POLITICS & INTERNATIONAL RELATIONS | RESEARCH ARTICLE

The role of the state in Sino-Ghanaian relations: The case of Bui hydroelectric dam

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Abstract: This article critically examines the dominant role of the state at the level of institutions and policies with China to leverage and shape the developmental outcomes of the current relationship. The new win–win relationship has sparked intense debates, which have attracted the reflections of academics and policy makers and Sino-Africa relations in recent decades. Firstly, that China’s African intervention serves as a catalyst for the continent’s transformation and hence provides the continent opportunity for self-determination. Secondly, that China’s increasing presence in Africa is self-centred due to excessive focus on resource extraction and market expansion, reminiscent of neo-colonial strategies and less developmental. The paper argues that these simplistic narratives produce a discourse that overly amplify China’s actions and rarely analyse how African states can harness the opportunities the relationship entails. It focuses on how to rescue the relationship from being supposed to be one-way street and provides a framework for evaluating the outcomes of the relationship based on African state interventions. The article deploys Ghana’s Bui hydroelectric dam heuristically as a soft power instrument in an attempt to explicate poor Ghanaian state institutional capacity and the weaknesses of its actors in their interactions with Chinese players thus far in building the developmental capacity to sustain economic progress.

Subjects: International Political Economy; International Relations; Development Policy

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PUBLIC INTEREST STATEMENT

Sino-Africa relations since a couple of decades ago have been gathering pace and getting depth. This article critically examines the dominant role of the state at the level of institutions and policies in terms of it relationship with China to leverage and shape the developmental outcomes. It argues that Ghana and African states generally must clearly articulate its long-term interests in its relationship with China and cautiously evaluate the alternative provided by China so that it can make an informed choice for the benefit of its people. Using the Bui hydroelectric dam, this article offers a critical entry point to understand the broader implications on contemporary Sino-African engagement and how Sino-Ghana interactions specifically suggest a new direction toward development assistance and economic cooperation. It found that China’s interventions have not catalyzed development on the continent due in part to the continent’s existing institutional dearth, but also there are promises in the long term.
Keywords: China-African relations; Ghana; Bui dam; soft power; institutions

1. Introduction
The Chinese dominant presence in Africa has become the subject of academic interest and attention spawning a vast literature. China has come to be reckoned as a major trading partner and the second largest consumer of African resources since the early-2000s with 300 USD billion in investment currently on the table (Ministry of Commerce (MOFCOM), 2020). It is significant to note that China’s aid is mainly targeted toward financing infrastructure projects built by Chinese companies. Chinese private companies account for 90% of the total number of Chinese companies investing in Africa, and 70% of the value of Chinese FDI, according to the Chinese Ministry of Commerce (Ministry of Commerce (MOFCOM), 2020). Beijing recently announced a whopping 60 USD billion African aid package in order to keep their momentum in Africa. The aim of this article is to analyse Chinese engagement in overseas dam projects as a soft power instrument by focusing on the construction of the Bui hydroelectric dam to examine developmental outcomes and the role Ghanaian state actors played in shaping such outcomes. Chinese foreign policy in a broad sense centre around the need to restructure state machinery, and forming new parastatals, such as banks to advance the country’s interest overseas (Lam, K. N, 2017) and the importance of strengthening “soft power” in the international community. This has been made even more evident with increasing globalisation, which introduced competition among a range of actors with similar interests as an emergent power into the international order. Elements within the Chinese foreign policy circles have long advocated the increased interaction with both emerging and established players in fulfilling its interests (Tan-Mullins et al., 2017). In the main Chinese shifting foreign policy approach thus reflects diversifying resource supply sources and the changing status in the wake of its resource vulnerabilities (Mawdsley, 2017). This involved forming strategic bonds with a wide range of countries, including those in Africa. Several scholars have sought to show that China’s increasing relationship with Africa as a strategy for advancing its national interests pointing to China as a rogue donor whose intentions is neo-colonial and less developmental (Chau, 2014). Shinn and Eisenman (2012) recognise the dynamics of China-Africa relations as unmatched in extent, intensity based on the volume of financial and economic dimensions, speed and impact. This is supported by Chipaikhe and Bischoff (2018) who suggest that China mostly gives aid to Africa to advance Chinese interest. Adavor Tsikudo (2019) has gone as far as to suggest that Chinese economic and financial assistance hardly improve African productive capacity, as such infrastructure projects merely enhance China’s image and provide opportunities to exploit more resources. Indeed Sall (2016) on his part has argued that Chinese assistance and investment deepen the continent’s outward orientation and resource dependency very much akin to structural adjustment programmes(SAPs) incarnated by the Bretton Woods institutions that shaped the continent in the 1980s. The work of Brautigam (2019) is very representative of this view who claims that aid and investment are tied to importing Chinese products focused on plundering African resources. Such an analysis of the dynamics of China–Africa relations reveals a one-sided phenomenon. It is argued that China has forged an ever growing spirit of cooperation and solidarity with African countries since the 1955 Bandung Conference. China’s intensified economic and political relations with Africa has been shaped and driven by what many have called the symbolism of non-alignment. China through successful economic co-operation has provided material, technical, and moral support for African liberation movements during the immediate post-colonial periods and the dismantlement of apartheid. This is bound up by the principles of soft power and grand strategy (cultural hegemony) (Nye, 1990). The principle of soft power has been an important tool that Beijing has utilised in its economic engagement with Africa. The dynamics of the Africa–China engagements should not be construed as a one-sided phenomenon. The analysis will identify and assess how China uses the principle of soft power to advance its strategic interests in Ghana with regards to the Bui hydroelectric dam.

The Chinese announcement of a “going out” strategy at the turn of the century sought to transform and internationalise China's State-Owned Enterprises (SOEs) (Lam, K. N, 2017). China’s
has mediatised “going out” policy to encourage SOEs to invest and facilitate their resource acquisition abroad (Gonzalez-Vicente, 2011). This has been made possible on account of its quest for natural resources most notably in Africa in the 2000s (Nunoo, 2016). Complex domestic and international factors contributed to the increase in many Chinese SOEs, which now operate in various African countries to acquire and supply unrestricted streams of resources to shore up shortages of firms back home (Brautigam, 2019). The South-South cooperation especially between a newly emerging industrial countries, which would evolved in various stages triggered a new partnership between China and Africa. The renewed encounters in the early phases for instance, were driven primarily by geopolitical imperatives. However, Sino-Africa relations since the end of the Cold War have experienced a sea change in ideology leading to the adoption of geo-economic strategies and subsequent rebranding of the relationship, which the official rhetoric in China describes as a win–win affair (Konings, 2007). Win–win philosophy (or more precisely partnership) as an arrangement necessarily entails trade flows (export and import relations), foreign domestic flows, technology transfer, helping other developing countries grow their economy and improving China’s access to resources and markets abroad.

African resources are exchanged for China-financed infrastructure projects, such as roads, dams, and stadia as part of the new win–win partnership embellishing the Chinese discourse on economic relations. However, some scholars have questioned the underlying sense of mutuality and opportunities of this relationship particularly its impact on Africa’s present and future developments (Brautigam, 2019; Corkin, 2014; Breslin, 2018). China’s excessive quest for raw materials, unbalanced trade practices, poor labour relations, and sub-standard environmental approaches, Mohan and Power (2009) argue are detrimental due to their propensity to undermine Africa’s economic diversification and structural transformation. These critiques have prompted a counter argument about China’s commitments to a win–win partnership and assumptions with Africa. Critics view the dynamics of China in Africa in this context, uniquely neo-colonial, and by extension its apparatuses, hence less developmental. Chinese largess to Africa has been described as “new colonialism” essentially because of the continent’s historical experience and resource pillage perpetrated by colonial architects (Six, 2009). These worries have sparked lively debate in the literature on intensified China–Africa relations.

