MASTER THESIS | MASTER‘S THESIS

Titel | Title

Chinese Geoeconomic Statecraft and African Agency:
The Geopolitical Implications of the Belt and Road Initiative in Kenya and Ethiopia

verfasst von | submitted by

Jou-Chun Lai

angestrebter akademischer Grad | in partial fulfilment of the requirements for the degree of

Master of Advanced International Studies (M.A.I.S.)

Wien | Vienna, 2026

Studienkennzahl lt. Studienblatt | Degree programme code as it appears on the student record sheet:	UA 992 940
Universitätslehrgang lt. Studienblatt | Degree programme as it appears on the student record sheet:	Internationale Studien | International Studies
Betreut von | Supervisor:	Mag. Dr. Alfred Gerstl, Privatdoz. MIR

On my honor as a student of the Diplomatische Akademie Wien, I submit this work in good faith and pledge that I have neither given nor received unauthorized assistance on it.

Abstract

As one of China's major foreign policies and development projects, the Belt and Road Initiative (BRI) has expanded its economic and strategic presence worldwide across Asia, Europe, Africa, and Latin America through large-scale infrastructure investments in various sectors. As the BRI continues to reshape patterns of global connectivity and development cooperation, it has sparked discussions about the long-term implications for countries to participate in it. While supporters of the initiative believe it promotes infrastructure development and economic growth, critics on the other hand argue that it is simply a geopolitical instrument that creates asymmetric dependencies. Hence, this thesis examines whether the BRI benefits both China and African participating countries both strategically and financially equally, or whether it primarily advances Chinese interests at the expense of African partners.

To address this puzzle, this study adopts a qualitative comparative case study of Kenya and Ethiopia and draws on concepts of geoeconomic statecraft, structural power, governance capacity, and state agency, analyzing aspects ranging their motivations to BRI project outcomes.Ultimately, the findings illustrate that while the BRI has generated tangible developmental benefits for both countries, the distribution of benefits has seemingly not been divided entirely equally. Thus, this thesis aims to suggest that the BRI should be understood neither as a purely exploitative project nor as a fully equal partnership, but rather as one that provides mutual benefits coexisting with long-standing structural inequalities in the distribution of influence, risk and strategic advantage that favor China.

Zusammenfassung

Als eines der wichtigsten außenpolitischen und Entwicklungsprojekte Chinas hat die Seidenstraßeninitiative (BRI) ihre wirtschaftliche und strategische Präsenz weltweit in Asien, Europa, Afrika und Lateinamerika durch groß angelegte Infrastrukturinvestitionen in verschiedenen Sektoren ausgebaut. Da die BRI die globalen Vernetzungsmuster und die Entwicklungszusammenarbeit weiterhin grundlegend verändert, hat sie Diskussionen über die langfristigen Folgen für die teilnehmenden Länder ausgelöst. Während Befürworter der Initiative darin eine Förderung von Infrastrukturentwicklung und Wirtschaftswachstum sehen, argumentieren Kritiker hingegen, dass es sich lediglich um ein geopolitisches Instrument handelt, das asymmetrische Abhängigkeiten schafft. Diese Arbeit untersucht daher, ob die BRI China und den afrikanischen Teilnehmerländern gleichermaßen strategisch und finanziell zugutekommt oder ob sie primär chinesische Interessen auf Kosten afrikanischer Partner fördert.

Um dieses Problem zu lösen, verwendet diese Studie eine qualitative vergleichende Fallstudie zu Kenia und Äthiopien. Sie stützt sich dabei auf Konzepte geoökonomischer Staatskunst, struktureller Macht, Regierungskapazität und staatlicher Handlungsfähigkeit und analysiert Aspekte, die von den jeweiligen Motivationen bis hin zu den Ergebnissen der BRI-Projekte reichen. Die Ergebnisse zeigen letztlich, dass die BRI zwar für beide Länder greifbare Entwicklungsvorteile generiert hat, die Verteilung dieser Vorteile jedoch nicht völlig gleichmäßig erfolgt ist. Daher legt diese Arbeit nahe, die BRI weder als rein ausbeuterisches Projekt noch als vollkommen gleichberechtigte Partnerschaft zu verstehen, sondern vielmehr als ein System, das gegenseitige Vorteile bietet, die mit langjährigen strukturellen Ungleichheiten in der Verteilung von Einfluss, Risiko und strategischen Vorteilen zugunsten Chinas einhergehen.

Acknowledgements

The completion of this thesis marks the end of an important chapter in my student life and I would like to express my gratitude to all those who have supported me throughout this process.

I am sincerely grateful to my supervisor, Mag. Dr. Alfred Gerstl, Privatdoz. MIR. for his expertise, insightful comments, and support throughout the development of this thesis. I genuinely appreciate his time and effort for supervising me.

Many thanks to DA members and friends who brought me joyful moments in these two years.

Most importantly, I would like to thank all of my family members for their unwavering support on this journey.

Vienna, June 2026

Jouchun

Table of Contents

1. Introduction

Since its launch in 2013, China's Belt and Road Initiative (BRI) has emerged as the largest international connectivity and development initiative ever proposed by a single country in contemporary global politics.[1] The initiative involves massive infrastructure development, industrial cooperation, financial integration, and green energy in Asia, Europe, Africa, and Latin America.[2] Africa is a key strategic player in the BRI since the continent is characterized by persistent infrastructure gaps, financial constraints, and industrialization challenges that the Chinese investment and knowledge are perceived to address.[3] Therefore, this region has the highest coverage of the BRI, with over fifty countries having signed cooperation agreements, particularly focusing on infrastructure such as railways and ports.[4]

The Chinese official discourse has always highlighted the BRI as "win-win cooperation" for both China and the countries participating in the project. It has also emphasized the importance of the principles of "mutual benefit," "non-interference," and respect for the sovereignty of nations.[5] According to the Chinese government, the BRI is not a geopolitical or strategic tool, but a practical tool that seeks to promote development, enhance global economic governance, and build a "community of shared future for humankind." In this context, Chinese overseas infrastructure financing has been highlighted as a demand-driven and development-oriented financing that caters to the needs of the project-participating countries.[6]

---

[1] National Development and Reform Commission (NDRC), Ministry of Foreign Affairs, and Ministry of Commerce of the PRC, *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road* (2015).

[2] Nadège Rolland, "A Concise Guide to the Belt and Road Initiative," *National Bureau of Asian Research (NBR)*, 2019.

[3] Ammar A. Malik et al., *Banking on the Belt and Road: Insights from a New Global Dataset of 13,427 Chinese Development Projects* (AidData, 2021).

[4] Wang, C. N. (n.d.). *Countries of the Belt and Road Initiative (BRI) – Green Finance & Development Center*.

[5] National Development and Reform Commission, Ministry of Foreign Affairs, & Ministry of Commerce of the People's Republic of China. (2015). *VISION AND ACTIONS ON JOINTLY BUILDING SILK ROAD ECONOMIC BELT AND 21ST-CENTURY MARITIME SILK ROAD.*

[6] National Development and Reform Commission, Ministry of Foreign Affairs, & Ministry of Commerce of the People's Republic of China. (2015). *VISION AND ACTIONS ON JOINTLY BUILDING SILK ROAD ECONOMIC BELT AND 21ST-CENTURY MARITIME SILK ROAD.*

However, this positive framing has been subject to intense debate in scholarly and policy circles. It has been argued that the BRI represents a type of geoeconomic statecraft, which seeks to enhance China's global reach by using economic tools such as infrastructure development, trade routes, loans, and foreign investments.[7] In Africa, concerns are growing about rising debt, an imbalance of power, a lack of spillover effects, and the potential long-term political implications of China's involvement in strategic areas of critical infrastructure.[8] These debates have contributed to a polarized discourse that tends to view the BRI either as a positive development partnership or as a predatory instrument and geopolitical tool aimed at promoting Chinese interests at the expense of African sovereignty.[9][10]

In light of the aforementioned, the research question is:

"Does the Belt and Road Initiative benefit both China and African states equally, both strategically and financially, or is it simply a tool for China to profit at the expense of African interests?"

While going beyond a simplified debate on the Belt and Road Initiative as either "good" or "bad" for the involved parties, this thesis aims to explore the circumstances under which Chinese-funded initiatives produce divergent development results in various African states. In more concrete terms, it examines how domestic capacities to govern, as well as the strategies and systems of development, influence the degree of domestic agency of smaller actors, and how these factors shape the impacts of Chinese engagement in the Belt and Road Initiative on the involved states.[11] To address this question, this thesis will employ a comparative case study method that examines the experiences of Kenya and Ethiopia, two major BRI partners in East Africa. Both countries have received significant Chinese investment in their infrastructure and industry sectors. Moreover, both countries are frequently cited by

---

7 Council on Foreign Relations (CFR) Teaching Notes for Robert Blackwill & Jennifer Harris, *War by Other Means: Geoeconomics and Statecraft.*

8 Sebastian Horn, Carmen Reinhart, and Christoph Trebesch et al., *Hidden Defaults* (World Bank, 2022).

9 B. He, "*The Domestic Politics of the Belt and Road Initiative and Its Implications*," Journal of Contemporary China (2019).

10 Lee Jones and Shahar Hameiri, *Debunking the Myth of "Debt-trap Diplomacy": How Recipient Countries Shape China's Belt and Road Initiative* (Chatham House, 2020).

11 Lee Jones and Shahar Hameiri, *Debunking the Myth of "Debt-trap Diplomacy": How Recipient Countries Shape China's Belt and Road Initiative* (Chatham House, 2020).

Chinese authorities as flagship examples of the BRI cooperation.[12] Nevertheless, these two countries have distinct patterns of economic development and domestic responses to BRI activities; While Kenya's Standard Gauge Railway (SGR) linking the Port of Mombasa to the capital, Nairobi, is marked by operational deficits, debt burdens, and has been a source of domestic contestation.[13] Ethiopia's Addis Ababa-Djibouti Railway, in contrast, has been highlighted by the Chinese authorities as a success model for the BRI implementation in the African context because of its Addis Ababa-Djibouti Railway and the industrial parks along the railway routes.[14]

Divergence between these two African states presents an opportunity to explore whether the outcomes of BRI projects are primarily driven by China's strategic designs or by African countries' capacity to manage external engagement.[15] This thesis highlights the difference in governance capacity and state agency by examining African host states' ability to negotiate, implement, and regulate Chinese-funded projects while maintaining policy autonomy and resisting external pressures.[16] By comparatively analyzing Kenya and Ethiopia, this thesis aims to demonstrate that the impacts of the BRI are not only determined by China's intention but also by the interaction between China's geoeconomic participation and African host states' domestic capabilities.[17]

This paper will be divided into eight chapters: Following this introductory chapter, Chapter 2 reviews the existing literature on the Belt and Road Initiative (BRI) and highlights the divergent perspectives on China-Africa cooperation under the BRI framework. Chapter 3 establishes the theoretical and analytical frameworks through

[12] Nadège Rolland, "A Concise Guide to the Belt and Road Initiative," *National Bureau of Asian Research (NBR)*, 2019.
[13] Parliament of Kenya, *Report on the Inquiry into the Use of the Standard Gauge Railway (SGR)* (2020).
[14] Chinese Belt and Road Portal, *10th Anniversary of the Belt and Road Initiative: Connectivity Promotes Opening Up*, 2023.; Government of Ethiopia, *Growth and Transformation Plan II (GTP II) 2015/16–2019/20*; UNIDO, *Industrial Park Development in Ethiopia: Case Study Report.*
[15] Lee Jones and Shahar Hameiri, *Debunking the Myth of "Debt-Trap Diplomacy": How Recipient Countries Shape China's Belt and Road Initiative* (London: Chatham House, 2020).
[16] David Dollar, "China's Engagement with Africa: From Natural Resources to Human Resources," *Brookings Institution*, 2016.
[17] Deborah Brautigam, "A Critical Look at Chinese 'Debt-Trap Diplomacy': The Rise of a Meme," *Area Development and Policy* 5, no. 1 (2020): 1–14; Chris Alden and Carlos Oya, "China's Engagement in Africa," in *Routledge Handbook of Africa–Asia Relations*, ed. Pedro Amakasu Raposo de Medeiros et al. (London: Routledge, 2018).

which the strategic and financial outcomes of the BRI will be assessed and will inform Chapter 4, which outlines the research methodology and the analytical indicators. Thereafter, empirical discussions in Chapters 5 and 6 follow to examine the cases of Kenya and Ethiopia's project implementation. Chapter 7 provides a comparative analysis of the two cases, while Chapter 8 concludes the thesis by summarizing the main finding and answering the research question.

2. Literature Review

This chapter illustrates that the existing scholarship on the BRI in Africa persists in being divided regarding the nature, motivations, and implications of China's participation. To organize these debates, this literature review is divided into four sections: (1) BRI as non-geopolitical or development-oriented engagement; (2) BRI as a geopolitical and geoeconomic tool; (3) African perspectives on the BRI, particularly from Kenya and Ethiopia; and (4) the research gap to address by this thesis.

