

# Differentiated roles: the Chinese state and Chinese firm in Triangular Cooperation of the Thwake Multipurpose Dam Project



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China has shown an indicator of transforming its development cooperation from overwhelmingly focusing on bilateral cooperation activities to emphasizing and actively engaging in triangular cooperation. Specific to Africa, the Eighth Forum on China-Africa Cooperation (FOCAC) in 2021, when China committed significantly less development finance to African countries, it showed a tendency to rely more on triangular cooperation to further its development cooperation enterprise in Africa.

## Objectives and research questions



This research aims to empirically investigate China's involvement in triangular cooperation in an African state, Kenya. It acquires a more in-depth knowledge of the practices regarding China's triangular cooperation and sets the foundation for understanding the tangible impacts of this cooperation. Also, it is embedded within the studies about Chinese state-business relations and contributes to more comprehensively interrogating and disaggregating the differentiated roles of the Chinese state and Chinese firms in co-shaping triangular cooperation. This investigation decouples practices of China's triangular cooperation from the simplified commitment of the Chinese state that emphasizes enhancement of triangular cooperation and achieving a 'win-win'.

## Methodology



The researcher process-traces the trajectories, including the start and operation of cooperation and the participation of the Chinese state in Kenya's Thwake Multipurpose Dam project. This project is among many Chinese construction projects in Kenya, involving Chinese contractors with the support of the Chinese state in collaboration with multilateral organizations to deliver infrastructure facilities that support African economic and social development. Data collection consists of primary interviews with managers of Chinese firms in three-month fieldwork in Kenya and secondary sources including but not limited to corporate, institutional, and government news about the project implementation.

## Main results



This study demonstrates that Chinese firms could take a more leading role than the Chinese state at least in some triangular cooperation projects and explicitly investigates the formation of this 'company leading, government supporting' modality. The firm first won the project contract due to commercial endeavors and contributed to efficient and expert work. During the operational project process, the firm sought to strengthen connections with the Kenyan government to obtain support

and was directly socialized by the multilateral lender on international transparency and environmental and social support practices. The Chinese state was a supportive force for the firm that appeared later during the project operation phase, assisted the firm by request, and integrated the project conducted by the firm into political propaganda for the 'Belt and Road' Initiative.

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## Policy recommendation(s)



For the policy recommendation, the Chinese state needs to strengthen its presence in similar triangular cooperation activities and better its role of 'steering' and guiding. The 'company leading, government supporting' modality has opened up the prospects of China's engagement in triangular cooperation and increased Chinese triangular cooperation activities. However, it also leaves a potential problem. Driven by corporate interests, Chinese firms might seek a deeper embeddedness within the political economy of the host state. In this case, the firm established and consolidated its linkages with political 'big men' or influential bureaucratic officials to remove impediments to acquiring or implementing the project. In aggregate, this creates both strength and vulnerability for Chinese firms. For the advantage, influential government figures assist Chinese firms in obtaining more business opportunities and achieving efficiency in operations. For the disadvantage, the connections with political figures in Kenya have partially caused distrust and negative perceptions of Kenyan citizens towards Chinese firms, which constantly request more civil or community participation in Chinese projects. In this regard, the Chinese state can take a more initiative role and guide Chinese firms to improve acceptance of China's triangular cooperation among Kenyan people.