Despite the burgeoning literature on China–Ghana relations, there is a dearth of academic research analysing the role of institutions in shaping such outcomes. Put somewhat differently, discussions on Sino-Ghanaian engagements lack the needed contextual build up to allow for “serious” research on the impact of this relationship. Most of the studies have, to a large extent, paid for less attention to institutional dynamics in producing truly mutually beneficial outcomes and how the change in these institutions may alter the future of this relationship. This article builds upon and compliments the work of what constitutes a minority view, which has been drawing attention to states institutional dynamism. It also seeks to canvas for the need to understand the dynamism of the state and its institutions that shape and/or govern Sino-Ghanaian relations. Viewing Sino-Ghanaian relations from institutional framework (which anchors the work) would proffer alternative perspectives on the construction of the Bui hydroelectric dam. Many fundamental questions need to be answered: To what extent (and therefore the degree) the construction of the Bui hydroelectric dam can be regarded as a soft power? How do we explain and conceptualise China’s interests in financing a project like the Bui hydroelectric dam, which has been abandoned for nearly a century? And how is institutional change related to the issue of Ghana–China economic engagement. This article is an effort to answer these questions.

Critically, the article reveals that Chinese economic and financial assistance are used as foreign policy strategy to gain more influence in international politics. The recent debate has been fuelled by neo-imperialist and neo-colonialist arguments, and every attempt by foreign powers to invest in Africa is met with scepticism from all quarters. The hydroelectric dam project had previously been abandoned for almost a century now and many scholars wonder why China wanted to invest in it. This article therefore, contributes to a deeper and better understanding to the current increased
interest in Sino-Ghanaian relations. Furthermore, it provides insights to existing scholarship on China–Africa relations, global political economy, and most importantly in African studies. Indeed while critics still ruminate over the China-in-Africa as self-serving, exploitative, neo-imperial and neo-colonial, what is evident is that such views are significantly challenged when the relationship is productively rethought as not being lop-sided to instead recognise it as always co-constituted by, mediated through, and integrated within African states interventions. I explain how China’s investment in the Bui hydroelectric dam constitutes soft power for understanding the centrality of state capacity and interventions in shaping developmental outcomes.

2. Sino-Ghanaian bilateral engagement in historical perspective

Here I explore the historical contours and contexts of contemporary Ghana–China bilateral relations. China’s role in Ghana as a financier of large-scale investment programmes has received considerable attention in recent times. In analysing these contours and contexts, the article seeks to make sense of the complexities, the unfolding trajectories and massive changes of the various historical conjunctures of Sino-Ghanaian relations. There is a long history between Ghana and People’s Republic of China (hereafter China). Close Sino-Ghana interaction can be traced from the 1960s when the countries first established diplomatic relations under Chairman Mao Zedong and Ghana’s first president Dr. Kwame Nkrumah (Chau, 2014; Odoom, 2015). Thus, Ghana became the first Sub-Saharan African country after Guinea to recognise China (Frontani & McCracken, 2012). Couched within the framework of South-South Cooperation, the Bandung Conference of 1955 provided the platform for the first contact between China and Ghana. Indeed, Chairman Mao Zedong and Dr. Kwame Nkrumah of Ghana laid a solid foundation for the development of the bilateral ties (Odoom, 2015; Chen & Laundry, 2018). After opening diplomatic missions in each other’s country, China and Ghana reasserted their shared struggle against Western hegemony and neo-imperialism. Since then, relations between the two countries have been deepened by strong personal relationships between the political elites of the two countries.

Until the overthrow of Dr. Kwame Nkrumah, China was a strategic ally of Ghana. Despite the ideological commonalities between Ghana and China (common interest in the struggle against colonialism and imperialism), relations between the two countries were not mainly based on ideology: what bounded them together in those years were at the level of investments and trade. Thus, ideological and geopolitical motives continued to drive engagements between the two countries, there was a visible shift towards economic and technical cooperation since 1960s (Davies, 2008). After the overthrow of Dr. Kwame Nkrumah, there was a lull in the foreign/diplomatic relations between China and Ghana (Odoom, 2015). Over the last decade and half Ghana has provided critical diplomatic support to China, while China has reciprocated with substantial material support for development. It is important to state that China’s contemporary engagement with Ghana began with its support for the Provisional National Defense Council (PNDC) regime during the tenure of Jerry Rawlings as Ghana’s Head of State. The government of China provided largely unconditional support to the PNDC regime especially in the mid-1980s. Despite reduced interactions, Ghana’s 1980 economic hardships led to the negotiation of additional 3.1 USD million assistance from China (Frontani & McCracken, 2012). The facility was directed to helping Ghana through its Economic Recovery Programme (ERP). The package improved the country’s fiscal challenges by reducing inflation to 20% from around 40%: it also supported development of irrigation and manufacturing.

In the period of 1960 to the late-1990s China became one of the major development partners of Ghana (Odoom, 2015). Under the framework of the China–Africa Cooperation Forum there have been various bilateral diplomatic relations between Ghana and China (Amoah, 2018). In promoting and strengthening and enhancing cooperation between the two countries, China has provided development within its capacity mainly in the form of grants, loans, and technical assistance. Further, China–Ghana cooperation on economy and bilateral trade have increased significantly over the years. China’s investment pouring into Ghana in the last decades is quite instructive. For example, bilateral trade volume has increased to US$66.4 billion while a number of newly
registered Chinese investment projects topped Ghana’s Foreign Direct Investment list in 2016 (Dibie, 2017; Odoom, 2015). The Chinese government has engaged in exchanges and cooperation with Ghana in the fields of culture, education, medical health, trade, infrastructure, and telecommunications. Historical ties between Ghana and China have strengthened and deepened in the years since 1960 and this has given China a fair understanding of local dynamics in Ghana (Aidoo, 2010; Amoah, 2018). Beijing has taken keen interest in giving financial assistance to Ghana, which comprised almost a quarter of the Chinese aid programme by the 1980s (Zeitz, 2015). The growing China–Ghana interactions have undergone different development phases.

In my view, the quest for oil and natural gas and the urgent need for expanded markets for industrial products culminated in re-organising key Chinese state institutions within the framework of the Chinese economic development model (Zweig & Jianhai, 2005). To sustain its economic growth and run its industries, China is improving its relations with all countries with energy sources. The operation of diverse Chinese actors is supported by the policy of “going-out strategy” or “going global”. This policy was formulated in 1996, but fully implemented in 2001 as part of the 10th five-year plan for national and social development (Zweig & Jianhai, 2005). The delayed implementation was caused by China’s protracted negotiation for membership of the World Trade Organisation (WTO) (Breslin, 2013). As such, once the hurdles were cleared, the “going-out strategy” was institutionalised to promote the competitiveness of Chinese firms by encouraging them to participate in the global economy. China’s “going-out strategy” has been formed gradually and mainly by its increasing outward investment to enter the global political economy. In the early 2000s, the nation’s “going-out strategy” was officially proposed, opening a new era (Tan-Mullins et al., 2017). In Africa, “going out” adds to the Forum on China–Africa Cooperation (FOCAC), which was launched in 2000 to provide the institutional frameworks, platforms, and guidelines in shaping interactions between China and Africa (Amoah, 2018; Gadzala, 2015). The Forum on China–Africa Cooperation (FOCAC), is the centrepiece of China’s strategy towards Africa (Wakesa, 2020). To be clear, Forum on China–Africa Cooperation (FOCAC) has been an important platform of collective dialogue for both parties to mould their relationship in a way that serves their long-term interests on the basis of mutual benefits, respect, and equality (Amoah, 2018). The Beijing Summit and the Seventh Ministerial Conference of the Forum on China–Africa Cooperation (FOCAC) held on 3–4 September 2018 have served as the basis for deeper and broader cooperation between Ghana and China (Amoah, 2018).

