplomacy is not current, is the fact that it has been a part of Mozambique's national strategy to welcome foreign direct investments as a part of their development plan. Policymakers in Mozambique have wanted external engagement, and further laid the grounds for attracting monetary investments into the country. After the hidden debt scandal this have been focused on even further as companies have pulled out of their engagements. Following realist predictions, incentives to ally with Mozambique are hence weathering. China, as a strong and weak state, will aim to ensure their survival, and they are doing so by engaging internationally to answer to their own needs, thereby legitimising their regime. By purposefully aiming to control other states though their loans, is not a part of this.

Hence, using the term becomes a political tool that makes China into this pure hostile actor wishing only for world domination, while also undermining African agency as it devaluates local governance in African states. It also discards the idea of African nations being anything else than victims of great power rivalry and politics without any say in the decisions being made. The recurring debt relieves are also a validation of why this narrative has misunderstood Sino-Mozambican relations. The debt relieves are small amounts to the Chinese economy in general, and even if Mozambique is of little significance to the Chinese economy in the bigger picture, they are given. What we see in Mozambique is also something that happens all over the continent. Other countries in Africa are also struggling to pay their debt to China. What I argue is that their intentions of initiating with Africa fits well into the geoeconomic aspect of Chinese foreign policy, as these investments provides a gain for China in other areas such as presence, workplaces, and resources. Their initial goal is not to intervene in local governance per se. That does also go against their principles of non-intervention and non-conditionality. Traces of more hostile activity in other geographical areas may indicate otherwise. Henceforth, claiming that China is doing this one thing, is wrong, as they always adjust themselves with changing political spheres (A. Orre, interview, May 31<sup>st</sup>, 2021).

So, even though the loans must be seen as foreign policy tools, for both nations, none of the parts have the aim to gain control over the other. The politics behind and in the motives of the giving loans and purposely wanting to receive them, is simply a response to needs and incentives form the international and state level, those being survival and security of regime. These incentives push states to look for alternatives where gains override the costs and risks. The next chapter will followingly discuss these gains – where they can be found and how they increase material capabilities.

## 8.0 Relative gains

When trying to analyse where the relative gains from these engagements the last two decades lay, it becomes clear that the benefit for Mozambique is from the product of the infrastructural constructions. Infrastructure such as airports, roads, bridges, and dams, is important for the society as it provides some services to the people and the economy as it provides easier flow of goods. Due to the limited insight in the economic transaction of the loans, it is hard for me to evaluate the full aspects of the loans, but what is possible is to reflect upon observations being made today. It is also valuable to have in mind that donations from Western actors is rather focused on health, education, and specific sectors that on a short-term basis does not

give boosts to the economic. These sectors are helpful to human capital, which is vital for a community to develop, but when western donors are not giving for aid for infrastructure, China is an attractive option as infrastructure has been lacking on the African continent for many years (M. Sambo, interview, April 22nd, 2021). For Mozambique, the infrastructure built is hence their main relative gain from the loans given by China, but my question is then how and for whom.

### 8.1 The infrastructural projects and their repercussions in society

When taking a closer look at the late infrastructural projects presented in Chapter 4, my interviews have come in handy to gain comprehensive information about the outcomes of these. Overall, it has become clear that none of the initiatives have been free of scrutiny as the relative gains for China and Mozambique are skewed. To start off this discussion, something of peculiar interest is that the cost for the Maputo-Catembe bridge was more than triple of what it was supposed to be costing, which implies that corruption is a huge problem as the projects are financing personal interests amongst people in positions (M. Sambo, interview, April 22nd, 2021). This is not unusual for corruptive systems. By overestimating values, monetary benefits can be drawn out of it so that self-enrichment for official also is provided through initiatives like these loans. There is hence a realistic probability that the projects are feeding the corrupt system. This is counterproductive for the democratic institutions of Mozambique, but effective for keeping government officials satisfied and powerful. To put the Maputo-Catembe bridge into a larger societal perspective, most of the people living in Catembe cannot afford it, and for common people it is too expensive. It seems to benefit South-Africans more than Mozambicans as they are able to actually afford the tollgates that were put up. For politicians and businesspeople, it is nothing because they do not pay directly (M. Sambo, interview, April 22nd, 2021). The average Mozambican does hence not have access to this infrastructure recalling that roads are public and should be covered by government to balance for the market's failure. Something that should already be covered in tax payments, is now paid for as if it was a private road. The toll rates should at least be realistic to the average Mozambican's income.

