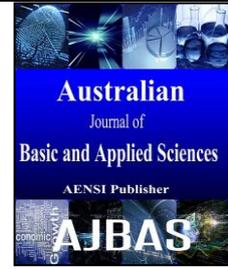




ISSN:1991-8178

## Australian Journal of Basic and Applied Sciences

Journal home page: [www.ajbasweb.com](http://www.ajbasweb.com)



### Chinese Economic Activities and Interests in Developing Countries

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#### ARTICLE INFO

**Article history:**

Received 13 June 2015

Accepted 28 July 2015

Available online 5 August 2015

**Keywords:**

*China, FDI, Developing Countries, Economic Reform, Africa, Latin America*

#### ABSTRACT

The economic interest and activities of China has rapidly increased in developing countries since the economic reform of 1978. Chinese firms actively emerged in the Latin America and African market and challenged giant American and European companies. This paper aims to provide an insight of Chinese role and interests in poor and developing countries and why they prefer to work in these problematic areas. It also intends to indicate the side effects of Chinese economic activities in Latin and African countries. The findings of this study indicate that Chinese activities in developing countries are based on national interests, rather than friendship and solidarity. Therefore, motives of natural resources have far pushed China to pursue its interests in developing region to sustain its economy. The overall Chinese economic activities have brought positive changes to those nations and significantly contributed to economic and infrastructure development. This paper also found that Chinese firm emerged to be more successful and welcomed by the government and the people of the poor, marginalized countries compared to American and Europeans due to its unique economic characteristics, principles of none-state intervention and unconditional economic operations.

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**To Cite This Article:** Nabaz Nawzad Abdullah and Mohd Fitri Abdul Rahman PhD., Chinese Economic Activities and Interests in Developing Countries. *Aust. J. Basic & Appl. Sci.*, 9(25): 79-86, 2015

#### INTRODUCTION

China is a unique country in terms of politics and economy. Up to now, the country is ruled by the single communist party, but its economic system is far different from its political system. For some, it is believed that China applies a neo-liberal economic model (Siddiqui, 2009) or neo-liberalism with a Chinese way (Harvey, 2007), but others argue that it is just a unique system (Ong, 2007; Nonnini, 2008; Ji, 2010, p. 220). Actually, the Chinese economy has been developed so rapidly after the 1978 economic reform. This model has great impacts on the entire world and changed the economic dimension and posed greater threats to the US and European hegemonic economic and political powers (Halper, 2010; Cox, 2011; Lardy, 2004) especially in the global south. China emerged to be the role model for developing countries and has influenced trade and investment. This development makes China find a new market for its products and gain raw materials and energy sources to sustain its development. Actually, the Chinese relationship to the developing world can be divided into different stages and different periods. For instance, Adisu (2010) classified the relationship between African countries and China into three phases. The first phase

started from the mid of the nineteenth century with the establishment of the People's Republic of China. Here, their relationships were based on trade, mining, railway construction and plantation. The second stage started after the foundation of the PRC to the economic reform at the end of 1970. In this phase, Chinese-African relationships were more concentrated on global south solidarity or "south-south" relationships to challenge superpowers. In 1963 Chinese Prime Minister visited Zhou Enlai visited 10 African countries to develop the relationship and cooperation between both sides, also introduced Chinese "five principles of peaceful coexistence" which are based on peace, neutrality, respect for the sovereignty of the states, peaceful resolution for the problems, solidarity and coexistence between groups (Kotschwar, Moran, & Mui, 2012, p. 32). The last stage started after the collapse of the Former Soviet Union to present. In fact, in this stage Chinese relationship with African countries reached to the highest level and China was involved in different aspects of African life. Besides, Chinese companies actively contributed in oil and gas extraction (Adisu 2010, p. 3).