2.1 BRI as Non-Geopolitical or Development-Oriented Engagement

Ever since the launch of the BRI, the Chinese government's framing of this scheme is centered on "win-win cooperation," connectivity, and non-interference, portraying the BRI as a development platform[18]. A strand of literature is highly aligned with China's official narrative that the BRI should not be understood as a geopolitical instrument. Rather than taking it as a coherent strategic project, these scholars emphasize the economic, developmental, and pragmatic dimensions of the BRI. Although this strand is closer to the Chinese view of the BRI, it acknowledges that China is like any major power, pursuing its national interests through external engagement.

---

[18] National Development and Reform Commission (NDRC), Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China, *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road* (Beijing: PRC State Council, 2015).

Justin Yifu Lin, one of the most authoritative scholars with an official background in studying China's development model and the BRI, always offers a different viewpoint from the Western one. He provides a complementary development-oriented perspective and argues that the BRI addresses a fundamental bottleneck in developing countries, which is the lack of infrastructure necessary for industrialization and economic upgrading. From his research, the BRI facilitates connectivity, reduces transaction costs, and makes sure the countries integrate into global value chains. Thus, he argues that rather than serving as a geopolitical instrument, the BRI is framed as a platform for mutually beneficial development, particularly through the relocation of labor-intensive industries from China to lower-income African states. His argument demonstrates that China is exporting a development model similar to its own development experience. Therefore, Lin views the BRI as a form of developmental globalism, aiming to break the long-term low-growth trap under the Western system.[19]

One of the most influential experts on Africa is Deborah Bräutigam, whose extensive empirical work challenges the widely circulated "debt-trap diplomacy." Bräutigam does not simply deny that China has national interests in Africa but rather conceptualizes these interests from an economic and political perspective, which includes promoting Chinese exports, driving the internationalization of Chinese enterprises, acquiring markets and resources, and securing diplomatic goodwill. Importantly, she argues that these interests are not aimed at controlling African states through geopolitical strategies, but rather case-by-case negotiations based on the actual circumstances of the host countries, and at loans and investments made in accordance with the negotiated terms. Therefore, these economic activities are often decentralized and driven by commercial interests. She believes that much of the critical literature conflates the pursuit of national interests with deliberate geopolitical manipulation, and she also emphasizes that African countries should be viewed as active participants, not passive victims.[20]

---

[19] Justin Yifu Lin, "The Belt and Road Initiative and Industrial Development in Developing Countries," in *China and the Global Economy*, ed. Justin Yifu Lin (Cambridge: Cambridge University Press, 2018).

[20] Deborah Brautigam, "A Critical Look at Chinese 'Debt-Trap Diplomacy': The Rise of a Meme," *Area Development and Policy* 5, no. 1 (2020).

Within the field of African studies, Chris Alden and Carlos Oya contribute an additional layer by emphasizing African agency. They suggest that the African governments actively engage with China to pursue their own development agendas, domestic political legitimacy, diversify external partnerships, and strengthen their bargaining position with Western actors. They point out that the BRI in Africa is not a single model but depends on the agency of the host countries. From their perspective, the participation of African states in the BRI projects reflects a strategic choice, not mere passive submission.[21]

Taken together, this body of literature highlights the diversity of Chinese involvement in projects, the developmental rationale behind the infrastructure investment, and the active role of the African government in shaping engagement. However, this strand also has some important limitations that are directly relevant to the present study.

Scholars in this school equate geopolitics primarily with direct coercion, military presence, and explicit political interference, which narrows the definition of geopolitics and perhaps overlooks strategic means, such as economic embedding and the role of institutional connections.[22] Indeed, although it emphasizes rationality and the value of development outcomes, it underestimates the cumulative strategic effects of economic participation. That is to say that, even if a single project is driven by commercial or developmental purposes, the cumulative effect can still generate structural advantages for China over time. Indeed, by arguing against the notion that China has systematically acquired assets or openly influenced political trends, perhaps in the pursuit of correcting stereotypes about their portrayals of passivity, this school of thought often ignores the geopolitical significance of the BRI[23].This, however, indirectly presents agency as evidence against geopolitical influence rather than exploring how subjectivity and external influence interact and coexist. Hence, African governments may actively choose to engage with China, but the engagement may still produce asymmetric outcomes that benefit China's long-term strategic interests.[24]

---

[21] Chris Alden and Carlos Oya, "China's Engagement in Africa," in *Routledge Handbook of Africa–Asia Relations*, ed. Pedro Amakasu Raposo de Medeiros et al. (London: Routledge, 2018).
[22] Robert D. Blackwill and Jennifer M. Harris, *War by Other Means: Geoeconomics and Statecraft* (Cambridge, MA: Harvard University Press, 2016).
[23] Nadège Rolland, "China's Belt and Road Initiative: Underwhelming or Game-Changer?" *Washington Quarterly* 40, no. 1 (2017).
[24] Lee Jones and Shahar Hameiri, *Debunking the Myth of 'Debt-Trap Diplomacy': How Recipient Countries Shape China's Belt and Road Initiative* (London: Chatham House, 2020).

2.2 BRI Served as A Geopolitical & Geoeconomic Tool

Another scholarship conceptualizes the BRI served as a geopolitical or geoeconomic statecraft for China to gain strategic interests, it emphasizes the use of economic means, such as infrastructure financing, connectivity projects, and investments, to reshape power relations and create long-term strategic advantages, rather than relying on direct coercion and military expansion.[25]

Robert Blackwill and Jennifer Harris interpret the concept of geoeconomics through their book, *War by Other Means: Geoeconomics and Statecraft*. They redefined geoeconomics as the use of economic tools to promote, defend national interests, and produce beneficial geoeconomic outcomes. From their perspectives, economic engagement is not separate from geopolitics but constitutes one of its primary instruments in the contemporary international system. Therefore, infrastructure, trade networks, and financial flows are seen as mechanisms by which states exert influence without openly engaging in political interference. They interpret the BRI as a microcosm of China's geoeconomic strategy, rather than seeing it as a mere development project.[26]

Another highly strategic and critical interpretation of the BRI is given by Nadège Rolland, who frames the BRI as a comprehensive grand strategy. She argues that the BRI serves China's long-term vision of reshaping the international order into a more Sino-centric system across multiple regions. According to her, through long-term financing arrangements, construction contracts, and operational involvement, Chinese actors become deeply integrated into the economic and politically aligned with the Chinese authoritarian model. She points out that the BRI is a proactive instrument that aims to secure China's interests, project influence across regions, and eventually provide a strategic alternative to Western-led liberal norms.[27]

---

[25] Robert D. Blackwill and Jennifer M. Harris, *War by Other Means: Geoeconomics and Statecraft* (Cambridge, MA: Harvard University Press, 2016).
[26] Ibid.
[27] Nadège Rolland, *China's Eurasian Century? Political and Strategic Implications of the Belt and*

Within the African context, Ian Taylor provides a critical political economy perspective on Sino-Africa relations, focusing on the domestic political dynamics within African host states. While acknowledging the transformative potential of Chinese infrastructure, he argues that the impact of the BRI is mediated by African elite agency, the interaction between African elites and the Chinese state capital, and how this interaction impacts Africa's long-term development. Furthermore, China's principle of non-interference in internal affairs may strengthen neopatrimonialism regimes in African states, which means the funds are used by elites to consolidate power rather than drive genuine industrialization, thereby exacerbating inequality in African society. He is also concerned about the infrastructure, which is often designed specifically to move raw materials out from Africa and Chinese goods in, which would trap African economies in a low-value-added position in the global division of labor.[28]

More contributions extend to the argument by focusing on the concept of structural power. Instead of emphasizing direct control, these studies argue that the BRI enables China to shape the broader conditions within which other states operate. Those projects that China conducts in Africa, such as infrastructure corridors, industrial zones, and financial linkages, create dependencies that are difficult to reverse, further embedding China within the long-term development of participating countries. From this perspective, the geopolitical nature of the BRI lies in the ability to produce cumulative forms of influence that persist beyond individual projects.[29]

These studies demonstrate that the BRI serves as a geopolitical tool for China, operating through indirect and structural mechanisms, and how economic engagement can generate strategic advantages, reshape the external environments, and enhance China's global influence without relying on interference. However, most of these studies are China-centric, focusing on Beijing's intentions and strategies and paying less attention to how African countries interpret, negotiate, and reshape the project,

---

Road Initiative (Seattle: National Bureau of Asian Research, 2017).
[28] Ian Taylor, "The Belt and Road Initiative and Africa: Competing Perspectives," *Global Affairs 5, no. 1* (2019); Ian Taylor, "China's Infrastructure-Led Development Strategy in Africa: From SGR to the Belt and Road," *Journal of Contemporary China* 29, no. 122 (2020).
[29] Susan Strange, *States and Markets* (London: Pinter, 1988); Nadège Rolland, "China's Belt and Road Initiative: Underwhelming or Game-Changer?" *The Washington Quarterly* 40, no. 1 (2017)

thus overestimating the continuity and effectiveness of China's geopolitical strategy.[30] On the other hand, it also underestimates the role of the African governance capacity and state agency determining how effective Chinese influence could be. Furthermore, despite the concept of structural power being strong and useful for analysis, the lack of experimental tracking of how specific projects translate into concrete political outcomes within specific national contexts creates a discrepancy between theoretical claims of geopolitical influence and field observational evidence.

Building on these limitations, it highlights the need for more case-based analysis to examine how geopolitical influence emerges in practice. Therefore, this thesis aims to address this gap by analyzing the cases of Kenya and Ethiopia and focusing on how variations in governance capacity and state agency shape the extent and form of China's geopolitical gains.

2.3 Kenyan & Ethiopian Perspectives on the BRI

Kenyan official discourse generally frames the BRI as a development partnership linked to national priorities, such as infrastructure expansion and economic modernization.[31] That being said, local scholars like Nancy Muthoni Githaiga, voices more critical perspectives on policy debates and highlights that while projects like the China-funded Standard Gauge Railway (SGR) have improved connectivity, they also raise concerns about the financial sustainability, cost efficiency, and long-term economic viability.[32] Local development economist Anzetse Were also points out that African states must have their own strategies to avoid building infrastructure but failing to develop industrialization along the route, thus becoming subservient to the Chinese economy.[33] Taken together, Kenyan discussions reflect a dual perception of China as a necessary development partner but also a potential source of fiscal and political risk.[34]

---

[30] Lee Jones and Shahar Hameiri, *Debunking the Myth of 'Debt-Trap Diplomacy': How Recipient Countries Shape China's Belt and Road Initiative* (London: Chatham House, 2020).

[31] Government of Kenya, Kenya Vision 2030 (Nairobi: Government Printer, 2008).
[32] Nancy Muthoni Githaiga, "*China's Belt and Road Initiative in Kenya: Implications for Development*," *African Journal of Economic Review 8,* no. 2 (2020).

[33] Anzetse Were, "Debt Sustainability and Infrastructure Development in Africa: The Case of Kenya," *Institute of Economic Affairs Kenya*, 2018.
[34] Nancy Muthoni Githaiga, "China's Belt and Road Initiative in Kenya: Implications for

Similarly to Kenya, Ethiopian official narrative toward the BRI is also generally positive, as it emphasizes its role in supporting industrialization and export-oriented growth. They state that thanks to Chinese support, industrial parks and infrastructure projects are finally given the chance to integrate into broader national development strategies.[35] That said, while the two nations' official narratives align, academic views do so less by tending to be more optimistic about Chinese cooperation. In fact, scholars like Gedion Jalata emphasize development security, which means Ethiopia gets to reduce its reliance on Western aid through aligning itself with China. He argues that it is not a Chinese tool, but rather, is used by Ethiopia to achieve strategic autonomy and an alternative governance model.[36] In a similar vein, Costantinos Berhe rejects narratives that portray African states as passive victims and argues that such a perspective overlooks the agency and sovereign decision-making capacity of African governments. Thus, he views the BRI as a strategic opportunity for Africa to develop through infrastructure and connectivity projects that support industrialization and regional integration.[37]

Taken together, Kenya and Ethiopia's perspectives offer an important dimension tend to reflect a more pragmatic and nuanced understanding in which the BRI is seen as both an opportunity and a constraint, which is often underrepresented in both development-oriented and geopolitical interpretations.[38]

Development," *African Journal of Economic Review 8*, no. 2 (2020).

[35] Government of Ethiopia, Growth and Transformation Plan II (GTP II) 2015/16–2019/20; *United Nations Industrial Development Organization (UNIDO)*, Industrial Park Development in Ethiopia: Case Study Report (Vienna: UNIDO, 2019).

[36] Nancy Muthoni Githaiga, "China's Belt and Road Initiative in Kenya: Implications for Development," *African Journal of Economic Review 8,* no. 2 (2020).

[37] Gedion Jalata, "China-Africa Relations and Development Security in Ethiopia," *Journal of Eastern African Studies 13*, no. 4 (2019).