Another question of relevance is what infrastructure should be prioritised as there is a huge gap between Maputo and the rest of Mozambique, equal to a traditional centre-periphery conflict where Maputo is the centre. Controversy around the building of the Maputo-Catembe bridge, as well as the Ring Road, has then followed, as these were expensive and there are

less developed provinces that would benefit from some investments in infrastructure too. In terms of development, Sambo explains that more focus should have been given to the provinces before building The Ring Road around Maputo as there is a lot of production happening in the provinces, but they trade mainly with each other through poor infrastructure (M. Sambo, interview, April 22nd, 2021). Roads and bridges allow trade to flow more thoroughly, and The Ring Road is connecting productive cities. It is therefore helping delivering products to cities. People and goods can move across the bridge and that tends to stimulate economic activity and facilitate trade and economic activity in general. Flow of commodities and better transport systems strengthens Mozambique capabilities and would hence increase their ability to survive if the worst-case scenario of war was to emerge. Paradoxically, this makes it more attractive for external actors to cooperate with Mozambique, and as the commerce will improve, society will benefit, but as the current situation show, this will only account for the larger cities in the Southern part (see Appendix 5).

When discussing the airport in Gaza, this case is different from the previous two. Sambo elaborates that the airport I fully funded by aid and what makes this interesting is that it is placed in a “very” remote place where nothing is “going on”. “It was chosen by the government of Mozambique, but why would China want to finance an airport there?” (M. Sambo, interview, April 22nd, 2021). Due to lack of public information, the reasoning for this is blurred, but as China are dealing with resources in Gaza through the Xai-Xai Rice project, having an airport nearby is highly beneficial for Chinese workers working in these projects while also transporting the products out of Mozambique. When looking at what China funds, we must also look at what they do not fund. The dams proposed to Chinese officials were both declined without an official statement. Following the logic of causality that I have argued for so far, this must be interpreted as a sign that the dams does not fit into China’s foreign policy. When deciding on what is relevant to China there are mainly two things that they benefit from – work for their companies and their need for the resulting produce from the projects. As the construction of Mphanda Nkuwa was handed to a Brazilian company, work was not provided for Chinese workers. It is also uncertain whether the hydropower generated would provide for income to or cover for any need demands in China. From a realistic theoretical framework, investments should be made based on how they can increase survival and security. The inference is followingly that if there is no gain from giving a loan, China will not go through with it. However, if it is projects with infrastructure that profits their aims,

like the airport in Gaza will do, China is generous. This approach by the Chinese is giving them benefits, as thoroughly selecting their investments based on cost-benefit is something that enables the Chinese government to let China's two roles in the international system – both as a weak and strong state – congregate. By using economical tools, I followingly argue that it contributes to an increased ability for China to answer to differing incentives from the international and state level being both a developing nation and a great power. The outcomes of this does unfortunately have recurring consequences in the Mozambican society.