Chinese relationship and investment with Asian and Middle Eastern countries has the history of a hundred years and most recently their relationship

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promoted so rapidly. Obviously, the interests of China in those countries are one of the main reasons for Chinese active role in foreign direct investment in the developing countries. In this paper we emphasize on the nature of the relationship between China and developing countries. Additionally, this paper aims to identify the motives behind Chinese economic activities in the developing world. It also intends to highlight the benefits of developing countries in hosting Chinese firms, as well as the damages that Chinese investors caused. Lastly, the study demonstrates how Chinese firms encountering Western firms and why they emerged to be so active lately.

#### ***Chinese investment in developing countries:***

Since Chinese economic reform, Chinese Foreign Direct Investment (FDI) outflow has been increased by large. During 1984 to 1986 China introduced new regulations regarding foreign direct investment and capital outflow. The new investment policy encouraged local companies to invest overseas and simultaneously created the stable environment for foreign companies, as well as allowing the formation of joint ventured companies. Consequently, during the period of 1978 to 1990, Chinese FDI grew from US\$0.5 billion to US\$40 billion and this number has dramatically increased after 1990 since China appeared so be so active in developing world and its investment counts as 1/3 of total FDI of developing nations (Fung, Iizaka & Tong, 2008). These activities and foreign investment in that period was led mainly by state owned companies (Hong & Sun, 2006; Bhaumic & Yap Co, 2011).

Recently, China is one of the top four sources of global FDI and dominated foreign investment and trade in South America, Asia and Africa. Actually, before the period of 1990 Chinese investment, mostly concentrated on the Middle East and Asian countries, but the smart policy of China shifted this to the nations that were left behind. To illustrate this fact, we can depend on figures that show the great success of Chinese trade and investment in developing countries. Only between 2000 and 2010 China-Latin America trade increased about 1,500%, and between 2008 and 2010 Chinese investment in this continent expanded by 180%. This figure is a clear example of a Chinese active role in the developing world. According to another report that published by the United Nations Economic Commission for Latin America and the Caribbean (UN-ECLAC) in 2011, Chinese companies in Latin America had approximately US\$23 billion worth of transactions (Bethal, 2011). Unlike the United States and Europe, Chinese relations with Latin American countries is on the best track. Maybe it is because they are labeled as developing or their political ideology gives more possibility to cooperate each other and gives more option to the Chinese

companies to invest in South America. For that reason, China receipts the largest share of investment in Latin America, which accounts for almost 9% of US\$113 billion in 2010 according to the United Nations study (BBC 2011). The positive relationship of China to the Latin countries created mutual benefits for both sides. So, it can be argued that Chinese companies earned a considerable amount of money and guaranteed natural resources as the core of their development. Only between 2003 to 2010 Chinese investment in Latin America peaked to US\$15bn from US\$15million in 2003 (Flannery, 2012). Similarly, Chinese trade and investment, rapid up in Africa.