[38] Costantinos Berhe, "*China–Africa Relations: Opportunities and Challenges for Development*," Ethiopian Policy Review, 2017.

2.4 Research Gap

Existing literature on the BRI in Africa provides important insights into both the developmental and geopolitical dimensions of China's engagement, but these approaches often remain analytically separated. The development-oriented studies often underestimate the strategic significance of long-term economic integration[39], while the geopolitical perspectives frequently overemphasize China's intentions, thereby failing to adequately examine African states' abilities to reconcile and reshape external influences through domestic political and institutional processes.[40]

Moreover, African studies increasingly emphasized state agency and sovereign decision-making,[41] but limited attention has been paid to how different domestic conditions produce divergent geopolitical outcomes across African states. Therefore, this thesis seeks to address this gap through a comparative analysis of Kenya and Ethiopia.[42]

3. Theoretical Framework

This thesis draws on the concept of geoeconomic statecraft to analyze how China utilizes economic instruments, (e.g. infrastructure finance, connectivity projects, industrial investment, and long-term contractual arrangements), to pursue broader strategic objectives. Although existing geoeconomic literature suggests that infrastructural and economic integration may generate structural power and long-term strategic leverage[43], this thesis differentiates itself by also incorporating insights from state agency literature to suggest that external influence does not operate uniformly across all states. On the contrary, it argues that the effects of external economic

[39] Deborah Brautigam, *The Dragon's Gift: The Real Story of China in Africa* (Oxford: Oxford University Press, 2009); Jonathan E. Hillman, *The Emperor's New Road: China and the Project of the Century* (New Haven: Yale University Press, 2020).
[40] Lee Jones and Shahar Hameiri, "*Debunking the Myth of 'Debt-trap Diplomacy': How Recipient Countries Shape China's Belt and Road Initiative*," *Chatham House* (2020).
[41] Loshkariov I.D, *"Fundamentals of State Sovereignty in Africa: Theoretical Perspective" Journal of The Institute for African Studies*, 2024; Ifediora, O. F., *African Sovereignty: constructing institutional and structural changes in the international system*. World Affairs, 2026.
[42] Lee Jones and Shahar Hameiri, "*Debunking the Myth of 'Debt-trap Diplomacy': How Recipient Countries Shape China's Belt and Road Initiative*," *Chatham House* (2020).
[43] Robert D. Blackwill and Jennifer M. Harris, War by Other Means: Geoeconomics and Statecraft (Cambridge, MA: Harvard University Press, 2016).

engagement are mediated by the institutional capacity, strategies, and bargaining ability of the host states.[44] Collectively, instead of viewing the BRI as a unilateral projection of China's power, it views the BRI as a geoeconomic interaction in which outcomes are shaped by both China's strategic objectives and African states' ability to negotiate, implement, and manage Chinese engagement.[45]

3.1 Geoeconomic Statecraft and the Geopolitics of Connectivity

Geoeconomic statecraft constitutes the primary theoretical framework of this thesis. The concept of geoeconomics is mostly commonly associated with Edward Luttwal, who argued in the early post-Cold War period that international competition was increasingly shifting from military confrontation to economic rivalry.[46] Robert Blackwill and Jennifer Harris later developed the concept more systematically as "geoeconomic statecraft," and defined it as the use of economic instruments to promote and defend national interests and produce favorable geopolitical outcomes.[47] Thus, in contrast to the classical understanding of power, which emphasizes military force and/or direct coercion, geoeconomics, as his work suggests, instead aims to highlight the strategic uses of economic tools for achieving political and strategic goals. Trade, investment, development finance, infrastructure construction, and connectivity are not treated merely as economic activities but as mechanisms through which states can shape the external environment, expand influence, and solidify long-term strategic positioning.[48] From this perspective, infrastructure and connectivity are not politically neutral forms of economic cooperation. In contrast,

---

[44] Lee Jones and Shahar Hameiri, "*Debunking the Myth of 'Debt-trap Diplomacy': How Recipient Countries Shape China's Belt and Road Initiative*," *Chatham House* (2020).
[45] Lee Jones and Shahar Hameiri, Debunking the Myth of "Debt-Trap Diplomacy": How Recipient Countries Shape China's Belt and Road Initiative (London: Chatham House, 2020).
[46] Edward N. Luttwak, "From Geopolitics to Geo-Economics: Logic of Conflict, Grammar of Commerce," The National Interest, no. 20, 1990.
[47] Robert D. Blackwill and Jennifer M. Harris, War by Other Means: Geoeconomics and Statecraft (Cambridge, MA: Harvard University Press, 2016).
[48] Edward N. Luttwak, "From Geopolitics to Geo-Economics: Logic of Conflict, Grammar of Commerce," The National Interest, no. 20, 1990; Robert D. Blackwill and Jennifer M. Harris, War by Other Means: Geoeconomics and Statecraft (Cambridge, MA: Harvard University Press, 2016).

they can lead to long-term asymmetries of dependence, the accession of privileges, and political influence in participating countries.[49]

This approach is particularly effective in making sense of the grand transnational connectivity initiatives that are formally presented as a development and connectivity platform, instead of a publicly stated geopolitical strategy.[50] To comprehend such initiatives only through traditional or coercive indicators ignores much of their strategic significance. Through the geoeconomic perspective, it reveals that critical logistics nodes, cross-border transport systems, and financing arrangements can generate future-oriented geopolitical impacts even without direct intervention.[51] The relevance of this framework and thesis lies in the ability to explain how infrastructure and investment can serve as instruments of influence without framing it in public.[52] Under this approach, infrastructure and capital deployment are expected to yield systemic benefits for the investing state, including strengthening influence in key transportation corridors, providing long-term development platforms for its enterprises, expanding diplomatic influence, gaining support from the participating countries on international issues, and exercising structural influence on the policy environment of participating states.[53] Although it does not imply that every project follows a single strategic plan, this thesis assumes that the cumulative effect of the economic engagement can enhance the investing states' geopolitical position.[54]

[49] Edward N. Luttwak, "From Geopolitics to Geo-Economics: Logic of Conflict, Grammar of Commerce," The National Interest, no. 20, 1990; Susan Strange, States and Markets (London: Pinter, 1988).
[50] Edward N. Luttwak, "From Geopolitics to Geo-Economics: Logic of Conflict, Grammar of Commerce," The National Interest, no. 20, 1990.
[51] Nadège Rolland, China's Eurasian Century? Political and Strategic Implications of the Belt and Road Initiative (Seattle: National Bureau of Asian Research, 2017).

[52] Ibid.
[53] Nadège Rolland, China's Eurasian Century? Political and Strategic Implications of the Belt and Road Initiative (Seattle: National Bureau of Asian Research, 2017). Susan Strange, States and Markets (London: Pinter, 1988).
[54] Susan Strange, States and Markets (London: Pinter, 1988).

3.2 Structural Power and Long-Term Influence

To further enrich the later geoeconomic interpretations,this paper also draws on the concept of structural power, which refers to one state's ability (i.e. China) to shape institutional, economic, and infrastructural outcomes of another state that is technically still formally in power (i.e. Kenya/Ethiopia(?).[55] Unlike relational power, which functions as a direct means of coercion or compulsion,[56] structural power operates indirectly by influencing the material, financial, and technical environments that shape the policy and long-term development trajectories of participating countries.[57] Under the geoeconomic framework, an investing state exercises structural power mainly by transforming the production and finance structure of the target state. When investing, states deploy capital to construct large-scale, cross-border infrastructure and logistics systems, it not only delivers physical assets but also rephrases the economic landscape.[58] By establishing logistics networks, the investing state subtly guides the distribution of economic activity and trade routes within the target country.[59] Thus, the target government increasingly makes sovereign economic decisions in the material framework that has been structurally designed by the investing country.[60]

The structural transformation triggers path dependence mechanisms because large-scale infrastructure and institutional linkages require substantial and irreversible sunk costs.[61] Once these complex logistics or financial systems are embedded in the target state's domestic political and economic systems, the micro-choices become constrained by the macro-system, and its networks adjust to the investing state's standards, systems, and models.[62] Furthermore, the adjustment can also create major asymmetric exit costs, which means that if the target state attempts to withdraw from the existing infrastructure system, it will face huge barriers and potentially

[55] Susan Strange, States and Markets (London: Pinter, 1988).
[56] Ibid.
[57] Robert D. Blackwill and Jennifer M. Harris, War by Other Means: Geoeconomics and Statecraft (Cambridge, MA: Harvard University Press, 2016).
[58] Ibid.
[59] Ibid.
[60] Susan Strange, States and Markets (London: Pinter, 1988).
[61] Paul Pierson, "Increasing Returns, Path Dependence, and the Study of Politics," American Political Science Review 94, no. 2 (2000).
[62] W. Brian Arthur, "Competing Technologies, Increasing Returns, and Lock-In by Historical Events," Economic Journal 99, no. 394 (1989).

catastrophic economic turmoil.[63] In contrast, the investing state costs minimal and highly dispersed systemic disruption. Through the asymmetric mechanism, the investing state gains privileged positions in key sectors of the target state, translating its presence into long-term strategic advantages and structural leverage in future interstate negotiations.[64]

In sum, by combining structural power and long-term influence into the geoeconomic analysis, this shifts the analytical focus away from simple present interests.[65] This provides a conceptual perspective to inform how large connectivity initiatives, like the BRI for instance, may well function as instruments of geopolitical influence through long-term financial and operational arrangements.[66] Indeed, instead of taking economic relations as neutral or inherently equal exchange partnerships, this framework suggests that infrastructure investment and economic integration can gradually generate asymmetrical forms of interdependence and reshape the long-term distribution of political and economic leverage in favor of the investing country.[67]

3.3 Governance Capacity and State Agency

While the geoeconomic statecraft and structural power explain how economic engagement can generate strategic influence and long-term forms of leverage,[68] these approaches cannot fully explain variations in outcomes across different target states.[69] Therefore, governance capacity and state institutions must be taken into consideration as key intermediary factors influencing the negotiation, implementation, and transformation of political and strategic outcomes in foreign economic participation.[70]

---

[63] Paul Pierson, "Increasing Returns, Path Dependence, and the Study of Politics," American Political Science Review 94, no. 2 (2000).
[64] Ibid.
[65] Susan Strange, *States and Markets* (London: Pinter Publishers, 1988).
[66] Robert D. Blackwill and Jennifer M. Harris, *War by Other Means: Geoeconomics and Statecraft* (Cambridge, MA: Harvard University Press, 2016).
[67] Mikael Wigell and Sören Scholvin, "Geo-economics as Concept and Practice in International Relations," *Asia Europe Journal* 14, no. 2 (2016); Tim Zajontz, "T," *Oxford Development Studies* 49, no. 4 (2021).
[68] Robert D. Blackwill and Jennifer M. Harris, *War by Other Means: Geoeconomics and Statecraft* (Cambridge, MA: Harvard University Press, 2016); Susan Strange, *States and Markets* (London: Pinter Publishers, 1988).
[69] Mikael Wigell, "Geo-economics as Concept and Practice in International Relations," *Asia Europe Journal* 14, no. 2 (2016).
[70] Tim Kelsall, *Business, Politics, and the State in Africa* (London: Zed Books, 2013).

The concept of governance capacity refers to a state's ability to negotiate, implement, regulate, and supervise external financing projects while preserving its policy autonomy and maximizing its national interests, which also included the ability to coordinate across state institutions, evaluate project terms and conditions, manage debt and fiscal risk, integrate projects into a broader national policy approach, and respond to external pressure. States which have higher governance capacity are better positioned to coordinate the external projects and to align with domestic priorities. However, weaker capabilities can lead to fragmented decision-making, limited oversight, and greater vulnerability to adverse terms or unforeseen consequences.[71]

Another concept related to the hosting state is state agency, which refers to the ability of governments to make strategic choices and actively shape their engagement with external actors.[72] With the context of large-scale infrastructure and development cooperation, target states are not treated as passive recipients of external investment.[73] Governments may actively seek out, negotiate, and incorporate external engagement into broader development and foreign policy strategies.[74] Therefore, the state agency is reflected in how governments prioritize projects, select partners, and pursue specific national objectives through external cooperation[75].