In my interview with Michael Sambo, he explains that the companies that construct the projects all over Africa doesn't necessarily have much experienced workers – they are sent to Africa to practice (M. Sambo, interview, April 22nd, 2021). “The first years’ constructions, especially buildings built by China, would often crack” (Ibid.). What Chinese companies gain from this is that their personnel become more experienced and able to expand and internationalize, giving them a foothold in Africa and internationally while increasing their ability to compete with western companies. The workforce sent to Africa is also a way for China to resolve the problem of unemployment. As a result of the new liberalistic wind, the dynamic between state and companies are now favouring companies more than states. Chinese companies can hence explore the resources of Africa without paying what they should to the government. As Mozambique has given good concessional agreements to attract investment, I therefore argue that China exploits the opportunity of being a partner with a country that serves their interests for a relatively low cost. The revenue collected from these projects is hence not enough to cover what national budgets require. Aid is hence continuously necessary to cover the governmental expenses. Additionally, even though there are two parts in these financial agreements, many of the gains that Mozambique would have received goes to China. This is a recurring problem across several sectors. Some of what is already mentioned, but also the fact that you will not find Mozambican engineers or products in the chain of production. Everything is produced in China, and even the compost of the Rice production is also transported from China (M. Sambo, interview, April 22nd, 2021). The production in Mozambique is not very constant, but nothing really justifies what China is doing. I followingly argue that what China is doing is also lowering the chance of building a more constant production locally in Mozambique. The logic behind this argument is that one should buy or consume as much possible from the area you are to support local production. This is not happening. Everything they use is developed, produced, and brought from China. No local production in Mozambique is included in the projects, which disturbs, and even



destroys, the local supply and demand-chain. Local producers in Mozambique are hence left with no or a poor market to “flourish” in. Competition is also very high as China, which is more developed in manufacturing, produces relatively good products, but at a low cost. Mozambique is not developed in this field, and in this context highly limited in evolving on this arena. As the people involved in the infrastructural projects only use Chinese products, Mozambican products are no longer demanded, and as the inflow of the produced from China often comes in abundance, the result is often that there is no market is left for local companies or industries in Mozambique (M. Sambo, interview, April 22nd, 2021). The lack of demand and presence of Mozambican technology and skills therefore hinders development in society as no infant industries or locals receive incomes from the projects. The infrastructure that is standing when the project is done is then what the people of Mozambique gains from, if they have the access to it.

*“The loans go to infrastructure built by Chinese companies, and the maintenance is also Chinese. Where is the development and how are Mozambicans participating in this? Development is not only infrastructure. So, how can Mozambican locals become partakers in this, take advantage of it, and how do we participate in the process? Just being in the process with worker on minimum wage is not much. There is a component of development, but it could be better implemented.”*

- M. Sambo, interview, April 22nd, 2021

The loans are therefore helpful for the government to fulfil some of their development programs, but what we can see is that these investments have severe consequences for the economy in the longer run as domestic supply and demand is disturbed. Material capacity is then grated if China is present. In the longer run, which capabilities that can be mobilized by Mozambique remains to see. The loans are also indebting Mozambican future generations, which is not the right path to go. The political capital for politicians and infrastructure are gaining, but not so much for the people yet. Braathen elaborates this in my interview and explains that unless you have good governance in these investments, where there is a kind of mutual understanding between the foreign investor and the local community, you will not see many gains. It will rather create big conflict (E. Braathen, interview, May 10<sup>th</sup>, 2021). When looking at survival chances, I argue that the infrastructure is beneficial in the case of war, but in terms of stability and human security for future generation, it is rather weakening the chances as human capital is vital for sustainable growth. Economic growth is no longer something that indicates that things are going in the right direction. The loans are also feeding

a system and honouring rent-seeking behaviour, which in the longer run will be punished as it is supplying ineffective institutions. This will be elaborated further in the next paragraphs.