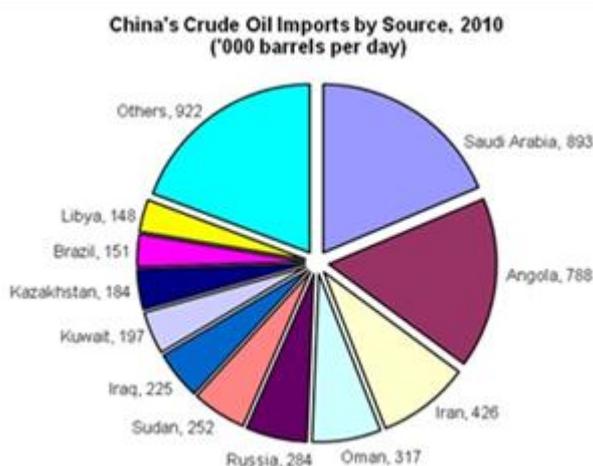
The region of sub Saharan Africa attracted Chinese investors to extract natural resources and opened up a new market for their products. Hence, China has provided loans and built schools, hospitals and other infrastructure in order to ensure the benefits of investment projects and oil contracts. Since China has it is major interest in African countries, it has a special policy toward them. In 2006, Chinese outward investment was over US\$17 billion and most of the projects was to improve infrastructure such as repairing the railway system in Angola as it was destroyed during the country's civil war, building government offices in Luanda, and transport related projects and dams in Iran (Walt, 2006; Walt, 2005; Bhaumic & Yap Co, 2011). In 2008, China announced some policies in Africa includes doubling Chinese aid by 2009, giving \$3 billion loan, allocated capital for development programs with US\$5billion, founding the conference center for African Union, opening up Chinese market with less profit in least developed countries, training large number of African professionals in China and their own countries which estimated to be 1500 professionals, promoting cooperation and opening up the trade and economic zone, sending Chinese professionals to Africa includes 100 senior agricultural experts, establishing 10 agricultural technology centers and 30 hospitals, more scholarship to African students in China, and building 100 rural schools (Mwanawina, 2008, p. 4). So, the policies that covered here are all factors to peak Chinese investment in African countries. Sometimes, China implements such policies like giving loans and building infrastructures with zero or near zero percent interest, but in contrary it secures oil and energy contracts. For instance, in one of the cases China promised US\$7 billion to invest in rehabilitation of power station just to get oil contracts (Mwanawina, 2008, p. 4). Further, the same source indicates that there are more than 800 Chinese companies by 2006 in Africa includes state and private owned companies. The fields where China invests in African countries includes mining, oil, building roads, hospital, school, investing in communication and transportation system, promoting tourism industry and generating electricity. However,

none of them is as important as the oil industry. Unlike western countries, the Chinese source of energy is mainly concentrated in the risky nations or developing countries (Buckle et al, 2007, p. 505).

#### *Chinese interest in developing countries:*

The relationship between China and developing countries for most is “win win” relationship that benefits both sides. Even China to some extent contributed in developing the economy of poor countries, but it also has an interest. The risky environment of Africa and Latin America has fundamental advantages for China. More clearly, not every country wants to invest in Africa while HIV, Malaria and conflict are inevitable at any moment, or Latin America that Mafia groups can attack their companies and businessmen anytime. Though, China does not care so much about the situation and imply unique policies to avoid itself from any troubles even

its companies actively functions in a risky environment. By the way, what’s important here to cover is, why China chooses to invest in Africa and Latin America? Of course the answer for this question is clear which arouses on Chinese economic and political interest. Chinese development can not be sustainable without having a secure source of raw material and natural resources. China can not produce technology and machines without oil and other raw materials. So, it can be argued that the main motive for Chinese engagement in developing countries is to secure access to natural resources, technology and new market economy (Deng, 2003; Bhaumic & Yap Co, 2011). In 2003, China was ranked as number three for oil import countries after the United States and Japan with 4,393,000bbl/day. The following figure defines Chinese oil imports by countries:



Source: Global Energy Market

China has now obtained roughly a third of its energy imports from African countries. The Chinese interest in the Middle East is not as before due to the U.S. active role and its relationship with oil rich countries with the exception of Iran. So, Chinese interest is booming in Latin America and Africa. Moreover, China now is seeking to have a greater role in Latin America as part of the Chinese target to obtain its commodity. The executive secretary of the UN Economic Commission for Latin America and the Caribbean (ECLAC) Alicia Barcena predicted that Chinese interest in Latin continues to increase to 25% in 2011. (BBC 2011). Also, Chinese investors have been attracted by a rich supply of commodity that feeds Chinese commodity hunger. Based on the ECLAC report, it has been illustrated that 90% of the Chinese investment in developing nations are in the energy sector (BBC 2011). The fast growth of Chinese economy requires acquires a large amount of oil and minerals. So, it is normal if China finds its interest with developing nations. Obviously, high

demands shift the prices of commodities. Thus, china desires for energy and mineral have raised oil prices and put a major pressure on global markets for oil, gas, coal, aluminum, nickel, zinc, copper, iron, nickel, soya and others (Kotschwar, Moran & Mui, 2012, p. 4). Recently, China is labeled as the world largest consumer of copper, which estimated to be 40% of the total world consumption for 2009 which is used to produce air-conditioners and auto-parts (Kotschwar, Moran & Mui, 2012p.6). South America is rich for tine and cooper particularly Peru that has a strong tie with Beijing due to their mutual interest. Hence, Chinese imports of molybdenum, zinc and cooper mainly depend on Chile and Peru; plus it imports large amount of soya beans and bovine meat in Brazil as world number one provider and other commodities like Iron that Brazil is the second largest supplier (Kotschwar, Moran, & Mui, 2012, p.6).