In the spirit of China’s Africa policy of 2006 and 2015, there have also been political exchanges between members of Ghana’s Parliament and officials of the Chinese People’s Political Consultative Conference (CPPCC). China’s intensifying engagement with Ghana has at least three critical pillars: namely, strategic and diplomatic relations, economic relations, and social and cultural relations (Jiang & Jing, 2010; Mohan & Lampert, 2013; Rupp, 2013). The difference between this relationship and China’s other bilateral relations lie in the internal balance of these pillars and this is not unique to Ghana, per se. In this context, cooperation between Ghana and China emerges from the political elites or representatives from both administration (For me, this type of collaboration or engagement guarantees the most benefits in terms of economic and political development, and involves active initiatives by state elites at different institutional levels (Zhao, 2014).

Ghanaian state actors have developed personal relationships with Chinese officials especially during the era of Nkrumah and Premier Zhou Enlai. Since 2000, key Chinese political and business figures including President Hu Jintao, Premier Wen Jiabao, the president of China Development Bank have visited Ghana, and Chief Executive Officers (CEOs) of various Chinese SOEs like national oil corporations (CNOCs) have visited Ghana ((Amoah, 2014b; Hardus, 2014). This gesture has been reciprocated by Ghana. All of Ghana’s presidents and senior government officials, including John Kuffour, John Mills, John Mahama and Akuffo-Addo have all visited China since the start of the new millennium. It is significant to note that although Sino-Ghana cooperation has led to more personal relationships, these connections are borne out of and revolve around economic and political interests. China’s development assistance packages to Ghana have been in the form of
technical support; grants; and interest-free, interest-subsidised and concessionary loans (buyers’ and suppliers’ credit) (Lam, K. N., 2017; Moyo, 2016). In recent times, China has become a major bilateral source of infrastructure investment in Ghana focusing its assistance especially on the development of roads, energy and telecommunications, sewage systems, bridges, and on technical cooperation (Odoom, 2015; Rupp, 2013). Most of Ghana’s funded infrastructure projects are executed by Chinese construction firms, like China Railways and Sinohydro. A careful reading of the Ghana-China bilateral framework in my view increasingly depicts a perilous and pernicious comfort of sameness thus far.

In fact, the quest for external investment has played a growing role in China’s economic outreach, evident by their state policies, tight regulatory supervision of social organisations and structures. Ghana’s liberalised economy potentially shaped intensified bilateral cooperation between African and China relations. Diverse actors (public and private), institutions, and policies have combined to create a complex relationship between both countries. The flurry of diplomatic and high-profile political visits and interactions have resulted in increased bilateral trade deals, investments, and development assistance arrangements between the two countries. At present, China is Ghana’s leading trading partner with an estimated trade value of about 6 USD billion (Odoom, 2015). China is also the only country that has registered about 793 companies in Ghana with total investment values of about 2 USD billion (GIPC, 2017). Meanwhile, China’s development assistance has increased with overwhelming emphasis on the provision of infrastructure, such as roads, government buildings, military barracks, schools, dams, and gas and energy infrastructure. The various channels of interaction as trade, development assistance and investment in theory, may seem easy and straightforward but in practice it is a far cry of what exists in reality as far as relations with China are concerned. The win–win economic philosophy goes beyond interactions with Ghana. It has a continental scope. The contextualisation of China’s deepening presence in Ghana and Africa differs in terms of nature, content and form. Therefore, the use of country cases like Ghana is very crucial as they provide the much needed nuance to an emerging discourse.

3. Soft or co-optive power?
Joseph Nye’s concept of “soft power” presented about two decades ago, created a debate among scholars and policy makers to consider another source of influence, excluding military and economic might (Nye, 1990). In Nye’s perspective states use two forms of power when dealing with each other. The first he calls hard power, involves using military force to coerce other states into complying with certain demands. During the two World Wars, many states deployed hard power tactics (Nye, 2004). Many scholars since the end of WWII have questioned the utility of hard power (Nye, 2004). The debate over the effectiveness of hard power intensified in the post-Cold War era. The waning influence of hard power has given way to greater emphasis on soft power. Comparing it with that of hard power, Nye (Nye, 1990, p. 166) suggested that soft power offered a “more attractive way of exercising power” because it enabled a state to achieve desired outcomes in world politics through encouraging willingness in other states to agree with its foreign policies and/or to follow it. Soft power, then, is typically identified with co-optive ability. On the one hand, it is fair to suggest that acquiring soft power increases the likelihood of a state to set international political agenda and to shape the framework of global governance debates. On the other hand, a number of states have also built their soft power by improving their international image and contributing to global governance.

In Nye’s (1990) view, unlike hard power, which involves ordering, soft power occurs when a country gets other countries to do what it wants, primarily using attraction. The importance of attraction to an idea in shaping preferences and choices is echoed by psychologists, who suggest that parents who try to influence their children by shaping their ideas, preferences, and beliefs have more enduring control over them than those parents who prefer to use more active controls (Shambough, 2015). Similarly, politicians and philosophers have long understood the power of attractive ideas in shaping others’ preferences. Although soft power hinges on intangible sources, such as culture, ideology, and institutions it just as effective as hard power (Li, 2007). It is also worth noting that the effectiveness of soft
power is achieved by legitimising it in ways that appeal to the wishes of others. Legitimising soft power makes it irresistible and effective in the conduct of inter-state affairs.

According to Nye (2004), countries can legitimise their soft power attractiveness in three ways: culture (when it is pleasing to others); political values or ideology (when it lives up to them at home and abroad); foreign policies (when they are inclusive, legitimate, and having moral authority). This notion of soft of power implies liberal understanding of inter-state interactions promoted through cooperation. These sources of soft power have been augmented with the addition of economic development and investment as vital origin of a country's soft power (Nye & Jisi, 2009; Fijalkowski, 2011). Economic development plays two fundamental roles in shaping preferences. First, it provides direct means through which a country supports its agencies to promote its culture, values and explain its foreign policies. Second, good economic performance by a country can become a source of inspiration and an aspiration for those wishing to develop themselves. The Soviet Union and America used soft power strategy extensively during the Cold War, but it is China, which is now profitably deploying it in its engagements with African countries (Corkin, 2014; Wagner, 2012). The dynamics of China–Africa engagements during the Cold War were tumultuous. However, over the past two decades, China has become the continent’s leading source of FDI, principal financier of infrastructure, and a primary trade partner with a value over 300 USD billion (Chipaieke & Bischoff, 2018; Mcferson, 2010). Beijing's growth in this so-called soft power has been apparent in its surge of development projects in Africa and Sinohydro (Chinese Company) had been a very well-established network for promoting this kind of influence.