## 8.2 Is the era of gain over?

It has become clear that Chinese funding for infrastructural projects in Mozambique is beneficial to Chinese actors, at least it used to. There may have been a political point where China lending out money would provide diplomatic advantages, workplaces, and activity for Chinese companies due to the observation that when Chinese loans are the main source of funding, usually there is a Chinese construction company that's involved in the project. Mozambique is then left with some infrastructure and the debt, and at a certain time, ability to pay back the loans was not as important for China it seems. If it created activity for Chinese workers, that was their relative gain from handing out money. As Aslak Orre explains, if we go further back through the times when China really entered Mozambique around 2008-2011, things were looking pretty good for Mozambique because of the boom in the extractive industry sector and the prospects where that Mozambique were going to be exporting valuable product from the extractive industries such as gas deposits offshore (A. Orre, interview, May 31<sup>st</sup>, 2021). At that time, Mozambique was considered eligible for serving any debt. Engaging with Mozambique would be of low risk, and to many people, including some forces in China and the Mozambican authorities, there was an impression that the Mozambique was about to depart on a period of extreme growth, but that did not happen. As corruption is a problem in the Mozambican government, there is a lack of information that I can gain access to. It does however seem like the benefits for China peaked during the early 2010s and slowly has come to realise that there really is not more to it than building expensive infrastructure and gaining access to some resources. This is nothing of significance in the larger context of Chinese foreign policy anymore, but however important for Chinese presence in the world. Through a lens of realism, this comes natural for a growing power such as China as increased power equal increase autonomy over their foreign policy, and as China slowly manage to move away from their status as a developing nation, more of a soft power behavioural approach will be observable – that being their focus on presence rather than the extensive seek for resources. This is however something that is in the far as their internal societal issues still are growing. As the hidden debt scandal was a reminder of which huge problems Mozambique still has with corruption and mismanagement of resources, I argue that China as an external donor is and will face more of the same problems that donors previously have dealt with. Post-colonial

wear and tear has left its mark on the governmental bodies in Mozambique, and the issues related to this are not going to fade away even when a new donor like China steps in without any conditionalities. The current situation where China knows their debt may never be repaid and their presence can be controversial, there is little left to win for them in the future as their companies' ability to compete internationally has risen to a point where Chinese companies now are working all over the world. A foothold in Africa is good, but Mozambique is no longer of any special interest in China's larger foreign policy. In fact, I want to argue that they are only a small part of it. A sign of this can be the fact that there has been a slowdown in loans given from China to Mozambique. This is not unusual, as other external actors also have moved away from Mozambique due to the insecurity posed by deprived institutions. Mozambique on the other hand has gotten a lot of infrastructure, but it seems that there is little left to get out of China now that they will not give loans to Mozambique in the same manner as before (A. Orre, interview, May 31st, 2021).

It is also important to remember that Mozambique has received loans for 30 years so there's nothing particular about the Chinese infrastructure compared to earlier projects built by other lenders. What is differentiating them from other donors is the speed, in which Chinese companies construct. Even though the result is the same, it is nevertheless the same result but much faster. This is beneficial to societies like Mozambique. Instead of a slow process, they can finish their projects quickly. This is however, not of importance if the infrastructure is damaging to society. As Braathen explains, there have been attempts to improve the North-South and the cross-cutting infrastructures since the independence in 1974. Significant investments have been done, but not the systematic large-scale development of infrastructures that are needed (E. Braathen, interview, May 10<sup>th</sup>, 2021). Even when these have been invested in, the result has been rather disappointing. "When it comes to energy and electricity, the Cahora Bassa dam, developed in the late 1960s, was one of the biggest in the world, and one of the biggest in Sub-Saharan Africa, but most of the power there goes to South Africa, and not so much the national grid or a national" (E. Braathen, interview, May 10<sup>th</sup>, 2021). It was planned to make Mozambique self-sufficient on energy, but this has failed drastically as most of the energy that goes to the Maputo region is directed towards a South African aluminum plant. Little is left for domestic consumption, and access to electricity is still a problem. The electricity is produced, and as it is transported to the aluminum plant, it is indirectly contributing to the national economy and external attractiveness, but for the people of Mozambique, most of these will never see any of incomes of it nor access any of the produced

electricity or aluminum. This is a recurring issue as resources are outsourced and Mozambicans gain little from it in form of supply or incomes.