Like Latin America, China also has an interest in Africa and its investment and interest increased due

to the rapid Chinese economic transformation. Africa for china is not only a simple target, but it's like a predator that china is so hungry for. In the other word, Africa is a need rather than a target. According to Adisu (2010, p. 4) explanation there are four main factors that pushed China to Africa such as China's need for energy security; new market and investment opportunity; symbolic diplomacy and development; and forging strategic partnerships. Chinese companies extracting oil and other sorts of energy in Africa, and also bought refineries and signed many oil contracts with African governments. Besides, the regimes are happy to deal with China since the implementation of a soft policy toward those regimes which consequently gives them a greater share in oil explorations and deals in Angola, Sudan, Nigeria, Gabon, Algeria, Libya and other African rich oil countries. According to The New York Times Business Report more than one third of Chinese import of crude oil is from Africa and in this share 8.7% comes from Angola (The New York Times, 2007). This large share of oil imports by China drive politicians to think of Africa in order strengthens their ties with the regimes. Also, Chinese companies enjoy large economic benefits from the policies that their government implements toward those regimes. In addition to that, Zweig and Jianhai (2005) discussed China's African policy within the framework of certain domestic development strategies includes the access to energy resources, establishing export markets for its light manufacturing, services, agro-processing, apparel, and communications offerings. Already, Africa is full of low-cost motorcycles, electronic and consumer goods sourced from China. (Adisu 2010, p. 4). More to the point, the goods and services that china produces requires market to sell it, and China is so qualified in low price productions. So, we can argue that Chinese market pricing is targeted its goals and Chinese products dominated Africa, Middle East and to some extent Latin American markets. Inyambo Mwanawina (2008) exposed strange strategy that Chinese apply in global markets. He states that the prices and costs, which Chinese pays or put on the products would be negotiated and identified by the government from the main source rather than market. He maintains his argument and says it is the reason behind increasing Chinese investment in African countries which is shaped by political objectives and demands for natural resources such as minerals, energy and other natural resource (Mwanawina, 2008, p. 4).

***Advantages of chinese economic activities in developing countries:***

The success of Chinese investment in developing countries may have reasons to explain. China involves in the business that best serves poor people and produce products that everybody could buy it. In fact, it is the main factor of Chinese

successful economic policy. China can produce Nike with US\$1 for the people while the American and European companies can not. Here, people are willing to buy their products and it is logical to argue exporting expensive products to developing country does not really helpful as they are lack of clean water to drink. So, how can they afford to purchase high quality products with high prices. Though, China helps and provides what people needs with the cheaper price compare to others (Ankiewicz & Whalley, 2006).

Additionally, China has built many schools and hospitals in least developed countries and provided professionals for this purpose. Ayodele and Sotola (2014) arguing that Chinese investment in Africa is much better compared to it is European and American counterparts because China invests in the sectors that are more appreciated and needed by local communities such as agriculture and transportation. At the same time, China has sent many students and government employers from poor counters to China in order to be well qualified and trained, so when they come back, they would be able to maintain their development process. Providing special seats for African and Latinos students and offering scholarship are also part of the development process that China tries to do so in poor countries.