Many scholars often conflate soft power with culture, education, and diplomacy, but I define it as investment and economic development. China’s soft power strategy has been its ability to impact other countries' political or economic security by actively pursuing a development agenda evident in major investments in infrastructure projects, agriculture, and energy producing tangible results like newly-built dams, roads, hospitals, and schools (Mingjiang, 2008). Soft power strategies suggest a way to interpret infrastructural developments like the Bui dam hydroelectric project as representing China-in-Africa growing entanglements. The debate and analysis concerning Chinese soft power are increasingly focused entirely on all elements outside the security realm, including investment and economic aid. The Bui dam project is a conspicuous exemplar of China’s soft power strategy. China clearly saw the construction of the Bui dam as a unique opportunity to taunt rivals or better still emphasise China’s economic clout (Adovor Tsikudo, 2019). The swiftness with which Sinohydro expressed interest in the Bui hydroelectric dam was by no means coincidental (Adovor Tsikudo, 2019). It should be stressed here that the disavowal of the World Bank and other donors to fund the Bui project partially swayed the Ghanaian government officials’ action. In recognition of Beijing’s capacity and willingness, Ghanaian government officials knew that its appeal to China for assistance on the Bui hydroelectric dam was likely to yield a favourable response. Ghana’s appeal and China’s response relate directly to China’s unprecedented development model, which emphasises win–win economic partnership toward engagement with African countries; an important source of high soft power. However, it should be mentioned that as negotiation between the two countries continued, it became clear that China's SOEs have commercial and long-term agenda in financing the project (Adovor Tsikudo, 2019).

4. The Bui hydroelectric dam as an element of Chinese soft power tool?
Let me illustrate Chinese increasing soft power with particular reference to the Bui hydroelectric dam construction by Sinohydro (Chinese Company) with financing coming from the Chinese government through the China Export and Import Bank (Exim Bank). Chinese increasing soft power is lensed through both the Chinese government and Ghanaian elite’ engagement in African dam construction. More and more, Chinese increasing soft power strategies emphasise infrastructure, investment and economic aid. Sinohydro's financing and construction arrangements of the Bui hydroelectric dam is part and parcel of its going out strategy as well as China's soft power initiative. Therefore, the case study research methodology is suggested for intensive analysis. Furthermore, case study research is deemed most suitable because the article addresses
the contemporary phenomenon of the Bui dam implementation; it is largely exploratory and addresses the “how” questions. The choice of using Bui hydroelectric dam project is particularly interesting as it provides a useful context with which to explain the focus of infrastructure as the locus of China’s African interventions. Undoubtedly, the most significant Chinese engagement with Ghana has been the Bui hydroelectric dam (Chipaite & Bischoff, 2018; Hensengerth, 2013). At the cost of 790 USD million, Bui dam is the largest Chinese-funded project in Ghana and the largest foreign investment in Ghana since the construction of the Akosombo Dam and the Atuabo Gas Project (Odoom, 2015; Akorsu et al., 2010; Asante, 2014). The Bui hydroelectric dam was critical because until 2005 when the Government of Ghana reached an agreement with China to aid in financing and implementing the dam project, it had become a project that traditional, bilateral and multilateral donors were unwilling to finance (Baah & Jauch, 2009; Mingjiang, 2008; Odoom, 2015).

Understanding China’s economic and financial assistance when the dam project has been ignored for almost a century essentially involves explaining the concept of soft power, which China has successfully relied on since the 1990s in expanding its relationships with African countries; and even more importantly to present themselves as a potential global power. The Bui hydroelectric dam constitutes a strategic display of soft power influence and seek to assertively showcase China’s benevolence and fraternity towards the people and governments of African countries. The project became the pivot of deepening engagements between Ghana and China as well as the continent’s changing relationship with traditional financiers, such as the IMF and the World Bank (Odoom, 2015; Mohan & Lampert, 2012). The Bui hydroelectric dam marked a major project China has undertook in Africa to promote its development model in Ghana. The Bui dam project is located on the Black Volta River at the border of Bolie (Northern Region) and Bamda (Brong-Ahafo region) districts in the North-western Bui. The energy shortfall in Ghana in 1990s culminated in a national crisis, which triggered the construction of Bui plan. China’s intervention in the Bui hydroelectric dam was vital in shifting the project beyond planning and design to the construction phase. This offer was regarded as a foremost step in tackling the Ghana’s energy crisis and as a result was commemorated by the Ghanaian Government. In contrast to the foregoing, China’s decision and motivation to help implement the project seem far less altruistic. There were other potential motivations for China to build the dam. These motivations were associated with China’s economic success, excessive supply of certain resources in order to satisfy its insatiable appetite for raw materials to feed its industries as well as showcase China’s power and influence to its geo-strategic competitors that is a force to reckon with. China, in pursuit of its objectives, is scouring the world to meet some of its short, medium, and long-term needs.

The Bui hydroelectric dam construction had profound consequences for Ghana in terms of its ability to absorb large investment for economic growth and job creation and even more importantly to fill its infrastructure development gap (Odoom, 2015). The project was designed to generate 400 megawatts of electricity and boost socio-economic development (Odoom, 2015; Gottschalk, 2011). The Chinese dam construction industry—mainly the corporations that build, design, and/or finance dams—boomed along with the nation’s fast economic growth and has joined the trend of going out (Obour et al., 2016). Since then, Chinese financiers and builders in this industry have been engaging actively in developing countries, for example, exporting dams to many African recipients (Tan-Mullins et al., 2017). Ghana like most African countries faces significant development constraints in its infrastructure and energy sector. The Sinohydro agreement between Ghana and China was increasingly aimed at accelerating infrastructural development in Ghana. The construction of Bui hydroelectric dam project required huge amounts of social and infrastructural investment and so external financing was actively sought (Adisu et al., 2010; Bosshard, 2009; Chipaite & Bischoff, 2018; Odoom, 2015). China’s Construction Bank, the China Export and Import Bank financed the project through a concessional loan of 270 USD m, a commercial loan of 292 USD m, and 60 USD m in funding from the Government of Ghana (Chipaite & Bischoff, 2018; Foster & Pushak, 2011). Additionally, the two loans were offered with a grace period of five years and an amortisation period of 20 years. Bui dam project finance was guaranteed through export sales of cocoa beans (Chipaite & Bischoff, 2018). Overall, the Bui power project is strategic for boosting socio-economic development at the local and national levels.
(Hensengerth, 2017; Obour et al., 2016). Even though the China Export and Import Bank provided funding for the project, Bui Power Authority (BPA) as the public body was solely responsible for the supervision of the construction and for managing the performance of the main contractor, Sinohydro Corporation Limited (Cooke et al., 2015; Otoo et al., 2013). Strikingly, Sinohydro Corporation Limited built the dam but the project is owned by Bui Power Authority (BPA, 2016).

5. Characterising China’s foreign economic relations policy

Mutually penetrating economic relations are at the core of China’s soft power—China’s ability to influence by persuasion rather than coercion—in a new century. China has focused on improving its image in the world by providing an alternative “soft power” focal point; one that has sought to invest in billions of dollars simply to convince the world to accept its rise in the existing international order. Indeed, China, measured by its remarkable economic growth and wealth accumulation has relied on a more sophisticated soft power to rebuild its increased relationship with Africa largely ignored in the early years of its reforms (the 1980s and most of the 1990s). Massive elites’ visitations, aid programmes, and crafty slogans—a brand that most African leaders and some populations have embraced to promote China–Africa relations. Except for a dozen countries, Chinese leaders made Africa target for soft power with their visits from 1995 to 2009 (Braithagam, 2019; Naidu, 2007). China’s use of soft power took an aggressive turn after the country’s economic boom in the 1990s. The remarkable growth in China’s economy during this time periods created acute resource insecurities and an urgent need for new markets and outward investment. China’s much-noted economic progress is both a source of legitimacy and inspiration globally, especially for African states. As a result, many African states consider China’s development trajectory—especially coming in the wake of a short period of time and a difficult post—as inspirational. Although there is no clear-cut description of the Chinese development model that could be emulated by African states, it is essentially characterised by gradual reform, constant experimentation, and selective cultural borrowing (Zhang, 2006).