Governance capacity and state agency are particularly important because they influence the extent of benefits or the degree of asymmetric interdependence and structural vulnerability that external economic cooperation can generate.[76] Additionally, they provide a framework for understanding how geopolitical effects of external economic engagement are shaped through interactions between external actors and the target state.[77] This perspective views the target state as proactive actors,

---

[71] Merilee S. Grindle, "Good Enough Governance: Poverty Reduction and Reform in Developing Countries," Governance 17, no. 4 (2004).
[72] LSD.Law., What is state agency? Simple Definition & Meaning - LSD.Law.,17 November 2025.
[73] Chris Alden and Carlos Oya, "China's Engagement in Africa," in Routledge Handbook of Africa–Asia Relations, ed. Pedro Amakasu Raposo de Medeiros et al. (London: Routledge, 2018).
[74] Pádraig Carmody, *The New Scramble for Africa* (Cambridge: Polity Press, 2011).
[75] David Booth and Frederick Golooba-Mutebi, "Developmental Patrimonialism? The Case of Rwanda," *African Affairs*111, no. 444 (2012).
[76] Dani Rodrik, *One Economics, Many Recipes: Globalization, Institutions, and Economic Growth* (Princeton: Princeton University Press, 2007)
[77] Pádraig Carmody, *The New Scramble for Africa* (Cambridge: Polity Press, 2011).

emphasizing their ability to negotiate, regulate, and coordinate external engagement to domestic institutional conditions and national development priorities.[78]

3.4 Analytical Argument and Link to the Case Study

Building on the concepts of geoeconomic statecraft, structural power, governance capacity, and state agency, this thesis argues that the BRI functions as a form of geoeconomic statecraft through which China may generate long-term structural and strategic advantages.[79] However, the extent and form of these advantages are not uniform across cases and conditioned by the governance capacity and agency of African host states[80].

In this framework, China, through its policy banks, state-owned enterprises, and institutional arrangements, undertakes large-scale infrastructure financing and investment to shape the material and institutional environment of the BRI participating countries. These collaborations are not solely economic transactions but are taken as mechanisms for China to gain structural advantages, which include the ability to establish a long-term presence in key areas, influence connectivity patterns, and shape development trajectories.[81] In the meantime, target states are not passive recipients but are actors that actively seek, negotiate, implement, and integrate external cooperation according to domestic political and developmental priorities.[82]

The interaction between external geoeconomic engagement and domestic institutional capacity forms the central analytical logic of this thesis. Although the engagement of

[78] Lindsay Whitfield et al., *The Politics of African Industrial Policy: A Comparative Perspective* (Cambridge: Cambridge University Press, 2015).
[79] Robert D. Blackwill and Jennifer M. Harris, War by Other Means: Geoeconomics and Statecraft (Cambridge, MA: Harvard University Press, 2016), 20–26; Nadège Rolland, China's Eurasian Century? Political and Strategic Implications of the Belt and Road Initiative (Seattle: National Bureau of Asian Research, 2017).
[80] Robert D. Blackwill and Jennifer M. Harris, War by Other Means: Geoeconomics and Statecraft (Cambridge, MA: Harvard University Press, 2016).
[81] Susan Strange, States and Markets (London: Pinter, 1988); Nadège Rolland, China's Eurasian Century? Political and Strategic Implications of the Belt and Road Initiative (Seattle: National Bureau of Asian Research, 2017).
[82] Pádraig Carmody, *The New Scramble for Africa* (Cambridge: Polity Press, 2011), 90–105; William Brown, *The African State and the Asian Drivers in the World Economy* (London: Routledge, 2012).

China may generate long-term structural influence, the outcomes are depending on how effectively the target state can manage financing arrangement, coordinate implementation, further preserve policy autonomy and integrate projects into national development strategies.[83] Hence, this thesis argues that the BRI may generate more asymmetric outcomes in some cases, on the other hand generating relatively more balanced developmental gains in others.[84]

These expectations are examined through a comparative analysis of Kenya and Ethiopia. Both countries are major participants in the BRI projects and have received substantial investment and financial support in infrastructure and development, but they differ in the approaches to project coordination, implementation, and integration into their national strategies. Therefore, the comparison will provide a basis for examining how differences in governance capacity and state agency shape the political, strategic, and developmental outcomes of BRI engagement, and will demonstrate how geoeconomic statecraft produces distinct outcomes in different national contexts.[85]

4. Methodology

4.1 Research Design

This thesis adopts a qualitative comparative case-study approach[86] to examine whether the benefits of the BRI are distributed equally between China and participating African states. The research focuses on an in-depth, case-based investigation to trace how Chinese engagement shapes political and strategic outcomes in specific national contexts. A comparative design is particularly suitable

---

[83] Dani Rodrik, *One Economics, Many Recipes: Globalization, Institutions, and Economic Growth* (Princeton: Princeton University Press, 2007).
[84] Mikael Wigell, "Geo-economics as Concept and Practice in International Relations," Asia Europe Journal 14, no. 2 (2016).
[85] Deborah Brautigam, *The Dragon's Gift: The Real Story of China in Africa* (Oxford: Oxford University Press, 2009).
[86] Alexander L. George and Andrew Bennett, Case Studies and Theory Development in the Social Sciences (Cambridge, MA: MIT Press, 2005); Lindsay Whitfield et al., The Politics of African Industrial Policy: A Comparative Perspective (Cambridge: Cambridge University Press, 2015).

for this study because it allows for the examination of variation across cases[87]that have similarity of Chinese involvement but differ in host countries' domestic governance capacity and the engagement with external actors. By comparing Kenya and Ethiopia, this thesis seeks to identify that the similarity of Chinese investments and infrastructure development can lead to diverse configurations of outcomes.

4.2 Case Selection: Kenya and Ethiopia

Kenya and Ethiopia were chosen because of their most similarity to engage the BRI projects in Africa,[88] but they are different in key explanatory variables related to governance capacity and state agency. Both countries are major recipients of Chinese investment and financing, participate actively in the BRI-related projects, and host large-scale infrastructure and development initiatives supported by Chinese actors.

However, there are differences in how these projects are negotiated, implemented, and integrated into national development strategies. These variations make them particularly suitable for analyzing how governance capacity shapes the outcomes of Chinese engagement. It is important to address that this case selection is not aimed at comparing the differences in their political systems, but to examine differences in state capacity to manage external engagement. Through constant control of Chinese engagement, this study determines how domestic factors impact the distribution of benefits and the extent of China's geopolitical gains.

4.3 Data Sources

This research relies on quantitative and qualitative data collected from various sources to ensure triangulation and reliability in analyzing the study.[89] The sources include: official government documents, Chinese policy statements, and official BRI

---

[87] John Gerring, Case Study Research: Principles and Practices (Cambridge: Cambridge University Press, 2007).
[88] *Kenya Railways- right on track*. (n.d.). https://krc.co.ke/; *The Ethiopian-Djibouti railway- Ethiopian Railways Corporation*. (n.d.). https://erc.gov.et/project/the-ethiopian-djibouti-railway/
[89] Norman K. Denzin, The Research Act: A Theoretical Introduction to Sociological Methods (New York: McGraw-Hill, 1978).

statements, reports from international organizations, think tanks, academic literature, investigative journalism, and project-level materials such as infrastructure contracts, financing structures, and implementation records. Each mentioned source of sources serves different analytical purposes for this research as will be explained below:

Official government documents and Chinese policy statements were used to examine formal policy objectives, development narratives, and diplomatic framing.[90] In conjunction with official statements, project-level data, (including loan agreements, infrastructure plans, operational reports, and utilization outcomes), were used to trace how infrastructure projects evolved and how strategic and financial outcomes emerged.[91] These government and project records were then supplemented by reports from international organizations, think tanks, and academic research to aid in forming independent evaluations and inspire points of view on financing structures, project performance, debt sustainability, and development impacts.[92] In a similar light, investigative journalism was particularly useful to identify political controversies, implementation challenges, and contractual disputes that may not appear in official narratives.[93]

Overall, by combining these materials, this paper was able to employ its "process-tracing" methodology (see 4.4). Indeed, by comparing official narratives, financing arrangements, implementation processes, and project outcomes, this study sought to explore how Chinese involvement influences governance capacity, policy autonomy, and long-term structural outcomes in Kenya and Ethiopia.

---

[90] State Council of the People's Republic of China, *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road* (Beijing: National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce, 2015); *Kenya Railways- right on track*. (n.d.). https://krc.co.ke/; *The Ethiopian-Djibouti railway- Ethiopian Railways Corporation*. (n.d.). https://erc.gov.et/project/the-ethiopian-djibouti-railway/

[91] Wang, C. N. (n.d.). Countries of the Belt and Road Initiative (BRI)- Green Finance & Development Center. https://greenfdc.org/countries-of-the-belt-and-road-initiative-bri/

[92] World Bank, *Belt and Road Economics: Opportunities and Risks of Transport Corridors* (Washington, DC: World Bank, 2019).

[93] Jonathan E. Hillman, "Game of Trains: Kenya's Standard Gauge Railway," Center for Strategic and International Studies, April 3, 2020.

4.4 Method: Process-Tracing

This analysis adopts a "process-tracing" method to examine how BRI projects translate into political and strategic outcomes over time.[94] By identifying the causal mechanisms between China's participation and changes in host states' capacity, policy autonomy, and structural dependencies, this method is able to go beyond simply describing project outcomes. By analyzing observable decision-making patterns through financing arrangements, policy adjustments, project implementation, and debt negotiations, this allows for an exploration of how African states' economic dependence is transformed into China's structural power.[95] This approach allows research to go further than the static indicators and examine how interactions between China and African participants produce final outcomes.[96]

For both the Kenya and Ethiopia cases, the analysis follows four steps:

1. Project initiation: State Agency and Strategic Choice
   - How and why the BRI projects were conceptualized and aligned with national development ambitions (Kenya Vision 2030 and Ethiopia GTP)
   - The role of host countries' domestic actors in selecting Chinese as partners

2. Negotiation and financing: governance capacity and state agencies
   - Project loan terms, contractual arrangements, and project evaluation
   - The extent of the host state's negotiating and bargaining power

3. Implementation: governance capacity, state agencies, and dependency
   - Project management, coordination, oversight, and compatibility
   - Pre-construction assessment and post-construction utilization rate
   - Role of the Chinese firms and local institutions

4. Outcomes: equal or asymmetrical
   - Economic and developmental effects
   - Political and strategic implications
   - Dependency and long-term structural impact

[94] Alexander L. George and Andrew Bennett, Case Studies and Theory Development in the Social Sciences (Cambridge, MA: MIT Press, 2005).
[95] Derek Beach and Rasmus Brun Pedersen, Process-Tracing Methods: Foundations and Guidelines (Ann Arbor: University of Michigan Press, 2013).
[96] Alexander L. George and Andrew Bennett, Case Studies and Theory Development in the Social Sciences (Cambridge, MA: MIT Press, 2005).

4.5 Analytical Procedure for Case Studies

To apply the theoretical framework to empirical analysis, this study adopts a structured analytical procedure[97] for both Kenya and Ethiopia cases. The analysis first identifies the strategic and economic interests of China, Kenya, and Ethiopia, including the motivations behind the project initiation and the expected benefits for each side. Then it analyzes the domestic decision-making process of the host state, focusing on how the key stakeholders decided to cooperate with China as a partner and managed internal coordination. This process are crucial for evaluating governance capacity and state agencies because it reveals the extent to which the government actively shaped the project or responded passively to the external environment.[98] Last, the analysis compares the initial BRI project with the final results, including changes in project design, route selection, cost structure, and financing arrangement.

By tracing these changes over time, this study identifies how decision-making evolved and whether these evolutions led to a shift in negotiating power, financial burden, or strategic control.[99] This approach progressively assesses and examines how the interaction between Chinese engagement and African host states' domestic governance processes leads to asymmetric outcomes.

4.6 Operationalization of Key Concepts

Since the question of whether the BRI has achieved strategic and financial equality cannot be answered from a single perspective, it is important to use observable, comparable, and analyzable indicators to measure it. To assess whether the benefits of the BRI are equally distributed, this study operationalizes three core concepts, which are China's benefits, Kenya's and Ethiopia's benefits, and governance capacity and agency.

[97] Alexander L. George and Andrew Bennett, Case Studies and Theory Development in the Social Sciences (Cambridge, MA: MIT Press, 2005).
[98] Derek Beach and Rasmus Brun Pedersen, Process-Tracing Methods: Foundations and Guidelines (Ann Arbor: University of Michigan Press, 2013).
[99] Alexander L. George and Andrew Bennett, Case Studies and Theory Development in the Social Sciences (Cambridge, MA: MIT Press, 2005).

1. China's geopolitical and structural benefits, it can be indicated by:
    - State-linked Chinese actors' long-term involvement in infrastructure and key sectors. The key sectors include the participation of Chinese state-owned enterprises (SOEs), policy banks, and other state-supported entities in transportation, logistics, and industrial systems.
    - Chinese influence over logistics networks and connectivity patterns.
    - Gaining support from African countries on the international stage.
    - Financial arrangements that generate ongoing relationships or leverage.
    - Alignment of the host state's policy with the Chinese economic or strategic interests.

These indicators reflect the extent to which China possesses structural and long-term advantages beyond short-term economic returns.

2. Kenya and Ethiopia's benefits are assessed through:
    - Observable patterns in governments' flexibility in negotiating financing arrangements, coordinating project implementation, and preserving policy autonomy in relation to external financing and infrastructure cooperation.
    - The degree of integration between the BRI projects and national development strategies.
    - Evidence of economic spillovers, including industrial development, trade facilitation, and employment generation.
    - Fiscal sustainability and management of debt obligations.
    - Project utilization rate and financial recovery rate.

The above indicators allows this study to evaluate whether African states derive sustainable and independent benefits from the BRI engagement.