One of the best examples to describe the Chinese role in the developing world is giving funds and loans to those nations. For instance, only during the 2006 Beijing summit, Chinese president promised US\$5bn to African countries to help governments to fight diseases like Malaria, HIV and other infrastructures and services (The New York Times 2007). Moreover, from 2007 to 2010, China has given US\$10bn to African countries with interest free loans an sent volunteers to provide medical assistance and build hospitals and schools (Adisu 2010, p. 5). Consequently, in 2007, African countries recorded 5% of economic growth, which was highest in the history (Ayodele & Sotola, 2014). Another example of Chinese significant contributions in the developing world is eradicating unemployment issues and constructing factors, refineries and other projects. For example, In 2008, the Aluminum Corporation of China, Chinalco, which is a state-owned company, made \$2.2 billion purchase of a mining project in Peru. The mine, Toromocho, is still in the construction phase, and is scheduled to begin operating by the end of 2013" (Flannery, 2012). The Chinalco required hundreds of workers, but it only hired local workers rather than bringing workers from China plus establishing environmental management programs to decrease the environmental degradation and pollution.

***Disadvantages of chinese economic activities in developing countries:***

Even though Chinese gives funds and free interest loans to poor nations, but the main objective

for this could be dominating their economic and political life rather than fulfilling their necessities. The cheap products and products that China offers may have more negative side effects. More clearly, the quality of these products and projects has sometimes been low and can not be used for a long time. So, it is another way of for marginalizing poor people and utilizing their poverty to make a profit, which conflicts with moral obligations (Mwanawina, 2008, p. 3). Besides, Chinese companies violated the right of workers and treat them as labor slaves in some countries. For instance, in 2010 workers protest against low wages and poor working condition of Chinese-run Collum coal mine in Zambia, 13 workers were being killed and doors never faced justice. (Barbara Kotschwar, Theodore H. Moran, and Julia Mui, 2012 p. 33).

Despite the violation of workers' right, Chinese companies endanger human life and environmental security. According to data from GMI Ratings, the New York City based Environmental, Social, Governance Research Company almost 75 percent of the listed Chinese operating firms in industries does not abide by environmental protection regulation and also don't have ISO 14001 environmental certification, which is a globally recognized standard (Flannery, 2012). Those companies in the report mostly operate in Latin America. Chinese companies are not abiding by environmental and labor safety laws and standards. It has been reported that workers confronts many challenges in workplace with low safety standards. For example, in 2005, 59 workers were killed at Chambishi copper mine in Zambia which was part of the labor violation and the government kept silent and turned green light for the companies that was responsible for the incident (Kotschwar, Moran & Mui, 2012, p. 33).

Even though it was mentioned previously that China hires local employees rather than Chinese, but in some cases the opposite is true. So, instead of large Chinese investment undermine unemployment rate, it expanded. Therefore, it's not only because they bring their own technicians, engineers and workers, but due to the inhuman treatments with local workers. Plus, the Chinese companies cause competitive effects that obliged some local firms to stop their business and leave the fields for Chinese companies. For instance, in the case of Nigeria, Namibia and Ethiopia, there are many companies that closed since they could not compete giant Chinese companies that have exported large amount of goods and products to those countries and devalued local products (Adisu 2010, p. 5). So, unlimited Chinese export to developing countries left no room for local companies maintain their business.

Another criticism of the Chinese government is backing autocratic regimes in developing countries only to keep its interests intake. Thousands of people died in Darfur by Bashir regimes, but China was continuously supported Sudanese government and

provided aid to the regime due to it is energy and political interest in Sudan. Human right activists on the other hand claim that Chinese involvement has frustrated international efforts to stop the civil war and atrocities in Darfur" (The New York Times 2007). In other countries, China implements the same policy which it describes as the respect to the state sovereignty and no state intervention, but backing dictators are immoral policy and doesn't serve public demands. Most recently, China has backed Syrian regime, while its actions condemned by international organizations and world countries. So, we can argue that China had a very negative role in human right issues for the sake of its economic interest. Also, China extracts unlimited natural resources and minerals without considering the future consequences which extinct basic human resources in one hand, and raise the prices on the other hand. Exploring oil and gas is not best serve the people of developing countries, but only elites and some government officials. This is the main criticism on Chinese investment in poor countries that believed to inspire corruption acts (The New York Times, 2007).