The apparent lack of a coherent policy underlining the model led most Western scholars to view it in different ways, including characterising it as the “Beijing Consensus” (Ramo, 2004). Apart from being an inspiration, the operation of the so-called “Beijing Consensus” differs remarkably from the “Washington Consensus” of neoliberal free market fundamentalism. The “Washington Consensus” of neoliberal free market fundamentalism as promoted by the Bretton Woods institutions—World Bank and the International Monetary Fund (IMF)—favors policies on rule of law, good governance practices, trade liberalisation, and democracy. Carmody (2011) aptly views these policies as ways of normalising neoliberal strategies on the continent. The neoliberal agenda sought to foster Eurocentric and Pax Americana ideals. Yet, the “Washington Consensus” remains the defining framework for extending assistance to African states over three decades. African states view the “Washington Consensus” as an upfront to their sovereignty and constractive to their development. In this regard, African states see the “Beijing Consensus” as an optimistic and realistic path to self-determination and development without conditions and promising to honour the doctrine of non-interference in its partnerships. In parts of Africa, the so-called “Beijing consensus” on authoritarian government plus a market economy has become more popular than the previously dominant “Washington consensus” of market economics with democratic government. In the eyes of many African leaders, because Chinese promises for foreign aid and infrastructure projects are unconditional, they are more likely to be fulfilled without interruption than those made by Western states.

China has reinforced this attraction by economic assistance and access to its growing market by evoking policies like that of the Beijing’s policy of non-interference. The Chinese policy of non-interference is a guiding principle in the Chinese foreign policy formulation toward developing countries. The policy of non-interference represents China’s very articulation of the principles by which it has largely and consistently dealt with its African counterparts including Ghana. The doctrine of non-interference has cast China’s economic engagements as largely “unconditional” and “non-prescriptive”, and further supports the “business is business” mantra. China for example, has engaged with African states like Ghana without prejudice to their domestic policies or political
composition and honouring their right to “non-interference.” This has significantly facilitated important economic endeavours, such as acquiring the raw materials and energy supplies required to fuel China’s rapid economic growth, opening markets to its abundant manufactured exports and providing its companies with investment opportunities (Aidoo, 2010). The recent efforts by the China National Offshore Oil Cooperation (CNOOC) to team up with the Ghana National Petroleum Corporation (GNPC), to bid against ExxonMobil for 23.5% of the Jubilee oil discovery at 4 billion dollars is one such attempt (Aidoo, 2010).

To promote its interests, China has capitalised on the apathy and tension the “Washington Consensus” has generated in Africa and intensified its relationship with Africa by stressing mutual benefits, “win-win” strategy and the promise of “non-interference.” At the same time, China sees its engagement with Africa to be guided by principles of peaceful co-existence and foreign aid without strings. It usually involves mutual respect for sovereignty and territorial integrity; mutual non-aggression; non-interference in each other’s affairs; equality and mutual benefit; and peaceful co-existence (Ampiah & Naidu, 2008; Corkin, 2014). China backs these statements with concrete bilateral and continent-level arrangements and actions. Some of these arrangements and actions include increased aid, trade, investment programmes, and peacekeeping operations (Fijalkowski, 2011), another kind of low soft power. China has also created agencies and policies to facilitate its agenda. These included restructuring SOEs, the launch of the “going out” strategy and organising the China–Africa summit (FOCAC) (Lam, K. N, 2017). These structures I argue, provide the institutional support and the framework to further China’s strategic interest in Africa contributing to the latter’s soft power influence.

Along the same lines, China’s allies from Africa in particular have helped China in pursuing its main ideological foreign policy objective, persuading states not to diplomatically recognise Taiwan (Konings, 2007). The Beijing policy of “non-interference” and its mutations thus far have helped China win the diplomatic support of weak state allies and further aided in the development of economic relationships. Determined by the imperatives of proactive state support facilitated by SOEs and complimented by its aggressive soft power policies, China’s support for friendly African countries are fused with its strategic interest. Thus, Chinese success in Africa has been owned in significant measure, arguably to its aggressive soft power policies. China–Africa relations in many ways have been shaped by China’s soft power strategies. To be clear, many of the ideas of soft power theory are useful in understanding the development of China–Africa relations. It should be added that evidence of the impact of China’s soft power tactics in Africa can be seen through high trade values, increased investment without conditions on partners. This whole-hearted strategy has helped to swing the pendulum of influence from West to East. Most African governments stress that the continent’s growing engagement with China will potentially help them overcome their developmental challenges that could substantially fight poverty in the continent (Power and Mohan 2010). As the perceptive Zimbabwe’s former President Robert Mugabe asserts that Africa must turn its back to the West and face the East, where the sun rises (Hidze et al., 2012). Former President Robert Mugabe’s perceptive insights demonstrably underscore how China’s intensifying involvement in Africa holds great appeal for many African governments, which believe Africa–China interactions will enable African countries find proper solutions for acute underdevelopment and real needs to the point where they would no longer need the West. It should be emphasised that this pattern can be linked directly or indirectly to Chinese policies of soft power. Within the logic of “non-interference” China has charmed many ruling regimes and won access to strategic resources with its promises for supporting its growing economy especially oil. The Chinese stress on mutual benefits, “win-win” relations, and its advocacy of “non-interference” with special emphasis on its soft power, has wooed states throughout the developing world. In fact, the frustration with Western donors and China’s apparent ease and flexibility, all of which have in recent years lent themselves to some of the reasons why China has gained considerable attraction in Africa (Hidze et al., 2012).
6. The Bui dam project: Aid with Chinese soft power strategies

In this section, I try to explain how China has consciously used soft power strategies and what the implications are by focusing on material instruments of power, such as infrastructural development. Soft power strategies suggest a way to interpret infrastructural developments like the Bui dam as representing China-in-Africa growing entanglements. Originally, the construction of the Bui hydroelectric dam was estimated to cost 622 USD million (Adovor Tsikudo, 2019). Out of this estimated figure, the People's Republic of China provided a total of 562 USD million. This amount was fragmented into two; a 270 USD million concessional loans and 292 USD million buyer's credit (Adovor Tsikudo, 2019). The remaining 60 USD million was covered by the Government of Ghana (Ministry of Finance and Economic Planning, 2016). Nonetheless, in 2009 the construction of the dam met a cost overrun, hence the need for extra 168 USD million to support the completion of the project (Adovor Tsikudo, 2019). China’s support to the project did not come freely. It had instructive conditionalities. Thus, the financial modes by which China financed the project had varied interest rates. The breakdowns are as follows; first, the concessional loans attracted an interest rate of 2% but had a grace period of 5 years, and a repayment plan for 20 years. (Adovor Tsikudo, 2019). Second, the buyer's credit rate was 2% more than the usual Commercial Interest Reference Rate (CIRR) (Kirchherr et al., 2016). This also had a grace period of 5 years and a repayment schedule of 20 years (Kirchherr et al., 2016).

EXIM Bank, which is a member of the 112 SOEs restructured in the 1990s as part of China's “Going Out” policy, delivered China’s loan for the project. EXIM bank’s primary obligation included but not limited to providing SOEs involved in large overseas infrastructure projects financial support (Bosshard, 2009). It is noteworthy that most of the activities of EXIM Bank were highly subsidised by the Chinese Government even though it operated on a commercial foundation. Hensengerth (2017) believes that this activity was being implemented with the aim of subsidizing cost thereby making China’s construction companies strong enough to compete with westerners. In fact, the long-term strategy of EXIM bank was premised on commercial interest, which contradicts China’s perceived unselfishness (Tan-Mullins et al., 2017). This basically emphasises EXIM bank’s risk sensitivity as divergent to what is often times reported in the literature.