3. Governance capacity and state agency are measured through:
    - The ability to negotiate project terms and financing conditions.
    - States' coordination across government institutions.
    - Capacity to manage implementation and regulate the external actors.
    - Ability to adopt or renegotiate the BRI projects with China.
    - Align the national development goals with the BRI projects.

4.7 Assessing Equality of Outcomes: Reciprocal Sustainability

This study does not measure equality solely in terms of immediate economic gains or project completion, but it evaluates whether the strategic, financial, and developmental outcomes of the BRI are achieved in a relatively reciprocal and sustainable long-term distribution between China and African host states. Therefore, equality is understood as a balance between benefits, risks, and long-term structural implications, instead of the achievement of identical outcomes.

The outcomes are considered relatively **asymmetrical** when:

- One country gains more strategic, financial, or structural benefits than the other country.
- Host states receive mainly temporary or conditional benefits while exposing themselves to long-term financial burdens, structural dependence, or external financing constraints.
- Host states lack the flexibility to regulate or manage infrastructure systems, renegotiating financing arrangements, or policy autonomy in the long term.
- A disparity in the allocation of risks and benefits in long-run, particularly as financial risk are borne by side.

In contrast, outcomes are considered relatively **balanced** when:

- Host states integrate the BRI projects into their broader national development and industrialization strategies successfully.
- The BRI projects have resulted in sustainable developmental spillovers, such as improvements in their trade facilitation, industrial expansion, employment generation, and long-term economic productivity.
- Host states maintain their policy autonomy, control the development trajectories, and manage fiscal obligations.
- The benefits gained from the BRI projects are sustainable without generating structural dependence or long-term developmental constraints.

4.8 Limitations

This study acknowledges several limitations. First, the reliance on purposive qualitative case studies may limit the general applicability of findings across different political systems and divergent institutional settings, because Kenya and Ethiopia represent distinct political-economic models. Due to the systems and institutional factors, the mechanisms identified in this thesis cannot be used as a universal blueprint for the other BRI participating states. Second, access to detailed financial and contractual information is often restricted, which may constrain the depth of analysis. Third, causal attribution remains complex because, besides the involvement of China, there are multiple factors that can influence the outcome

.

5. Case Study I: Kenya

5.1 BRI Engagement in Kenya: An Overview

Kenya, as one of the key participants of the BRI in East Africa, has largely utilized this initiative to focus on developing its large-scale infrastructure.[100] Among these projects, the "Standard Gauge Railway" (SGR) stands out as one of the most significant and representative projects of Chinese involvement.[101] By connecting Kenya's capital, Nairobi, with the port of Mombasa, the goal is to improve connectivity and thus incentivize infrastructure development along this route.[102] In addition to the railway,Chinese engagement in Kenya also includes significant investments in roads, port expansion, and energy infrastructure, which further contributes to the development of Kenya's national and regional connectivity.[103] These

[100] Government of Kenya, Kenya Vision 2030: A Globally Competitive and Prosperous Kenya (Nairobi: Government Printer, 2007).
[101] Wei Yunhui., Experiences of the Mombasa-Nairobi Railway among Diplomatic Ambassadors from Multiple Countries in Kenya: A Road to Prosperity Benefiting the Country and its People-Xi Jinping's Diplomatic Thought and China's Diplomacy in the New Era (China Xinhua News, 2023); Taylor, I., Kenya's new Lunatic Express: the standard gauge railway. In African Studies Quarterly (2020).
[102] Wei Yunhui., Experiences of the Mombasa-Nairobi Railway among Diplomatic Ambassadors from Multiple Countries in Kenya: A Road to Prosperity Benefiting the Country and its People-Xi Jinping's Diplomatic Thought and China's Diplomacy in the New Era (China Xinhua News, 2023); World Bank, Two Seasons: The Impact of the Nairobi-Mombasa Corridor on Kenya's Economy, World Bank Group Report (Washington, DC: World Bank, 2019).
[103] Wiegert, J., & Schneidman, W., Competing in Africa: China, the European Union, and the United States, Brookings. (2018, April 16).

projects are strategically framed as part of a broader effort to transform Kenya into a regional logistics and trade hub,[104] while contributing to broader connectivity networks under the BRI framework at the same time. Collectively, Kenya's participation in the BRI is a relatively broader integration into China-supported infrastructure and connectivity systems, instead of being limited to an isolated project.[105]

This context highlights the dual nature of BRI engagement within Kenya, because although it aligns with Kenya's ambition of modernizing its infrastructure and promoting socio-economic development,[106]it also raises questions about long-term structural implications for economic autonomy, connectivity governance, and the distribution of strategic benefits.[107]. Indeed,t this context provides the foundation for the subsequent analyses on whether the outcomes of the BRI are balanced or disproportionately favor China, in both strategic and financial terms. Hence,, to begin solving this puzzle, the following section will discuss Kenya's broader development objectives and policy priorities.

5.2 BRI's Strategic and Financial Interests

To understand how the SGR project promotes the equitable distribution of the BRI project outcome, it is necessary to examine the strategic and economic interests of both China and Kenya at the project's origin. This is done because this thesis does not view the SGR as a purely technical infrastructure project but rather as a product of intertwined interests that influenced subsequent negotiations, implementation, and the outcome.[108]

[104] Government of Kenya, Kenya Vision 2030: A Globally Competitive and Prosperous Kenya (Nairobi: Government Printer, 2007).
[105] Wei Yunhui., Experiences of the Mombasa-Nairobi Railway among Diplomatic Ambassadors from Multiple Countries in Kenya: A Road to Prosperity Benefiting the Country and its People-Xi Jinping's Diplomatic Thought and China's Diplomacy in the New Era (China Xinhua News, 2023).
[106] Government of Kenya, Kenya Vision 2030: A Globally Competitive and Prosperous Kenya (Nairobi: Government Printer, 2007).
[107] Lesutis, G., Infrastructure as techno-politics of differentiation: Socio-political effects of mega-infrastructures in Kenya (2021).
[108] Celestine A. Rarieya, Sophia E. de Vicente, China's Belt and Road Initiative in Africa: Kenya's pivotal role. Global Affairs and Strategic Studies. (2024); Deborah Brautigam, *The Dragon's Gift: The Real Story of China in Africa* (Oxford: Oxford University Press, 2009).

From China's perspective, the SGR project aligns with the following three key state objectives[109]: Firstly, given the overcapacity in China's domestic construction and heavy industry sectors,[110] the BRI provides an opportunity for Chinese state-owned enterprises to supply their excess into overseas markets. In essence, this is one of the factors that actually enables China to export its industrial capacity, capital, technology, and engineering services in the first place. Secondly, the project contributes to the development of regional transport corridors in East Africa, thereby enhancing China's role in shaping logistics networks that connect inland African regions to coastal ports. In this sense, the SGR is not only a bilateral project but also a part of the Chinese efforts to integrate its strengths into the regions' critical infrastructure systems. Thirdly, the project strengthens China's diplomatic and economic relationship with Kenya, which is one of the most important political and economic hubs in East Africa. In the long-term, China may view this cooperation as a strategic benefit that may provide it with preferential access, political goodwill, and support in international forums.[111]

On the other hand, Kenya**'s** primary motivation to join the BRI project and build the SGR stems from its own developmental and strategic considerations. In fact, the Kenyan government has long viewed its inadequate domestic infrastructure as a major constraint on economic growth and a limitation for the country's ability to streamline its trade capacity (as articulated in its 2008 "Kenya Vision 2030"[112]). To that end, the SGR should lead to improved efficiency and a reduction in transportation costs, which would ultimately facilitate trade, and allow it to better integrate into regional and global markets.[113] That being said, Kenya's partnership with China should not be understood solely in terms of infrastructure needs, as consideration needs to be given

---

[109] Ministry of Foreign Affairs, People's Republic of China. *The Chinese express train running in East Africa* (August 2020). Joint Statement between the People's Republic of China and the Republic of Kenya on Building a Model of an All-Weather China-Africa Community with a Shared Future in the New Era, 2025.
[110] Guangjun Shen, Binkai Chen. *Zombie firms and over-capacity in Chinese manufacturing*, July 2017; OECD. (2015). *OECD Economic Surveys: China*, July 2015.
[111] Ministry of Foreign Affairs, People's Republic of China. *The Chinese express train running in East Africa* (August 2020). Joint Statement between the People's Republic of China and the Republic of Kenya on Building a Model of an All-Weather China-Africa Community with a Shared Future in the New Era, 2025.
[112] Government of Kenya, Kenya Vision 2030: A Globally Competitive and Prosperous Kenya (Nairobi: Government Printer, 2007).
[113] Government of Kenya, Kenya Vision 2030: A Globally Competitive and Prosperous Kenya (Nairobi: Government Printer, 2007); Vivien Foster and Cecilia Briceño-Garmendia, *Kenya's Infrastructure: A Continental Perspective* (Washington, DC: World Bank, 2010).

to the broader historical shift in Kenya's foreign economic strategy. Indeed, with its past heavy reliance onWestern donors and international financial institutions, such as the World Bank and the IMF for development financing, the country experienced increasing internal perceptions of this aid as involving excessive and unrelated conditionalities, slower project implementation, and limited flexibility in large-scale infrastructural development. In response to these constraints, Kenya has *gradually* adopted a "Look East" policy since 2005,[114] which seeks to diversify its external partnerships by engaging more actively in cooperation with emerging Asian countries' economies.[115]Therein, China was the most attractive option due to its willingness to provide large-scale infrastructure financing, engineering expertise, and a scale of infrastructure development that other partners in the region cannot provide.[116] Hence, the emergence of China's BRI provided a timely opportunity for Kenya to more meaningfully pursue its "Kenya's Vision 2030" development objectives[117] For this reason alone, when considering the country's domestic needs for funding and infrastructure development, its participation in the BRI and its related projects should not be seen as a passive response to external influences but in fact a strategic decision to achieve its domestic development goals.

Notwithstanding the above, and without contradicting it, while the interests of China and Kenya may appear to align on the surface, further analysis has shown that the SGR project *does* reflect some underlying asymmetries from the outset. Before discussing the intricacies of this, the next section will discuss the initial conditions surrounding the SGR that played an important role in influencing the negotiation process, implementation dynamics, and eventual distribution of benefits.

[114] Hellen Adogo, Tinuade Ojo, and Chidochashe Nyere, "Kenya's Infrastructural Question: Examining the Renegotiation of the SGR Debt with China," *African Journal of Political Science* 13, no. 1 (2025).
[115] Post, S. C. M.,How former Kenyan president Mwai Kibaki looked east to China, (2022, April 30).
[116] Esther Mulinge, An Analysis of China-Kenya Bilateral Relations on Infrastructure Development, The Kenya institute for public policy research and analysis, 2012.
[117] Ministry of Foreign Affairs, China-Kenya relations, April 2026); Government of Kenya, Kenya Vision 2030: A Globally Competitive and Prosperous Kenya (Nairobi: Government Printer, 2007).

5.3 Observable Decision-making Patterns Behind the Standard Gauge Railway Agreement

Due to the limited availability of direct evidence from the internal governmental deliberations, this section focuses on observable decision-making patterns surrounding the development of Kenya's SGR. To that end, it examines publicly observable decision-making, including: policy choices, official statements, financing arrangements, procurement structures, and documented changes during project planning and implementation. Using this data, Chapter 5.3 assesses how Kenya exercised its autonomy in cooperation with China, and the extent to which governance capacity influenced the direction and outcome of the project.

5.3.1 From Strategic Preference to Partner Selection

In addition to the strategic considerations discussed in the previous section, Kenya's cooperation with China was further driven by the bilateral agreements and financing arrangements. In fact, in 2013, Kenya and China signed a Memorandum of Understanding (MOU), which established an infrastructure cooperation and financing framework and acted as the first legal precursor to the SGR[118] This was followed by the signing of series of agreements involving the Export-Import Bank of China[119] and China Road and Bridge Corporation (CRBC)[120], which became the main financier and contractor of the railway project respectively. By 2014, then Chinese Premier Keqiang Li visited Kenya and signed the SGR financing agreement with Kenyan leaders, marking a milestone in the substantive launch of the BRI in Kenya.[121] These successful negotiations spoke directly to the infrastructure development objectives outlined in the "Kenya Vision 2030". Scholars note that this milestone cooperation

[118] President Xi Jinping Holds Talks with President Uhuru Kenyatta of Kenya Announcing Establishment of China-Kenya Comprehensive Cooperative Partnership of Equality, Mutual Trust, Mutual Benefit and Win-Win Outcome_Embassy of the People's Republic of China in the Republic of Kenya. (2013).

[119] China Eximbank provides $1.903 billion buyer's credit loan for Phase 1 of Standard Gauge Railway Project (Linked to Record ID#31777 and #47025); AidData Project. (n.d.).