#### ***Can china economic activities challenge the u.s. And the europe in developing countries?***

Chinese active engagement in developing countries disturbed the United States and European interests. Each of them trying to secure their position in those regions. The Chinese government competes the United States and Europe through its foreign assistance to developing countries. According to the NYU Wagner School estimated Chinese aids as much as \$51 million in 2002, \$1.5 billion in 2003, \$10.4 billion in 2004, \$10.1 billion in 2005, \$27.5 billion in 2006, and \$25 billion in 2007. In comparison to China at the same period, the overall U.S. Foreign Operations aid was "\$16.5 billion in 2002, \$23.7 billion in 2003, \$39.1 billion in 2004, \$23.5 billion in 2005, \$23.1 billion in 2006, and \$26.4 billion in 2007" (Weston *et al*, 2011, p. 1). Also, According to the Financial Times, China has given more money in 2009 and 2010 to developing countries compare to the World Bank (Weston et el, 2011, p. 1). Thus, we see how China increased its foreign aid and investment compared to the United States. Furthermore, the competition is not only arouses on economic benefits, but also there is political competition between those countries and China. Recently, China has strengthened its ties with 53 African countries and most of the leftist regimes in Latin America, particularly those that have hostile relationship with the United States as an effort to create an international coalition (Adisu 2010, p. 5).

More importantly, unlike the USA and Europeans, Chinese relationship is based on none state intervention, respecting state sovereignty, mutual benefits and mutual cooperation. Though, the USA and European interfere in the internal issues of those countries and supports democracy and human

rights. So, the clash is here and finally China gains larger share, which overwhelming by semi-authoritarian or authoritarian regimes of developing nations. For instance, Chinese relationship with oil rich countries like Venezuela, Bolivia, and Brazil overturned American ties with those countries. Maybe in Latin America, China interests increased and have better opportunities because most of the socialist regimes have certain problems with the USA. In contrast, the Chinese communist regime better serves the Bolivarian revolution in South America. One more reasons that can play its roles in identifying Chinese versus Europe or America is institutional frameworks. The studies have proved that Chinese companies perform better than Europeans and Americans in Latin America and Africa due to the lack of an institutional framework that facilitated competition for China (Ebbers & Zhang 2010, p. 198).

In the case of Africa, China began its relationship and offered funds and economic, military, and technical supports to African countries long times ago and supported liberation fronts to unite them against the U.S. and Europeans Hegemony (Adisu 2010, p.3). So, until now this history reflects their ties and mutual understandings. If we take Sudan as an example, we can argue that the US role downturned because its demand for regime change and democratization. Moreover, the Chinese interest in rich oil Middle East countries decreased after the American invasion of Iraq. Now, the Middle East is under the control of the United States and its European allies which make it hard for China to invest there, so the best alternative was Africa and Latin America (Mwanawina, 2008, p. 4). For that reason, Chinese companies overtook America and Europeans in many developing countries includes Brazil as strategic trade partner with more than \$56bn in trade (BBC 2011). However, the United States is the biggest trade and FDI partner in developing regions. For example, the US FDI counts to be 17%, which is about US\$11bn in Latin America, while China comes in the third place after Netherlands with 13%. Also, in Africa the Europeans oil imports are about 36%, the USA is 33%, while the Chinese import is only 8.7 percent (The New York Times (2007). But, the case here is not about the percentage of Chinese imports and investment in developing countries, it's about the rapid increases of China investment and trade in developing nations, which may overturn Europe and the USA in the coming years.

#### **Findings:**

This paper introduces a Chinese model of economic development generally. After, it explained the Chinese interest and investment in developing world and concentrates on Latin America and Africa. It found that larger Chinese economic and technological development requires larger raw

materials and natural resources to manufacture goods and services. Since, the raw material, mostly concentrates in the developing world, China as the leading country in the global south found it is interest in those countries. So, its need for energy and raw materials such as tin, copper, iron, oil and gas makes China to improve its relationship with Africans, Latin American and Middle Eastern countries. Besides, China needs a market economy for its manufactured goods and services which developing countries may help due to the low price, economic background of the citizens, and consumer preferences. China better understand the psychology of poor and marginalized people and manufacturing goods and services accordingly.