This work is opposed to a growing body of the literature supporting popular view that China’s operations with African states are supposedly selfless (Corkin, 2013). This is because China’s decision to help implement the Bui dam seems far less altruistic. Indeed, findings obtained by a research conducted by the Ministry of Finance and Economic Planning (MoFEP) revealed that negotiations between Ghana and China with regard to the Bui hydroelectric dam were far from easy (Ministry of Finance and Economic Planning, 2016). Hensengerth (2014) confirms this assertion by maintaining that the major Chinese actors, mainly Exim Bank suggested a 50–50 split on the construction of the Bui hydroelectric dam. The Ghanaian negotiators represented by the MoFEP rejected the aforementioned proposal by the Chinese actors and proposed a 70–30 split on costs (Adovor Tsikudo, 2019). Negotiations on the buyer’s credit were no different. Also, there were disagreements, which centred on the rates and repayments plan. This is evident in the fact that MoFEP’s proposal for a 90–10 buyer’s credit was subsequently rejected by the Chinese government (Hensengerth, 2018; Adovor Tsikudo, 2019). Officials of MoFEP’s later confirmed that negotiations occasionally stalled due primarily to the varied concerns. Finally, the negotiating teams came into an agreement on a 2% interest rate and a 20-year repayment structure for the concessional loan. With regard to the buyer’s credit, the Chinese government initially offered a 1.1% higher interest rate than the existing CIRR, with a 5-year grace period and a 12-year repayment schedule (Adovor Tsikudo, 2019). It is instructive note that the MoFEP opposed initial interest rate proposed by China and suggested an interest rate that was 1.05% higher than the CIRR with a 15-year repayment structure (Ministry of Finance and Economic Planning, 2016; GIPC, 2016).

Kirchherr et al. (2016) argue that the payment schedule, which was offered by China for the construction of the Bui hydroelectric dam is characteristic of most large infrastructure projects. These scholars further suggest that even the world leading financial institutions like the World
Bank and members of the Organisation for Economic Cooperation and Development (OECD) often times offer between 20 to 30-year repayment schedules and a lower interest rate of 0.8% to 1.5%. Although the World Bank originally opposed the idea of financing the Bui hydroelectric dam project, Kirchherr et al. (2016) argue that Ghana could have received a lower rate had it been willing to address the concerns raised by the World Bank regarding the construction of the dam. Brautigam (2020) argues that Chinese financing support for power projects do not include tying African countries into resource deals. This does not apply to the Bui hydroelectric dam project where there is the cocoa arrangement. Cocoa ranks as one of the most important cash crops and one of the leading export commodities of Ghana. Consequently, this arrangement could go a long way to affect Ghana’s national economic status. However, it became vital for Ghana to secure export credits, as the economic situation of the country was worse and could barely provide any other guarantees. Odom (2015) reveals that China secured its loan contributions towards the Bui hydroelectric dam with the annual export of 40,000 metric tons of cocoa to China. Until the dam became operational in 2013, this portion of the contract was been triggered and remained active. Through the sale of cocoa beans to China, Ghana could offset the accumulated interest on the loans following the commencement of the project (Adovor Tsikudo, 2019). The presence of this clause in the contract was critically significant to the Chinese government for two clear reasons: First, there was high demand of confectioneries, such as chocolates due to a growth in China’s urban population. The world market has varied instabilities and hence created supply insufficiencies. Consequently, China’s Genertec Corporation thought it necessary to make a bilateral deal with Ghana which is the world’s second largest producer of cocoa after Cote d’Ivoire to ensure an uninterrupted supply of cocoa for its operations (Adovor Tsikudo, 2019). Second, the Chinese continuous persistence on including the cocoa agreement into the contract depicts the risk of Chinese actors foresee in their investments on the African soils (Adovor Tsikudo, 2019). For instance, if any misfortune delayed the project’s timeline that would impact how much cocoa Ghana could sell in the open market. In that vein, it had to ensure rigidly that construction proceeded impeccably. The understanding that China was ravaging through extremely difficult times, which included contradictory and complex changes both at local, regional, and international levels makes these rationales more reasonable. While the Chinese actors view the inclusion of the cocoa deal as a security to ensure the loan repayment, further concerns were raised. According to a Ministry of Commerce, People’s Republic of China (MOFCOM) secretary in Accra, negotiating the financing of the Bui project afforded China the opportunity to import Ghana’s cocoa as “Europe has a monopoly as the major receiver of Ghana’s cocoa” (MOFCOM, 2014).

Proceeding the production of electricity by the Bui hydroelectric dam, the Power Purchase Agreement (PPA) was provoked (Habia, 2009). The PPA requires Bui Power Authority (BPA) saves 85% of sales tariffs into an escrow account at EXIM bank to be used in financing the loan until full cost has been paid (Adovor Tsikudo, 2019) opines that if at the end of the loan payment, there is any surplus amount in the account, then it will be reverted to the Government of Ghana with possible interest. As per the PPA, tariffs were fixed tentatively at US$0.035 to 0.055 cents per kWh (Adovor Tsikudo, 2019). Records accumulated by the World Bank reveals that the average tariff for Africa is US$0.13 cents per kWh. By this, power from Bui dam is considered relatively cheaper (Adovor Tsikudo, 2019). Nevertheless, Ghana’s charge approximately runs at GhS0.28 cedis per kWh (US$ 0.057 cents per kWh) (Adovor Tsikudo, 2019). These estimates imply that the cost of electricity produced at Bui was relatively expensive compared to other sources.

Prior to the project, the actors of the Government of Ghana boasted of the fact that the construction of the Bui hydroelectric dam would create employment for the local people. According to the government’s statement during the 2007 sod cutting ceremony, the Bui hydroelectric dam was expected to offer employment to 3,400 skilled and unskilled Ghanaian workers (Adovor Tsikudo, 2019). Construction labour experts understand employment as a means of earning a livelihood and a way of developing the skills of the people. It is for this reason why employment that emanates from construction activities are deemed as a crucial channel for dynamic linkages (Adovor Tsikudo, 2019). Dynamic linkages (forward or backward) involve
upgrading the expertise of the workers employed for the project (Adovor Tsikudo, 2019). Training and acquisition of skills was very vital for Ghanaian employees. With the exception of office and lab workers, nearly all Ghanaian workers prior to joining the project were unskilled. Despite the huge expectation, research findings from the Ghana Trade Union Congress (TUC), BPA, and Sinohydro reveal that the Bui hydropower dam project employed only 1,836 people during peak construction (Otoo et al., 2013). Statistically, 1,676, or 91% of the workers were Ghanaians, who were employed as artisans, such as electricians, carpenters and masons (Adovor Tsikudo, 2019). Others worked as casual labourers, including manual daily wage workers, drivers, and security guards (Adovor Tsikudo, 2019; Kirchherr et al., 2016; Akorsu & Cooke, 2011) 9% of the fraction comprised the expatriate quota allotted to the contractor and this was made up of Chinese and Pakistanis who were employed as engineers, welders, and steel benders (Adovor Tsikudo, 2019; Eisenman & Kurlantzick, 2006).

By May 2010, the number of Pakistanis working onsite reached a maximum of 110 persons. In fact, it is true to acknowledge that Ghanaian employees on the Bui dam project were remunerated above the existing minimum wage of Ghana at the time (Adovor Tsikudo, 2019). However, there were growing concerns with regard to the working conditions with specific focus on housing, transportation, unions, inadequate safety gears, overtime, sick leaves and unions (Chipaike & Bischoff, 2018). At the beginning, the project saw the wrath and displeasure of the workers. It began when Sinohydro opposed the idea of unionisation since unions are alien concepts in China. The Ghanaian workers had no union organisations and were paid by cash per day. Therefore, when the workers presented the idea, the managers of Sinohydro tried to frighten and harass those who were pushing the idea (Adovor Tsikudo, 2019). This situation, coupled with the demand for an increase in wages led to violence. For instance, water pipes in the Chinese dormitories were cut off (Baah & Jauch, 2009). These problems led to a temporal halt at the construction site. As a result, TUC had to intervene and mandate Sinohydro to give in to the demands of the workers. Consequently, in 2009 a local union was formed at Bui and an agreement was signed between Sinohydro and Building Materials Workers Union of Ghana’s Trades Union Congress (TUC), which acted in lieu of the Ghanaian workers (Adovor Tsikudo, 2019).