[120] *Mombasa-Nairobi Standard Gauge Railway Project*.(n.d.). https://www.crbc.com/site/crbcEN/mnbzen/index.html?id=570e2bf6-b830-4fd4-80d9-1c51e2336193

[121] Ministry of Foreign Affairs, and Ministry of Commerce of the PRC, Joint Statement between the Government of the People's Republic of China and the Government of the Republic of Kenya (2014); *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road* (2015).

agreement with China signaled Kenya's shift from Western partners to China, and can be traced back to its growing dissatisfaction with the limitations of traditional Western-led development financing. Perhaps a case to exemplify this shift in perception is the 2010 International Criminal Court (ICC) case when then-President Uhuru Kenyatta was charged for his role in Kenya's 2007-2008 post-election events of violence. Indeed, during the ICC proceedings China showed itself to be an increasingly attractive diplomatic and economic partner by following its principles of non-interference in domestic matters by displaying an unwavering willingness to engage with the Kenyan government[122]. Thus, while Western governments continued to emphasize the need to respect the classic values like accountability, fair governance, and cooperation with international legal institutions, China successfully positioned itself as the more "easy-going" potential partner. Ultimately, this clear difference strengthened the Kenyan political elite's views of China as a more reliable and less politically conditional partner.[123]

In sum, these observable decision patterns demonstrate that Kenya was not solely a passive recipient of Chinese influence, but actively sought out and had clear motives to cooperate with China to support its development agenda.

5.3.2 Official Development Framework of the Standard Gauge Railway

Beyond the institutional decision to position China as Kenya's primary infrastructure partner, another crucial aspect of the SGR project to consider is how the Kenyan government has actually framed and legitimized its implementation. Accordingly, the development framing of the SGR can be understood through the following two interconnected strategic dimensions, both of which reflect the interaction between its domestic development priorities and external infrastructure cooperation.[124]

---

[122] Celestine A. Rarieya, Sophia E. de Vicente, China's Belt and Road Initiative in Africa: Kenya's pivotal role. Global Affairs and Strategic Studies. (2024); Paul Kendall, "Balancing the East and the West: The 2013 Kenyan General Election and the Rise of Ambivalent Anti-Chinese Populism in Kenya," *African Journal of Legal Studies* 7, no. 1 (2014).
[123] Deborah Brautigam, *The Dragon's Gift: The Real Story of China in Africa* (Oxford: Oxford University Press, 2009); Daniel Large, "China and the Contradictions of 'Non-Interference' in Africa," *Review of African Political Economy*35, no. 115 (2008).
[124] Republic of Kenya & Kenya Railways. (2023b). *Strategic Plan 2023-2027* [Report]; Government of Kenya, Kenya Vision 2030: A Globally Competitive and Prosperous Kenya (Nairobi: Government

1. Infrastructure-Led Development and National Modernization

At the domestic level, the SGR is directly integrated into Kenya's Vision 2030, which views infrastructure modernization as the foundational requirement to defeat logistical bottlenecks in pursuit of industrialization, job creation, and enhanced global competitiveness. The public narrative, in addition to this, has framed the SGR as the largest infrastructure project since independence, aimed at replacing the aging colonial-era Ugandan railway. This shows how the government has sought to link the railway with national pride and economic revival.[125]

This development narrative has also served an important domestic political function, particularly in justifying the large-scale financial commitments associated with the railway project.[126] As a matter of fact, by framing the SGR as a central national development priority, the government aimed to strengthen public and political support for accepting extensive Chinese financing.[127]

2. Regional Connectivity and Economic Integration

From the regional perspective, Kenya's development framing indicated intentions to make Kenya *the* gateway to East Africa. Indeed, Nairobi's official policy documents consistently integrated the SGR into the broader framework of the Northern Corridor, viewing it as a link between the port of Mombasa and landlocked African economies, which include Uganda, Rwanda, and South Sudan.[128] On a broader scale, Kenya's official narrative linked the railway to broader ambitions of facilitating regional

---

Printer, 2007).

[125] Government of Kenya, *The Presidency*, "President Kenyatta Launches Madaraka Express Passenger Service," May 31, 2017; David Brewster, "Lessons from Kenya's New Chinese-Funded Railway," *Chatham House*, June 6, 2017.Government of Kenya, *Kenya Vision 2030: A Globally Competitive and Prosperous Kenya* (Nairobi: Government Printer, 2007); Government of Kenya, *Second Medium Term Plan 2013–2017* (Nairobi: Ministry of Devolution and Planning, 2013); Kenya Railways Corporation, *Kenya Railways Strategic Plan 2023–2027* (Nairobi: Kenya Railways Corporation, 2022).

[126] Government of Kenya, *Kenya Vision 2030* (2007), 7–18; David Brewster, "Lessons from Kenya's New Chinese-Funded Railway," *Chatham House*, June 6, 2017.

[127] National Treasury of Kenya, *Medium-Term Debt Management Strategy 2023* (Nairobi: National Treasury, 2023); National Assembly of Kenya, *Report of the Departmental Committee on Transport, Public Works and Housing on the Inquiry into the Use of the Standard Gauge Railway (SGR) in Kenya* (Nairobi: Parliament of Kenya, 2020).

[128] Government of Kenya, *Kenya Vision 2030: A Globally Competitive and Prosperous Kenya* (Nairobi: Government Printer, 2007); Kenya Railways Corporation, *Kenya Railways Strategic Plan 2023–2027* (Nairobi: Kenya Railways Corporation, 2022); David Brewster, "Lessons from Kenya's New Chinese-Funded Railway," *Chatham House*, June 6, 2017.

commerce, attracting investment, and increasing Kenya's strategic importance within the Western Indian Ocean region.[129]

This idea was further reinforced when then-Premier Li Keqiang of China, visited Nairobi in May 2014, as during the visit, the high-profile ceremony to sign the SGR financing agreements took place and was attended not only by Kenya's then-President Uhuru Kenyatta but also by other heads of state from Uganda, Rwanda, and South Sudan.[130] This multi-lateral witness to an actual bilateral contract, technically concerning only Kenya and China, demonstrates that the perception of the SGR and its potential is not local, but in fact regional; one that might serve multiple East African economies. This consolidates the project's developmental and political legitimacy at both the domestic and regional level.[131]

That being said, when researching beyond the official framing of the SGR project sources show that tensions gradually emerged between the government's optimistic projections and growing public concerns about the long-term sustainability of the project. As a matter of fact, while the railway is officially positioned as a catalyst for economic transformation and regional competitiveness, questions about debt sustainability, operational efficiency, and long-term financial returns have been mounting. While these concerns have not immediately replaced the dominant modernization narrative, they *have* sparked debates about whether Kenya and China will ultimately share the benefits of the SGR equally. Indeed, while the public reasoning for the railway has primarily been linked to modernization, infrastructure development, and regional integration, the international relations theory angle emphasizes geopolitical considerations and concerns, which lays the groundwork for the long-term structural dynamics explored in the upcoming section.

[129] Government of Kenya, *Second Medium Term Plan 2013–2017* (Nairobi: Ministry of Devolution and Planning, 2013); David Brewster, "Lessons from Kenya's New Chinese-Funded Railway," *Chatham House*, June 6, 2017.
[130] Ministry of Foreign Affairs of the People's Republic of China, "Li Keqiang Attends Signing Ceremony of China–Kenya Cooperation Agreements," May 2014; Government of Kenya, *State House Kenya Press Releases*, May 2014.
[131] Ibid.

5.3.3 Financing Structure and Emerging Concerns

Public, political, and economic concerns regarding the financing and institutional arrangements which underlied the SGR's implementation seemingly only later became increasingly apparent as the project moved from political conceptualization to actual implementation.[132]Although the concerns may have come too late, this section will attempt evaluate the financing structure of the SGR to understand if the concerns are justified and then link the analysis to the broader asymmetries surrounding Kenya-China BRI cooperation:[133]

As previously mentioned, the SGR's construction has mainly been financed by loans provided by the Export-Import Bank of China.The financing scheme consisted of both concessional and commercial loan components, with sovereign guarantees provided by the Kenyan government.[134] Compared to the financing arrangements associated with multilateral development institutions like the IMF or World Bank, the Chinese loan arrangement was perceived by Kenyan policymakers as offering a relatively rapid mechanism for mobilizing large-scale funds.[135]

However, taking the World Bank for example, its financing generally consists of two windows. One is concessional financing provided through the international Development Association (IDA), which is typically characterized by lower service charges with long maturities and extended grace period, the other is non-concessional lending provided through the International Bank for Reconstruction and Development (IBRD), which consists of market rates plus spread.[136] During the SGR negotiation,

[132] National Assembly of Kenya, *Report of the Departmental Committee on Transport, Public Works and Housing on the Inquiry into the Use of the Standard Gauge Railway (SGR) in Kenya* (Nairobi: Parliament of Kenya, 2020); Nancy Muthoni Githaiga, "Infrastructure Development and the Standard Gauge Railway in Kenya: Implications for Sustainable Development," *African Journal of Economic Review* 8, no. 1 (2020).
[133] Ibid.
[134] China Eximbank provides $1.903 billion buyer's credit loan for Phase 1 of Standard Gauge Railway Project (Linked to Record ID#31777 and #47025); National Treasury and Economic Planning of Kenya, "External Public Debt Register," Government of Kenya.; AidData, "Mombasa-Nairobi Standard Gauge Railway Project (Project ID 37103)," Global Chinese Development Finance Dataset.
[135] Karoline Eickhoff, "Chinese Mega Projects in Kenya: Public Controversies around Infrastructure and Debt in East Africa's Regional Hub," *SWP Policy Brief* 4 (2022).
[136] World Bank, *What is the Difference between IBRD and IDA?* (Washington, DC: World Bank).

Kenya as an IDA-IBRD blend country was eligible for concessional IDA financing while also being considered credit worthy for certain IBRD loans.[137]

Based on the potential loan interest rate the World Bank might offer Kenya during the signing of the SGR, and in contrast, the financing arrangements for the SGR offered by Export-Import Bank of China carried an interest rate of approximately 2%, while the commercial part was approximately linked to the six-month LIBOR plus 3.6%.
Given the fact that the BRI financing arrangement carried a higher interest rate with shorter repayment period and grace period and the loan was backed by sovereign guarantees provided by the Kenyan government.

As a result, Kenya assumed the primary repayment obligations and financial risks, while the guarantees helped reduce the credit risk faced by Chinese lenders.[138] This may be important because it demonstrated financial inequality right from the beginning.Chinese financial institutions, contractors, and engineering capabilities were all closely intertwined throughout the project cycle. The Chinese state-owned enterprise, China Road and Bridge Corporation (CRBC) served as the primary contractor responsible for the railway's construction, while financing was heavily tied to the Chinese policy bank.[139] This means that the railway was not only financed by China, but in fact its entire institutional structure revolved around Chinese -capital, -firms, and -implementation mechanisms.

Further concerns to consider in the financing structure of the SGR project regard procurement and transparency. In fact, critics point out that the major contracts associated with the SGR were awarded to Chinese companies, while international competitive bidding was minimal, thereby raising questions regarding governance oversight, cost efficiency, and accountability.[140] Although the Kenyan government

[137] World Bank, *Country Partnership Strategy for the Republic of Kenya for the Period FY2014–FY2018* (Washington, DC: World Bank, 2014).
[138] National Treasury of Kenya, *2019 Medium-Term Debt Management Strategy* (Nairobi: National Treasury, 2019); Office of the Auditor-General of Kenya, *Special Audit Report on Procurement and Financing of the Standard Gauge Railway Project* (Nairobi: Office of the Auditor-General, 2020).
[139] Africa Center for Strategic Studies. "Chinese State-Owned Enterprises and Market Capture in Africa." Spotlight., 2026.
[140] Office of the Auditor-General of Kenya, *Special Audit Report on Procurement and Financing of the Standard Gauge Railway Project* (Nairobi: Office of the Auditor-General, 2020).

defends these arrangements on the grounds of project speed and ease of financing, concerns about transparency are increasingly becoming part of a broader domestic debate[141].