So, are there any gains for China and Mozambique left for future aspects? The presence of China as a donor has created increased bargaining power against the Western donors. Western donors have given loans to development plans under the umbrella of poverty reduction and have always been organised as one organ to ensure that the government of Mozambique stuck to their plans. Not only is this beneficial for development plans in practice, but also for Mozambique as it is hard to negotiate with each of the donors individually. It is in this context that China comes along and did not join the other donors in negotiations. As China shows openness towards spending large amounts for infrastructural projects, this has created competition for presence. If looking at this through the lens of realism, this is an important part of how smaller nations gain more influence over their decisions. Many of the smaller states in Africa must acknowledge their weak position and seek the tools and arenas where they gain more. It is also natural for states like these to use diplomacy rather than hard military power. When reflecting on China, presence in Mozambique is still important for one reason that has not yet been mentioned, and that is the political aspect of the investments. The economic motives behind China's foreign policy are as mentioned strong. Not only are they relevant to accessing resources, but also political ties. There are 54 United Nation member-states on the African continent. Keeping friendly ties with these are beneficial to China in teaming up against the West when negotiations are being discussed (E. Tjønneland, interview, May 18th, 2021). This is a part of the South-South dimension that dates to the earliest ties between China and Africa around the 1950s and is therefore an important pillar for China (Ibid.). Economic ties become handy in this context and can thus be seen as a power increasing measure. The power dimension is broad and what this chapter, and the previous ones, have tried to imply is that power politics is to be found in all policy decisions policymakers in sovereign states conduct. The following chapter will be the final one where my concluding remarks will be submitted.

## 9.0 Conclusion

Throughout this thesis, I have argued for the importance of understanding that policies are a result of international and domestic matters, and that economic initiatives must be evaluated as an extended policy branch where policymakers actively involve their political goals. My research question was followingly:

*Can Chinese development loans to Mozambique portray a strategic approach for both nations in ensuring and increasing their relative gains?*

What I have demonstrated through this study is that loans, as an active tool in both Mozambique's and China's foreign policy, are responsive to policymakers' assessment of international and domestic matters. As I have argued for, economics has a political side to it and must hence be regarded as a foreign policy branch that functions as a diversified server of national interests. For China, the loans through China Exim Bank have been purposely aimed at bolstering opportunities for national companies seeking business opportunities abroad. Africa's lack of infrastructure has then served as an arena for these companies to put their employees to work while building competitional skills. Access to resources to answer to their domestic need is also incorporated, which adds on to material extension to put into their domestic industries. This secures continuous economic growth for China while also making sure to be present several important UN member states, creating stronger soft power relations. The CCP's legitimacy is further dependent on these actions to create support in society and mislead dissatisfaction away from current societal issues. For Mozambique, being a country that has made it a part of their development plan to welcome external investments to cover project expenditures, Chinese loans offer an opportunity that Western donors no longer gives, to build infrastructural preconditions for further development of public sectors. In doing this, FRELIMO has something to show to when legitimizing government. Infrastructure makes it easier for people and commodities to travel, which makes it more attractive for foreign investors to engage locally. This is followingly an advantage for their material capacity as well. For both China and Mozambique, what we can observe today only a continuation of what has been before. States will always seek survival, and as international structures change and domestic needs are dynamic, states will adjust their approaches along the way. In this, perception of policymakers is an important part of understanding what will serve national interest and not. Miscalculations can be costly, but well assessed policies will increase the ability for states to navigate through the international anarchy. The loans are in this context enabling tools that states can be applied with a lower risk than physical confrontations, like war. Chinese debt-trap diplomacy is followingly not an actively pursued foreign policy approach towards Mozambique. In this, I have explored how realist predictions are relevant as a theoretical framework for Sino-African relations, and how smaller and larger powers aims to place the other in their national strategies to increase stability, security, and legitimacy internally and externally. As a representative example of Sino-African relations, the Sino-

Mozambican relation can thus hence showcase that theory can be applied to explain the nature of it. My aim to theorize and fill a gap in the literature has been reached.