This study defined both sides of the Chinese economic activities and interests in developing world. Undoubtedly, China was able to successfully attract global south nations. Also, it has a fundamental role in motivating greater economic development in poor countries and has more passion compared to Western developed nations.

The findings indicate that Chinese relationship and interest to developing countries is mostly based on southern solidarity and this is an important factor for Chinese active roles. The paper found that China has a unique economic policy and thoroughly tries to attract developing countries by using the term of "Global South Solidarity." Also, this study found that the Chinese political system in socialist countries especially in Latin America resulted in a great economic relationship. Besides, China can better fulfill the demand of normal people in poor countries. It manufactures goods and services based on the demand of people in term of quality and price and this makes more popularity of Chinese product. Besides, China has given a loan poor country without interest rate and does not impose any political conditions when giving loans to the poor nations. Additionally, China has no pre-condition such as human right development, political stability and transparency when investment in the host country. In contrast, they are an active player in autocratic and corrupted countries (Bhaumic & Yap Co, 2011).

Chinese economic activities in developing countries have given a lot to poor nations. Miles of roads have been constructed, hundreds of schools and hospitals has been built, thousands employed, many has given opportunities and scholarship to study in the top Chinese universities, million dollars have given to promote education and health system, many transportation and agricultural projects implemented. China, somehow is doing what developing countries and Millennium Development Goals require. Also, they contributed in Latin America and African economic growth in the past few years, which only in Africa was 5.8% in 2007.

There are also some criticisms on Chinese activities in developing countries and for some they have exploited natural resources and people. The

study comes up with some unlikely effects of Chinese FDI and economic activities in developing countries. Human rights violation, cheap labor, discouraging local firms, polluting environment, destruction of natural resources, increasing acts of corruption, violating international labor and environmental standards, hazardous work environment, supporting dictators and autocratic regimes are among the unlikely side effects of Chinese firms. However, China role in developing world increasing so rapidly and it challenges American and Europeans interest in both Africa and Latin America. China can better feed the demands of the poor nations than the U.S. and Europe and even better understand their concerns. The principles of none state intervention, loans, political systems and risky and insecure environment of developing countries has made China more active compare to Westerns and it is expected to replace their rules if they do not find alternative ways to challenge Chinese firms.

#### **Discussion & conclusion:**

In a nutshell, China has a major role in the economic transformation in developing countries. Its interest and demands make China to have a major role in the economic and political ground. Besides, its investment increased by large in the last two decades. The investment is mostly concentrated on energy, minerals, which come from large Chinese demands to feed it sustainable economic development. On the other hand, Chinese interest in developing nations is based on some mutual benefits. The main motives of Chinese interest are Chinese demand for energy to feed its rapid development, finding a market for its manufactured goods and services based on people's preference, mutual political interest. Here, China created regional blocks to support its politics toward regional and global issues, especially in case of sovereignty, global political integration, the principles of non-state intervention, US political hegemony. The three mentioned points can be regarded as the main drivers for Chinese interest in developing countries. In fact, those interests and investment in developing countries has both advantages and disadvantages. The advantages is, China contributes in developing the economy of the poor countries and the figures show the ever African and Latin economic development where China regarded as the tire of this progress. Besides, China helps poor people to get their needs with lower price. Though, the negative sides of Chinese investment are the exploitation of poor nations and other extracts natural resources. Also, China violates workers right and created a market for its cheap quality products. Also, it helps the oppressor regimes and blocks those that have a bad reputation in case of human right and corruption such as Sudan, Zimbabwe and others.

Finally, Chinese engagement with developing

countries cached the intention of the western block. Even though, China comes after the giant United State and Europeans in developing countries in case of trade and investment, but the future expectation is more likely to be in favor of China that can not be easily challenged.

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