However, the overall financial scale of the SGR has become progressively controversial over time. Public discussion frequently questions whether the railway's economic returns will be sufficient to offset its massive borrowing, asKenya's domestic critics' views on the SGR have gradually shifted from optimism about its development prospects to concerns about fiscal sustainability and solvency. Furthermore, the sovereign guarantees and long-term financial risks have also drawn attention. Due to the Kenyan government assuming repayment obligations related to the railway loan, the project raised concerns that fiscal dependence on the Chinese institutions could gradually limit Kenya's fiscal flexibility and policy autonomy.[142] While some public claims about the "debt-trap" are often politically exaggerated or lack direct evidence, the broader discussions nonetheless reflect growing anxiety about the long-term impact of Chinese-financed infrastructure lending.[143]

Additionally, the financing structure also revealed important dimensions of Kenya's governance capacity and agency. On one hand, the Kenyan government actively pursued Chinese financing as part of its broader infrastructure modernization strategy under Vision 2030. Therefore, Kenya is not only a passive recipient of Chinese initiatives but an active participant seeking external resources to achieve domestic development. On the other hand, the project exposed limitations in Kenya's ability to balance rapid infrastructure expansion with long-term fiscal sustainability, diversified financing strategies, and transparent procurement practices.[144]

---

[141] South African Institute of International Affairs.; Local Politics Meets Chinese Engineers: A Study of the Chinese-Built standard Gauge Railway Project in Kenya - SAIIA. SAIIA,; (September 2023).
[142] National Treasury of Kenya, *2019 Medium-Term Debt Management Strategy* (Nairobi: National Treasury, 2019); Office of the Auditor-General of Kenya, *Special Audit Report on Procurement and Financing of the Standard Gauge Railway Project* (Nairobi: Office of the Auditor-General, 2020).
[143] Deborah Brautigam, "A Critical Look at Chinese 'Debt-Trap Diplomacy': The Rise of a Meme," *Area Development and Policy* 5, no. 1 (2020).
[144] Republic of Kenya, *Kenya Vision 2030: First Medium Term Plan 2008–2012* (Nairobi: Office of the Prime Minister and Ministry of State for Planning, National Development and Vision 2030, 2008); Republic of Kenya, *Budget Policy Statement 2009: Formulating the 2009/10 Budget under Challenging Economic Environment* (Nairobi: Ministry of Finance, 2009).

The SGR financing arrangements also contributed to a broader process of structural embedding. Indeed, since China and its institutions have now established a long term presence in one of the most important transport corridors in East Africa its engagement extends beyond the construction phase and has become increasingly intertwined with Kenya's transportation and logistics networks. This illustrates that the importance of the SGR lies not only in the delivery of infrastructure, but also in the long-term institutional and strategic relationships generated through the projects.[145]

Taken together, these developments demonstrate that the financing structure of the SGR was not merely a technical economic arrangement but also a mechanism for strengthening broader political and structural relationships. While Kenya gained major infrastructure and transport capacity, China also embedded its institutional, financial, and strategic participation in Kenya's key connectivity systems.[146] Therefore, the financing aspect of the SGR reflects the duality of participation in the BRI, Kenya's development ambitions, and its proactive efforts to modernize its infrastructure. However, the institutional and financial structures underpinning this cooperation have also created increasingly asymmetrical financial risk exposure, fiscal vulnerability, and long-term structural dependence. These asymmetries have become increasingly apparent as the railway moves beyond its initial development framework into later stages of implementation and operation.[147]

5.3.4 Project Evolution and Observable Changes

While the Kenyan SGR was initially hailed as a transformative infrastructure project that is able to reshape Kenya's economic future, its evolution during implementation and operation has revealed a widening gap between official expectations and reality. The railway was initially envisioned as a part of a broader regional transport network that connects the ports with other inland African economies, while also generating

[145] Jonathan E. Hillman, *The Emperor's New Road: China and the Project of the Century* (New Haven: Yale University Press, 2020).; Robert D. Blackwill and Jennifer M. Harris, *War by Other Means: Geoeconomics and Statecraft* (Cambridge, MA: Harvard University Press, 2016).
[146] Robert D. Blackwill and Jennifer M. Harris, *War by Other Means: Geoeconomics and Statecraft* (Cambridge, MA: Harvard University Press, 2016).
[147] National Treasury of Kenya, *2019 Medium-Term Debt Management Strategy* (Nairobi: National Treasury, 2019); Office of the Auditor-General of Kenya, *Special Audit Report on Procurement and Financing of the Standard Gauge Railway Project* (Nairobi: Office of the Auditor-General, 2020).

long-term economic growth through increased trade and logistic efficiency. However, as demonstrated in 5.3.3, challenges such as financing, operational sustainability, regional coordination, and debt repayment increasingly reshaped both the implementations and public perception of the project. These observable changes provide important insight into how asymmetries gradually emerged in Kenya's cooperation with China within the BRI framework.[148]

As the railway moved from construction into operation and subsequent expansion phases, several aspects of the initial vision became increasingly difficult to achieve, especially the extension of the railway beyond Nairobi.[149] The plan aimed to extend the railway to Naivasha, Kisumu, and eventually Uganda, however, the later project encountered development and financing challenges. The slow progress in connecting the railway infrastructure with neighboring countries, particularly Uganda, made the envisioned fully integrated regional railway corridor difficult to achieve.[150] The later failure to secure additional financing from China reflects growing concerns about the railway's commercial sustainability and the long-term profitability of further expansion. Consequently, the initial regional integration goals associated with the SGR were only partially achieved. [151]

The project's financial situation also had major changes by time, with public opinion shifting from optimism to concerns about debt burdens and repayment capacity. As project costs increased and Kenya's public debt burden worsened, domestic criticism of the SGR intensified.[152] Doubts began to spread regarding the projected freight volumes and railway revenues would be sufficient to offset operating costs and repay

---

[148] Ibid.

[149] Allan Olingo, "Kenya Fails to Secure $3.6b from China for Third Phase of SGR Line to Kisumu," *The East African*, April 27, 2019.; O. Otele, *A Case Study of Kenya's Standard Gauge Railway* (Council on Foreign Relations, 2021).

[150] Julius Barigaba, "Uganda Cancels $2.2bn SGR Contract with Chinese Firm," *Daily Monitor*, January 2023. Supported by subsequent reporting on Uganda's termination of the CHEC agreement and shift to alternative contractors.;Ian Taylor, "Kenya's New Lunatic Express: The Standard Gauge Railway," *African Studies Quarterly* 19, no. 3–4 (2020).

[151] Allan Olingo, "Kenya Fails to Secure $3.6b from China for Third Phase of SGR Line to Kisumu," *The East African*, April 27, 2019.;Julius Barigaba, "Uganda Cancels $2.2bn SGR Contract with Chinese Firm," *Daily Monitor*, January 2023. Supported by subsequent reporting on Uganda's termination of the CHEC agreement and shift to alternative contractors.; Government of Kenya, *Kenya Vision 2030: A Globally Competitive and Prosperous Kenya* (Nairobi: Government Printer, 2007)

[152] Court of Appeal at Nairobi, *Civil Appeal No. 291 of 2016: Okiya Omtatah Okoiti & another v Attorney General & 4 others* (June 19, 2020).

debt.[153] An observable transformation illustrated in the shift in public discourse about how the project was perceived in Kenya.[154] Despite the railway saving the travel time between Mombasa and Nairobi, further improved transport efficiency in some areas, utilization and profitability remained points of contention. To address this, the Kenyan government introduced a series of policies aimed at shifting freight transport from road to rail systems to increase the volume and improve the project's financial performance.[155] These measures triggered tensions with local business groups and logistics operators, exposing the difficulties in translating large-scale infrastructure construction into immediate and sustainable economic returns.[156]

The evolution between the balance and the development cooperation and structural dependence was another notable shift. China's participation was initially framed as support for Kenya's modernization and industrial development goals.[157] However, as financing obligations, operational management, technical maintenance, and logistic coordination became more intertwined with Chinese institutions and businesses, a clear trend of dependency has grown.. The process extended China's influence further than construction, fostering a long-term institutional presence in a strategically important economic location in Kenya.[158] Meanwhile, the Kenyan government upholds that the SGR is a necessary investment despite growing criticism. It demonstrates that Kenya maintains its agency through the project and continues to pursue infrastructure modernization as a core national ambition. Instead of simply abandoning the railway when difficulties emerged, the Kenyan government adapts operational policies and conserves the development narrative around the project. However, the project exposed shortcomings in Kenya's governance capacity, particularly in financial planning, regional coordination, and external borrowing

---

[153] National Treasury of Kenya, *2019 Medium-Term Debt Management Strategy* (Nairobi: National Treasury, 2019); Office of the Auditor-General of Kenya, *Special Audit Report on Procurement and Financing of the Standard Gauge Railway Project* (Nairobi: Office of the Auditor-General, 2020).
[154] Office of the Auditor-General (Kenya), *Report of the Auditor-General on the Financial Statements of Kenya Railways Corporation for the Year Ended 30 June 2018* (Nairobi: OAG, 2019).https://www.oagkenya.go.ke/wp-content/uploads/2021/09/Kenya-Railways-Corporation-2017-2018.pdf
[155] Office of the Auditor-General (Kenya), *Report of the Auditor-General on the Financial Statements of Kenya Railways Corporation for the Year Ended 30 June 2023* (Nairobi: OAG, 2024).
[156] Kenya news agency information for development, *High Court Suspends Directive Requiring All Cargo To Be Transported Through SGR*, KNA 2020.
[157] Government of Kenya, *Kenya Vision 2030* (Nairobi: Government Printer, 2007).
[158] Jonathan E. Hillman, *The Emperor's New Road: China and the Project of the Century* (New Haven: Yale University Press, 2020).

management.[159] Therefore, the trajectory of the SGR suggests that the asymmetries under the BRI do not stem from direct Chinese coercion or explicit political intervention, but it forms gradually.

5.4 Implementation and Structural Embedding

Beyond financing arrangements and official development narratives, the implementation of the SGR further illustrates how the BRI can generate long-term structural impacts by embedding external players into Kenya's key national infrastructure systems. Although the SGR was positioned as a cooperative development project to support Kenya's modernization goals in the beginning, the project's operational realities have gradually deepened China's institutional, technological, and logistical presence in a strategically important economic region of Kenya. A key characteristic of the SGR implementation was the pivotal role played by Chinese state-owned enterprises throughout multiple stages of the project cycle. The China Road Bridge Corporation (CRBC) was not only responsible for construction but also actively participated in technical operations, management support, engineering coordination, and maintenance during the operation.[160] Thus, China's engagement transcended short-term infrastructure development, becoming integrated into the very operation of Kenya's transportation system.

This implementation structure reflects a common characteristic of many BRI infrastructure projects around the globe, in which financing, construction, technical expertise, and operational management are closely interconnected to China. In Kenya's case, the SGR project relied on Chinese systems, standards, and operational expertise, which created a form of institutional continuity that persisted after the completion of the construction. As a consequence, the SGR is less a completed infrastructure project and more an infrastructure system whose operation still depends to some extent on China's continued technical and institutional involvement. Additionally, through the BRI's financing and construction of a connecting the port of

[159] Government of Kenya, *Kenya Vision 2030* (Nairobi: Government Printer, 2007);National Treasury of Kenya, *2019 Medium-Term Debt Management Strategy* (Nairobi: National Treasury, 2019).
[160] Jonathan E. Hillman, *The Emperor's New Road: China and the Project of the Century* (New Haven: Yale University Press, 2020).

Mombasa and the inland transport corridor, China became increasingly connected to the movement of goods, trade flows, and transportation systems that underpin Kenya's role as a regional logistics hub. In this context, Chinese engagement was not limited to the railway itself but became embedded within the wider economic geography of East African connectivity.[161]

While China wielded significant influence in the railway project, the Kenyan government's activity supported the process of infrastructure integration. State authorities introduced administrative directives aimed at increasing railway utilization, including efforts to redirect cargo transportation from road networks toward the SGR system.[162] These measures highlighted that Kenya continues its commitment to ensuring the railway's operational viability, and it also demonstrated that the government remains actively invested in the long-term success of the project. However, these administrative directives were eventually challenged in court and resulted in a landmark ruling by a five-judge panel of the Mombasa High Court that declared the mandatory rail cargo policy unconstitutional due to a lack of public participation. This judicial case highlighted how these administrative directives generated resistance from sections of the domestic logistics sector, which included trucking companies and port-related businesses. However, it also reveals the deep tension between national infrastructure planning and local economic interests..[163]

Moreover, Kenya's governance capacity was demonstrated in coordinating one of the largest infrastructure projects in its post-independence history and completed the core Mombasa-Nairobi section in a relatively short timeframe, within a rather short period of time, having built approximately 472 kilometers in less than three years.[164] However, the limitation was revealed in the long-term management of the railway. The difficulties encountered in extending the railway to Uganda and integrating it into the broader East African transport system demonstrate that infrastructure development

---

[161] O. Otele, *A Case Study of Kenya's Standard Gauge Railway* (Council on Foreign Relations, 2021).
[162] Kenya news agency information for development, *High Court Suspends Directive Requiring All Cargo To Be Transported Through SGR*, KNA 2020.
[163] *William Ramogi & 2 others v Attorney General & 4 others*, Constitutional Petition No. 159 of 2018 (High Court of Kenya at Mombasa 2020);*Kenya Railways Corporation & 3 others v Okiya Omtatah Okoiti & 3 others*, Supreme Court Petition No. 13 of 2020 (Supreme Court of Kenya 2023).
[164] World Bank, "Kenya's New Railway and the Emergence of the 'Government-to-Government Procurement' Method," *World Bank Blogs*, June 16, 2017;Ian Taylor, "Kenya's New Lunatic Express: The Standard Gauge Railway," *African Studies Quarterly* 19, no. 3–4 (2020).

alone cannot automatically guarantee regional economic integration, if there is no transnational cooperation or at least coordination.[165] It is noteworthy that the process of structural integration is gradual, rather than achieved through overt political intervention. China does not exercise direct political control over Kenya, but its influence is built through long-term institutional participation in the project, thus integrating into the logistics infrastructure. This distinction is meaningful because it illustrates that the geopolitical influence under the BRI often operates indirectly through economic and infrastructure systems instead of through explicit coercive mechanisms.[166]

The case of Kenya indicates how infrastructure cooperation under the BRI can simultaneously generate developmental gains and structural asymmetries. Kenya obtained a modern transportation infrastructure, improved connectivity, and enhanced its logistical capacity. However, the implementation structure also facilitated China's long-term integration into strategically important sectors connected to trade, transportation, and regional connectivity. As a result, the distribution of benefits from the SGR is not entirely symmetrical.