In assessing how the loans are used as tools for relative gains, the relative gains that Mozambique and China are receiving from the loans have rather divergent outcomes. This is not unexpected due to the imbalance of power in the Sino-Mozambican relation, and they have differing incentives to answer to. Expecting equal benefits or comparing the two against each other is therefore not of any value in my context. What becomes clear, is that a lot of the gain for China goes through the Chinese companies that conduct their missions abroad, and due to loose concessional agreements in Mozambique, the revenue collected from the extraction not enough to cover the Mozambican budget needs. Loans for projects can hence give an impression of doing the right deed amongst policymakers, but on a long-term basis this is problematic. There are no investments in Mozambican capital goods. Small infant, and local, machineries that are beneficial to underdeveloped countries are not considered by the involved parts, but this is what could develop Mozambique. It is all about gain through business for China as they gain access to resources, provide work for their unemployed workers, while also experimenting with technologic development for their companies. This is what Mozambique should have prioritized, but due to new liberalistic institutions, this is more difficult today than it was 40 years ago. The infrastructure and products become available for Mozambique, which helps with easier transport of commodities and trade with external actors, but for the general society, the outcomes of this are rather limited as many of the investments are not focused on public services answering to the popular demands. What we have seen is that bribes to locals, often bribed by the foreign investor, are made to make this agreement as advantageous as possible for the investor. This to the detriment of the local community. There is hence a problem of corruption and manipulation here. It can be very conducive to agricultural development, where also the local communities are gaining, if the laws are followed, but that is the challenge here. The question for the future is how Mozambique can gain more from their potential, that being how they can partake more actively in involving Mozambicans into these projects so not only societal elites get a piece of the price. The goal should be to build local competence and make sure that the revenue from outsourcing Mozambican resources is granted back to the Mozambican people. The case of Mozambique is followingly a classic example of how smaller powers today must realize their limitations. Being a weak state does also seldom let internal and external incentives congregate, which often leads states like Mozambique to choose one over the other. In this

case, attracting external investments triumphs domestic issues to an impactable degree. Infrastructure is an important part of development, but this is only true if the infrastructure involves inclusion of Mozambican workers and materials. Only then can long term growth and a rise of the living standards in Mozambique have a greater chance of occurring.

In trying to gain a broader understanding of why states act like they do, this thesis show that inter-state relations are highly driven by the same incentives as decades earlier even though the contexts and political actors fluctuate in a dynamic sphere. Doing so, I believe that this study contributes to a greater understanding of how China operates in Africa, and how African agency aims to make the most of it. This does also show that old principles still have relevance today, but that it plays out through new tools. Also, as my purpose has been to analyse the Sino-Mozambican relations through theoretical lenses, I want to emphasize that it is not in my intention to put the theories up against each other and find which of the ones that has the best explanatory power. There has neither been an occasion for it as my purpose was to fill a gap in the theocratization of Sino-African relations. So, this is rather something that can be done in further research as applying another theoretical framework would be prosperous for additions to the current literature. Institutionalism offers a variety of theoretical frameworks that attracts focus to how cooperation through international organisations and institutions influences foreign policy. Also pursuing developmental models as theoretical frameworks could be beneficial to discuss the definitional issues regarding indicators of progress and the development of the modern sovereign state. It is in my belief that, by applying an analytical framework in this context, I have contributed to cumulative knowledge that can be built on further.

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## Appendix 1 - Interview guide

### Introduction

*Start by introducing yourself. Allow some small talk, but get started quickly considering time constraints. Remind respondents about the project and the decision, and mention that the data will be treated with confidentiality. Also make it clear that they can choose to remain anonymous or withdraw along the way if they feel like it. Failure to answer questions is also okay. Ask if they agree to the interview, and mention that it is recorded.*

*Also mention the parts of the interview starting with addressing the loans and debt and then the relative gains.*

*Start recording.*

### Addressing the loans and debt

**Can you start off by telling a bit about where the money from the loans is directed, and on which premises the loans from China are given?**