The perpetrators of the impasse had stronger points to build their arguments. They resorted to the Ghanaian labour laws in support of their claims. Labour laws in Ghana mandate employers to permit their employees to form unions as it serves as a collective negotiating power and seeking the welfare of its members. It bears emphasising that the higher wage salaries the workers enjoyed was as a result of the hard work and efforts of the Bui workers union. In spite of this achievement, their administration was not without flaws. Workers of the project voiced out some of their grievances and raised some questions such as poor ventilation, which emanates from a policy that mandates 14 people to occupy one room. Significantly, another concern that was raised had to do with on-site sanitations where they were differentiated based on nationality (Adovor Tsikudo, 2019). Discrimination was another grave concern. The workers complained about the fact that their Chinese counterparts were given rooms equipped with air conditioners but they did not have one. They also raised their grievances over the poor safety conditions on site. This included the lack of steel-toe shoes at the work site. The workers also complained about working overtime without any remuneration (Adovor Tsikudo, 2019). Labour laws in Ghana stress on an eight-hour work schedule per day (Otoo et al., 2013). Hence, any moment beyond this is regarded as overtime. In this case, the employer and employee must negotiate an amount, which will be paid should the employee work over the eight-hour period. In fact, workers at the Bui hydroelectric dam confess that they were made to work 9 h a day, all days in the week without any overtime pay (Adovor Tsikudo, 2019). Here workers confessed that they could not voice out their concerns accordingly since they risked losing their jobs.

There were also complaints about the lack of paid sick and annual leaves. Home leave was important for international employees working long-term away from home. Chinese personnel had paid home leave, depending on their affiliations. Interestingly, after every 5 months work in Ghana,
all Chinese staffers could have 1 month paid home leave (Adovor Tsikudo, 2019). Ghanaian workers complain about wanton disregard for national holidays by the employers. However, following the formation of a union, Ghanaian worker’s employment security was improved; wages were increased; access to other benefits was allowed; and their onsite accommodation was enhanced. Most remarkably, the Chinese players were less concerned with international politics associated with dams in particular, those relating to environmental issues. They were little prepared and, and evidently, prefer a “hand-off” approach (using lawful conditions in contracts, for example) by way of avoiding specific environmental and social responsibilities (those relating to resettlement arrangements, for example).

7. The role of institutions in Sino-Ghanaian relations

One of the useful ways to try to grasp Sino-Ghanaian relations is to look at patterns of agency, the ways in which the parties act consistently in pursuit of their interests. The existing literature on China-Africa relations rarely examines African states’ institutional structures and development, relative autonomy, and capacity to influence developmental outcomes. Attending to this might shift the extant stylised explanations from what China does to how African countries can harness the opportunities their engagements with China provide. This section analyses the ways and strategies Ghanaian state actors and formidable institutions which include, among others: government ministries and departments adopted to maximise their engagements with China with regards to Bui dam project: or, in short, how Ghanaian state actors formed a truly strategic and constructive/assertive relationship with China. Of course reconciling soft power strategies and state actors involvement remains a critical challenge in Ghana–China relations to induce developmental outcomes related to Bui dam. State actors capacity and relative autonomy matter in ensuring mutually development outcomes. In light of the above, the proposed reconciliation takes into account institutional capacity and relative autonomy to act strategically for development and how the state brings about change through its relationship with the institutions. The Ghanaian state actors (notwithstanding the myriad of challenges and failings they have spawned) intervened purposively, assertively and directly to induce developmental outcomes related to the Bui dam. Ghanaian state actors ensured that the proper structures are in place before negotiating contracts that will result in a “win–win” outcome with the Chinese. It must be noted that Sinohydro Corporation Limited was subjected to and made to adhere to a dense network of Ghanaian government planning procedures even though the Bui hydroelectric project was constructed and financed by China (Bosshard, 2011). According to the Bui Power Authority (Bui Power Authority (BPA), 2018), loan agreements of the Bui hydroelectric project were approved and signed following the completion of feasibility study and the Environmental and Social Impact Assessment (ESIA) study containing norms, standards and procedures with which the contractor-Sinohydro had to comply in its execution (Hensengerth, 2017). Ghanaian state actors made it explicitly clear that the ESIA must be conducted and conform to Ghana’s environmental legislation before loan agreements can be signed (Environmental Resources Management (ERM), 2007a). Specifically, Ghanaian state actors directed and mandated Sinohydro to strictly comply with international best practice and procedures to ensure that environmental norms and human rights were not excessively affected by the project (Bui Power Authority (BPA), 2018). Environmental and Social Impact Assessment required Sinohydro to adhere to a Construction Management Plan that would avoid negative consequences for local livelihoods (Management, Environmental Resources, 2006). Another area of the Ghanaian state’s involvement is evident with regard to labour and union laws, the use of local materials and local employees which is a measure of capacity and relative autonomy. In an important twist to the dominant narrative around Chinese firms importing their own labour, in the case of Sinohydro project, the majority of the workforce were Ghanaians (Environmental Resources Management (ERM), 2007a). This is instructive given that Chinese corporations do not encourage labour and union laws, however, the Government of Ghana made sure this was enshrined in the Bui hydroelectric project contract (Bui Power Authority (BPA), 2018). This therefore profoundly underscores how the Ghanaian state involvement exert autonomy and capacity over negotiations process with their Chinese counterparts in accordance to their local regulations. This article reveals that respect of local standards, laying out of procedures, legal
requirements indicate a major shift in the Sino-Ghanaian relationship and Africa generally. For me, the case of the Bui hydroelectric project in many ways exemplifies how state’s involvement and institutional framework invariably determine the nature and scope of the involvement of state governing actors. The obvious reality here is that Chinese development practices and economic cooperation programmes are increasingly intricately embedded in a growing mutual political and economic ties.

Insistence on the employment of local workers, in my view, reflects the fact that Ghanaian state actors are not weak and docile but able to have an important influence over the supposedly “strong” Chinese in the form of their local workers. Indeed, they could leverage this situation to their advantage. In this regard, Ghanaian actors’ degree of control enables them to protect their own strategic interests even in dealing with powerful actors such as the Chinese. As this case study amply demonstrates, Ghanaian state was enrolled as actors rather than being acted on, in performing governance functions. It offers an enlightening critical account of how Ghanaian state actors have increasingly carved out enormous autonomy and agency for their own advancement from generous Chinese aid and development. It can reasonably be argued that the ways in which the Ghanaian state actors and their Chinese counterparts interacted and related to each other during the construction of the Bui hydroelectric project is indicative of a radical shift whereby state actors are defined as both objects and subjects of government in the processes of governing. It has to be noted that Ghanaian state actors were central in shaping official Chinese policy and development practices in the strategic interest of Ghana. In my view, the government of Ghana was an important decision shaper where Ghana-Bui dam project was concerned even though the dam project was constructed and financed by the Chinese. It would appear, then, that the increase in Chinese investments and technical assistance in Ghana have been as a result of policies and institutional arrangements, which have gradually eliminated some major bureaucratic barriers and allowed for a more facilitated path for investors. In my view, the case discussed offers a critical entry point to understand the broader implications on contemporary Sino-African engagement and how Ghana-China interactions specifically suggests a new direction toward development assistance and economic cooperation.