**As the numbers show, debt relives have been granted. Why do you think that China gives debt relives?**

**Even though debt relief has been given, Mozambique's debt to China seems to be rising. How come?**

### Addressing the relative gains

**Moving on to relative gains of these loans. Can you tell me a bit about the benefits of Chinese loans to Mozambique?**

*Follow up the previous answer and ask the following. Do you think that Mozambican policymakers use this as an active tool in their development strategy? If so, how?*

**Development is a key word in the Sino-Mozambican relation. Can you please elaborate where the exact gains from these financial initiatives lay in the Mozambican society?**

- Probe: in which sectors/arenas can we observe the gains

**Can you mention other arenas where Mozambican leaders may use Chinese loans as a beneficial tool?**

- Probe: bargaining power against the west

*Follow up the answer. We have now talked about the relative gains for Mozambique, so now I want to shift the focus to China. It seems that China is consequently handing out loans they know cannot be repaid. I therefore want to ask you how these loans also may benefit China's foreign policy interests?*

**How would you characterize the Sino-Mozambican relation overall?**

- Follow up: **Do you see the countries as equally benefitting from this initiative?**

Snowballing and saturation

**We have soon gotten through all the questions, but before we round off, I want to ask you if there are any documents you recommend that I take a closer look at, or informants I should contact? It is completely voluntary, and you are welcome to send this to me. Provide contact information.**

Additional information and feedback

**My last question is if there is anything you want to add to what we have already talked about, and if you have any questions for me?**

- Probe for information that has not come to light
- Probe for improvements

Ending

*After receiving the answer, remember to thank the respondent for the time. Express that feedback is welcomed.*

*Stop recording.*

## Appendix 2 – Interviews

**Einar Braathen**, Researcher, International politics, Political Science and organizational theory, Urbanism, Oslo Metropolitan University. Date: May 10<sup>th</sup>, 2021

**Aslak Orre**, Senior Researcher, Coordinator Governance, Political Science and Social Anthropology, Chr. Michelsen Institute. Date: May 31<sup>st</sup>, 2021.

**Michael Sambo**, Researcher, Development Studies, Economics, Institute of Social and Economic Studies (IESE). Date: April 22<sup>nd</sup>, 2021.

**Elling Tjønneland**, Senior Researcher, Political Science, Chr. Michelsen Institute. Date: May 18<sup>th</sup>, 2021.

## Appendix 3 – Consent Letter

### **Do you want to be a part of my research project?**

- **“The impact of Chinese development loans in bilateral relations and local policymaking”**

This is a request for you to participate in a research project where the purpose is to investigate how the development loans from the PRC through their Belt and Road Initiative can have an impact on Sino-Mozambican relations, as well as how Mozambique responds to these external investments. In this letter, I want to give you information about the goals of the project and what participation will mean for you.

### **Purpose**

The purpose of the project is to investigate how larger nations and smaller nations interact and can use the other one to pursue their national goals. In this case, development and sustainable growth will be examined. One of the research questions that will be addressed is hence how Chinese development loans can shape the bilateral relation between Mozambique and the People’s Republic of China. This is a master’s thesis, so there will hence be two main contacts to reach out to for questions: Charlotte Li Buri Olsen (Master student, [clolsen@student.sv.uio.no](mailto:clolsen@student.sv.uio.no)) and Karin Dokken (Supervisor, [karin.dokken@stv.uio.no](mailto:karin.dokken@stv.uio.no)). The data collection will depend on literature studies and interviews and will hence be actively used in the analysis of the topics mentioned.

### **Who is responsible for the research project?**

The Department of Political Science at the University of Oslo is responsible for the project.

### **Why am I asking you to participate?**

The sample is chosen based on who I consider will give useful information about the matters I want to look closer into. In total I will ask four people to participate. You are hence one of the



chosen ones that I consider have a relevant background to give an important reflection for my research purpose.

### **How will you be contributing?**

If you choose to participate in the project, it means that you will participate in an interview. It will take you approx. 45-60 minutes. The interview contains questions about Sino-Mozambican ties both with the regard to Chinese foreign policy and Mozambican agency. Your answers from the interview will be recorded through Zoom and hence be transcribed.