Equally, state institutions in China exerted considerable influence over policy formulation and implementation of the Bui dam. The clear intent to construct the Bui dam speaks to the realisation of the Chinese to fulfil its goals in Ghana. But it is important to note however that how these goals were achieved is a function of state capacity. Chinese actors were deeply involved in financial negotiations, construction contract, local content implementation, and regulatory procedures in the process of building the Bui dam (Adovor Tsikudo, 2019). More crucially, China’s massive economic outreach in Ghana was supported by state structures (and the means, especially selective policy choices, for realising this) to lure potential allies. I might point out that China’s own institutional arrangements, particularly with regard to the robust “going-out strategy” created several SOEs such as banks and construction companies as a critical pathway to support their overseas ventures and reorganising its state apparatus (Ramo, 2004). The operations of these policies and institutions have been legitimised and mediatised in ways that directly influence economic engagements and creating structures to enhance China’s global appeal (Adovor Tsikudo, 2019). The process of China’s decision-making focused on expressly prioritising trade, aid, and investment in exchange for resources and markets that appeal to Ghana and China, and I suspect for much of the African countries. The Chinese government has strengthened policy making of investing overseas is fundamentally borne out of the “going-out strategy”. The idea here pivots around the view that the institutionalisation of the “going-out strategy” (in various guises and degrees) coincided with the state’s vision of capital accumulation to that of the market to ensure successful state intervention. These have immensely contributed to increased global competitiveness of Chinese firms and its influence in Africa generally and Ghana specifically (Lam, K. N, 2017).
Going-out strategy promoted vigorously by the state has sought to shape China’s aggressive post-Cold War soft power tool. The Chinese dam construction industry has firmly established itself in Ghana using the Bui hydroelectric dam as a conduit. The Chinese have seized on Bui hydroelectric dam as an opportunity to establish a long-term relationship for political gains, prospecting from Ghana’s freshly discovered oil and cocoa as a raw material for chocolate producing firms (Adovor Tsikudo, 2019). The dam project has since catalysed strong ties between both countries and by extension facilitated entry for private sector actors. China has seized upon the opportunity of dam-building corporations to advance its long-term commercial interest and to gain significant shares in the current international hydropower market. In advancing China’s interests in the continent, the state as a matter of policy supported SOEs, including construction companies to operate overseas in acquiring resources and facilitating long-term engagements (Fijalkowski, 2011). Here the contention is that several SOEs, such as the EXIM Bank and the Sinohydro Corporation came to Ghana as a result of China’s investment in the Bui hydroelectric project. Sinohydro’s increased engagement in the Bui dam provides a glimpse of China’s vested interest in these going out and in particular in deepening its engagement in Africa. China has resorted to seductive rhetoric flagrantly couched in phrases such as win-win partnership to woo African countries by establishing structures, capable institutions and policies to regulate the engagements. The existing framework asserts the centrality of China’s soft power in deepening relationship with African countries including Ghana. I have been arguing thus far that the Bui hydroelectric dam is first and foremost is an outcome of China’s soft power strategy, which was thoroughly institutionalised in the 1990s to help China acquire resources and deepen connections with African countries. It is my contention that China’s involvement in the Bui project is China’s soft power in terms of the basis for the conscious construction of institutional framework (arrangements) to fulfil its interests in Ghana.

8. Concluding remarks
The story about China’s aggressive presence, strong influence, and the nature of its interventions in the African continent are not only flowery. It is noteworthy that while China’s foreign assistance and investment to Africa might considerably impact her development goals, the effect depends on decisive, capable, and active state interventions. China is no “white knight”; China obviously is not a benevolent actor whose intention entails promoting African social progress and development, but also with new promises in the long-term. The fact of the matter is that the Chinese interventions in Africa are still unfolding, well-orchestrated, well-thought out, strategic, and far reaching in international relations. For me, the onus of responsibility lies with African political elites to intelligibly use their relationship with China to leverage the embedded opportunities and shape their encounter in ways that will be bilaterally consensual and economically motivated (Brautigam, 2019). In developing economies like Ghana, the state and its institutions play a major role in economic development. Active state interventions, to a certain extent, appear as a given, but obtaining successful outcome is certainly not. Some states as much as possible intervene in their economies with far greater success than others. Thus, in the context of this article, the degree of success on the process of economic development is largely determined by the role of capable state and its formidable institutions. Attention should be paid to state’s institutional dynamism and relative autonomy, which exemplify its role and the ability to adjust to different economic environments underlines its capacity.

This article argues for configurations of an institutional change/reform, which can help foster economic development. Institutional change/reform is central to this article as it will better account for any explanations that might exist for the China’s increased engagement with Ghana to be specific and Africa generally. It should be re-stated that consolidation of institution is a prerequisite for making the relationship between China and Africa truly mutually developmental. Institutional change is vitally important because the relationship, which has been described as a win-win affair has thus far remained lopsided, imbalanced, and counter-productive. This significantly contributes to our understanding of the institutional dynamics that differentiate this relationship (Ghana–China relations) from the baggage of the Western and European models of relations. Sino-African engagement must be approached with open-door policies thereby building the developmental capacity to sustain economic progress (Kragelund, 2009). Such an understanding assumes that economic ideologies with indigenous initiatives would ultimately automatically ensue. My argument is that even though Ghana may emphasise the role
of the state in their engagement with China, the dynamics of the relationship thus far has been patchy as the capacity of the state in development efforts has some inherent weaknesses and challenges. Strictly speaking, institutional dearth and malaise are harbinger for Ghana’s failure at benefiting from its relations with China.

In my view, the commitment on the part of African political elites to any economic engagement that mimics the ideational example of “East Asian model” will certainly challenge the conceptual description of African states as weak in itself. Many studies have shown the ideational inspiration and experiences of “East Asian miracle” is a critical pathway in appreciating successful state development (Amoah, 2018). Sino-African engagement can only produce mutually beneficial outcomes if they undergo the transformational and the institutional changes China has undergone as a country. Thus, for example, Botswana and Mauritius have adopted similar modalities in forging developmental states of their own. This understanding has several theoretical, empirical insights and policy implications for development that can be adopted to govern the conduct of future economic engagements and how African states adjust to the different economic environments. It also contributes to the evolving debate on China–Africa engagements and the role of the African state in ensuring that infrastructure projects insure the developmental agenda of recipients. Serious steps must be taken by African states to re-tool and re-configure their institutional structures. As the experiences of the “East Asian model” show, institutional competence and capacity are crucial in formulating policies and ensuring success.

I fervently believe that African states have existential and bounden responsibility to ensure competent and capable institutions. To recalibrate Sino-Ghana deep and deepening relations in the coming decades, it is my contention that competent and capable institutions and relative autonomy must become very supreme in Ghana’s developmental ambitions. Thus, the quality of policies and institutions for advancing national development and engaging the world economy is crucial in explaining why some countries in the global periphery thrive and others stagnate or remain poor. African political elites can affect Chinese behaviour not simply form contexts for it. As has been discussed thus far, African state actors’ behaviour in negotiating and attracting Chinese actors differ in different cases, and domestic politics within African countries are crucial to determine the capacity of the countries to benefit from the investment from China in the coming decades. It is recommended that Ghana becomes more diligent and innovative in her interactions with China as a matter of strategic necessity in pursuit of its long held developmental dream (Yawson, 2010). It is only then that Africa would be able to interact with China as an equal partner—an ally. Significantly, China’s interventions have not catalysed development on the continent due in part to the continent’s existing institutional dearth. The Bui dam case discussed offers a critical entry point to understand the broader implications on contemporary Sino-African engagement and how Sino-Ghana interactions specifically suggest a new direction toward development assistance and economic cooperation.

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