### **It is voluntary to participate**

It is voluntary to participate in the project. If you choose to participate, you can withdraw your consent at any time without giving any reason. All your personal information will then be deleted. It will not have any negative consequences for you if you do not want to participate or later choose to withdraw.

### **Your privacy - how we store and use your information**

We will only use the information about you for the purposes we have described in this article. We treat the information confidentially and in accordance with the privacy regulations. I, Charlotte Li Buri Olsen, will be the one who has the access to the raw data and will be the responsible for transcribing and storing the data on an encrypted hard drive. Names and contact information will be coded and saved in a document separated from the other data. No unauthorized person will have access to the personal information. Only my supervisor will get access to this.

The information the participant gives can be traced back to the individual, but if participant choose to anonymous, measures will be done to guarantee this.

### **What happens to your information when we end the research project?**

The information is anonymised when the project is completed/the assignment is approved, which according to the plan is during August 2021. By the end of the research project, both the scrambling key and recordings will be deleted.

### **Your rights**

If you can be identified in the data material, you have the right to:

- access to which personal information is registered about you, and to receive a copy of the information,
- to have personal information about you corrected, to have personal information about you deleted, and
- to send a complaint to the Data Inspectorate about the processing of your personal data.

### **What entitles us to process personal information about you?**

We process information about you based on your consent.

On behalf of the Institute of Political Science, NSD - Norwegian Center for Research Data AS has assessed that the processing of personal data in this project is in accordance with the privacy regulations.

### **Where can I find out more?**

If you have questions about the study, or want to exercise your rights, please contact: The Institute of Political Science by Charlotte Li Buri Olsen ([clolsen@student.sv.uio.no](mailto:clolsen@student.sv.uio.no)) or Karin Dokken ([karin.dokken@stv.uio.no](mailto:karin.dokken@stv.uio.no)). Our Privacy Representative: Elin Arntzen ([elin.arntzen@stv.uio.no](mailto:elin.arntzen@stv.uio.no)). Our Data Protection Officer: Roger Markgraf-Bye ([roger.markgraf-bye@admin.uio.no/personvernombud@uio.no](mailto:roger.markgraf-bye@admin.uio.no/personvernombud@uio.no))

If you have questions related to NSD's assessment of the project, you can contact: NSD - Norwegian Center for Research Data AS by e-mail ([personvertjenester@nsd.no](mailto:personvertjenester@nsd.no)) or by phone: 55 58 21 17.

Sincerely,

Charlotte Li Buri Olsen  
(Master student)

Karin Dokken  
(Supervisor)

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### **Declaration of consent**

I have received and understood the information about the project “The impact of Chinese development loans in bilateral relations and local policymaking” and have been given the possibility to ask questions. I consent to:

- To participate in an interview that will be recorded
- Let information about me/myself to be published in a way that I can be recognised (name, position, research field) – if applicable

I agree that my information will be processed until the project is completed.

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(Signed by project participant, date)

## Appendix 4 – Literature key search terms

China + Africa + relations

China + CCP + history

China + environmental issues + the River Runs Black

China Exim Bank + Mozambique

China + infrastructure + Africa

China + Mao

China + market liberalization

China + Mozambique

China + Mozambique + development + infrastructure

China + Mozambique + loans

China + Mozambique + relations + history

China + unemployment

Debt-trap diplomacy + China + Africa

Geoeconomics + realism

Geoeconomics + China

Mozambique + FRELIMO + history

Mozambique + history + independence

Mozambique + Maputo + Circular Road

Mozambique + Maputo + Catembe-Maputo bridge

Neoclassical realism + variables

Neorealism + Waltz

Realism + smaller powers

Research method + interviews

Semi-structured interviews + interview guide

Triangulation + methods

Xai-Xai Rice project

Xai-Xai + Gaza + Mozambique+ airport