5.5 Outcome Assessment and Interim Conclusion

Assessing the comprehensive outcomes of the SGR requires moving beyond the official "win-win" narratives often associated with the BRI and examining how the project has been evaluated by different actors within Kenya. The outcomes of the SGR have not been interpreted uniformly. Instead, Kenyan government institutions, sections of the public, business communities, and academic observers have developed differing assessments of whether the SGR has fulfilled its developmental promises and of whether the project's long-term benefits are distributed equally between Kenya and China. However, the SGR reveals a more complex pattern of asymmetrical

[165] Ian Taylor, "Kenya's New Lunatic Express: The Standard Gauge Railway," *African Studies Quarterly* 19, no. 3–4 (2020); Jonathan E. Hillman, *The Emperor's New Road: China and the Project of the Century* (New Haven: Yale University Press, 2020).

[166] Robert D. Blackwill and Jennifer M. Harris, *War by Other Means: Geoeconomics and Statecraft* (Cambridge, MA: Harvard University Press, 2016);Jonathan E. Hillman, *The Emperor's New Road: China and the Project of the Century* (New Haven: Yale University Press, 2020).

economic interdependence.[167] Although both Kenya and China obtained important gains, the long-term distribution of financial risk, structural influence, and strategic advantage increasingly favored China.

From Kenya's perspective, the SGR is widely seen as one of the country's most ambitious infrastructure achievements since gaining independence. Consistently, Kenyan authorities framed the railway as a transformative development project, which would modernize the transportation system, enhance regional trade connectivity, and advance the broader goals of its Vision 2030. Furthermore, the project also holds symbolic importance as political leaders view it as an economic ambition, national modernization, and a capability. The SGR generated several visible developmental benefits for Kenya, such as reduced travel time between Mombasa and Nairobi, improved transportation infrastructure, and strengthened cargo connectivity along the important economic corridor. Additionally, the modernization of the transport system reinforced Kenya's confidence to position itself as East Africa's leading logistics and transportation hub through the Northern Corridor framework.[168] At the political level, the SGR provided important short-term benefits for the ruling political elite under President Uhuru Kenyatta. The successful launch of the railway before the 2017 general elections enhanced the government's legitimacy for development and established a strong symbol of state-led modernization, aimed at ongoing international political pressure related to Kenya's proceedings at the International Criminal Court.[169] In this regard, cooperation with China has helped the Kenyan leadership in reducing its dependence on Western countries while simultaneously strengthening domestic political legitimacy through infrastructure-driven development narratives.[170]

Although the project has yielded developmental and political benefits in the short term, its long-term financial and strategic outcomes have become progressively

---

[167] WISSENBACH, U., & WANG, Y. (2016). LOCAL POLITICS MEETS CHINESE ENGINEERS: A STUDY OF THE CHINESE-BUILT STANDARD GAUGE RAILWAY PROJECT IN KENYA.
[168] Government of Kenya, *Kenya Vision 2030* (Nairobi: Government Printer, 2007); Kenya Railways Corporation, *Strategic Plan 2023–2027*.
[169] O. Otele, *A Case Study of Kenya's Standard Gauge Railway* (2021);International Criminal Court, *Decision on the Withdrawal of Charges Against Mr. Kenyatta*, ICC-01/09-02/11-1005 (The Hague: International Criminal Court, 13 March 2015).
[170] Deborah Brautigam, *The Dragon's Gift* (Oxford University Press, 2009).

unequal. One of the most evident manifestations of this asymmetry lies in the railway's financing structure and operational sustainability. The SGR has brought infrastructure improvements, but operating revenues have consistently failed to fully offset the railway's high maintenance costs, financing obligations, and debt repayment needs. Therefore, the Kenyan government is increasingly relying on state resources and public revenue mechanisms to maintain the railway's long-term financial viability. The financing arrangements for the SGR project further exacerbated this imbalance. Through sovereign guarantees, trusteeship mechanisms, and a financing structure closely linked to Chinese policy banks and contractors, the financial risks associated with the project were disproportionately concentrated in the Kenyan government.[171] Regardless of the railway's operational status, Kenya assumed a long-term repayment obligation, while Chinese financial institutions and state-owned enterprises secured protected contractual positions throughout the project cycle. In this sense, the financial structure of the SGR institutionalized an unequal distribution of economic risk in which the burdens of long-term sustainability remained heavily concentrated on Kenya.

Strategically, the outcomes of the railway diverged from many of Kenya's original regional ambitions. The SGR was initially envisioned as part of a broader East African transport corridor extending toward Uganda and neighboring inland economies, thereby strengthening Kenya's position as the dominant logistic gateway.[172] However, because of the financing difficulties, uncertainty regarding commercial viability, and the absence of synchronized railway development on the Uganda side, the regional integration vision was weakened. Ultimately, the railway's expansion beyond Naivasha station stalled, revealing the limits of Kenya's broader geopolitical ambition to consolidate regional logistic dominance through the SGR. [173]

Meanwhile, China nevertheless secured structural advantages and strengthened its broader geoeconomic presence within East Africa's logistical corridor through the project. Chinese state-owned enterprises secured major overseas contracts, Chinese

[171] Jonathan E. Hillman, *The Emperor's New Road: China and the Project of the Century* (New Haven: Yale University Press, 2020);Office of the Auditor-General (Kenya), *Report of the Auditor-General on the Financial Statements of Kenya Railways Corporation for the Year Ended 30 June 2023* (Nairobi: OAG, 2024).

[172] Government of Kenya, *Kenya Vision 2030.*

[173] O. Otele, *A Case Study of Kenya's Standard Gauge Railway* (Council on Foreign Relations, 2021).

technical and engineering standards were embedded within Kenya's railway infrastructure, and Chinese institutions established long-term involvement in strategic transport and connectivity systems.[174] Importantly, the Kenyan case does not fully support the extreme version of the Western narrative of "debt-trap diplomacy." China did not seize Kenya's strategic assets, nor did the Kenyan government completely lose its institutional capacity for resistance. Domestic legal challenges, judicial review, parliamentary criticism, and public debate demonstrate that Kenya's institutions maintained a degree of political and legal autonomy throughout the project.[175] However, the case also challenges China's official narrative of "win-win cooperation" based on complete equality and mutual benefit. Growing concerns about profitability and debt sustainability were combined with China halting further large-scale railway financing, demonstrating an increasingly cautious, pragmatic business strategy amid its continued infrastructure expansion, as development goals clash with financial risks.[176]

The case illustrates that under the BRI, the relationship between China and African countries should not be simply understood as a dominant or equal partnership. They are better characterized as forms of asymmetrical interdependence that are shaped by structural capacity differences.[177] Kenya actively sought cooperation with China as part of its own modernization strategy and played a significant autonomous role throughout the process. Although the construction of the SGR stemmed from domestic development aspirations,[178] the institutional structures of the project gradually generated asymmetrical results, disproportionately benefiting China from a long-term strategic and structural perspective. Eventually, the SGR reveals that the asymmetry under the BRI does not primarily emerge through direct political coercion or the complete absence of African agency. Instead, it develops progressively through financing arrangements, infrastructure dependence, operational integration, and the

---

[174] Jonathan E. Hillman, *The Emperor's New Road: China and the Project of the Century* (New Haven: Yale University Press, 2020).
[175] Jonathan E. Hillman, *The Emperor's New Road: China and the Project of the Century* (New Haven: Yale University Press, 2020); Susan Strange, State and Market, 1998.
[176] O. Otele, *A Case Study of Kenya's Standard Gauge Railway* (New York: Council on Foreign Relations, 2021); Ian Taylor, Kenya's New Lunatic Express: The Standard Gauge Railway, 2020.
[177] Robert D. Blackwill and Jennifer M. Harris, *War by Other Means: Geoeconomics and Statecraft* (2016).
[178] Government of Kenya, *Kenya Vision 2030* (2007).

embedding of external actors in critical national systems.[179] Kenya's case supports the broader argument of this thesis that, even though the BRI has the ability to bring real development benefits to African countries, the fundamental inequalities persist in the long-term distribution of strategic influence, financial risks, and structural power. [180]

6. Case Study II: Ethiopia

6.1 BRI Engagement in Ethiopia Overview

Ethiopia represents one of the most significant and strategically important examples of China-African cooperation among African states participating in the BRI.[181] Unlike the BRI project in Kenya, which is primarily focused on transportation connectivity and regional logistics, the BRI project in Ethiopia is more closely linked to its nationally driven industrialization, manufacturing expansion, and long-term economic transformation. Therefore, the BRI project in Ethiopia extends beyond infrastructure development and is closely integrated with the country's broader development strategy. In Ethiopia the "Addis Ababa-Djibouti Railway" marked as the most important project in the BRI, which is a modern electrified railway connecting Addis Ababa, Ethiopia's capital, with the port of Djibouti.[182] Most of Ethiopia's international trade is transported via this railway.[183] Since Eritrea became independent from Ethiopia in 1993, Ethiopia has been geographically landlocked, making access to maritime trade routes a crucial strategic and economic consideration for the Ethiopian government.[184] Therefore, the Addis Ababa-Djibouti Railway is viewed not only as a transportation project but also as an important economic corridor, which was designed

---

[179] O. Otele, *A Case Study of Kenya's Standard Gauge Railway* (New York: Council on Foreign Relations, 2021).

[180] Susan Strange, *States and Markets* (1988); Nadège Rolland, *China's Eurian century? 2017.*

[181] Ministry of Foreign Affairs, People's Republic of China. *The Chinese express train running in East Africa* (August 2020).

[182] Global Infrastructure Hub, "Addis Ababa-Djibouti Railway," *Connectivity Across Borders Case Study*, November 30, 2020.

[183] Federal Democratic Republic of Ethiopia, *Growth and Transformation Plan II (GTP II) 2015/16–2019/20* (Addis Ababa: National Planning Commission, 2016);Arkebe Oqubay, *Made in Africa: Industrial Policy in Ethiopia* (Oxford: Oxford University Press, 2015)

[184] Wasike, A.; Port Assab becomes flashpoint for Ethiopia–Eritrea relations. *dw.com*.(January,2026).

to secure trade access, reduce transportation costs, and support Ethiopia's export-oriented industrialization goals.[185]

Additionally, China's engagements in Ethiopia are not only in the railway constructions, but also in industrial parks, manufacturing zones, telecommunications, energy infrastructure, and urban development projects.[186] Examples include the Eastern Industrial Zone and the Hawassa Industrial Park, which have become core advancements of Ethiopia's broader strategy to establish itself as a manufacturing and export hub in Africa.[187] China's policy banks and construction firms had played an important role in the financing and construction of infrastructure, which also supported industrial production, factory operations, and manufacturing integration.[188] These projects align closely with the development-oriented national model by the Ethiopian People's Revolutionary Democratic Front (EPRDF). Unlike many African states that adopt a more liberal economic model, Ethiopia pursues a highly centralized, state-led development strategy. It emphasizes industrial policy, infrastructure, export-oriented manufacturing, and long-term economic planning.[189] Within this framework, cooperation with China is viewed as considerably attractive because China's experience in state-led industrial development appears compatible with Ethiopia's modernization ambitions. Furthermore, China's expertise in financing and infrastructure allows Ethiopia access to substantial development resources without the extensive political conditions attached to Western-led organizations and international financial institutions,[190] as noted in the Kenya case study.

---

185 Hub, G. I. *Addis Ababa - Djibouti Railway*.(November, 2020).
186 Embassy of the Federal Democratic Republic of Ethiopia in Canada, "China's Foreign Minister Visits Ethiopia, Strengthening Cooperation," January 2026; Justin Yifu Lin and Yan Wang, "Going Beyond Aid: Development Cooperation for Structural Transformation," *Cambridge Journal of Economics* 41, no. 4 (2017)
187 Arkebe Oqubay, *Made in Africa: Industrial Policy in Ethiopia* (Oxford: Oxford University Press, 2015); Deborah Brautigam and Tang Xiaoyang, "African Shenzhen: China's Special Economic Zones in Africa," *Journal of Modern African Studies* 49, no. 1 (2011);United Nations Conference on Trade and Development (UNCTAD), *China's Policy Experience in Special Economic Zones and Industrial Parks: Implications for Belt and Road Initiative Partner Countries* (Geneva: United Nations, 2023).
188 United Nations Conference on Trade and Development (UNCTAD), *Boosting Ethiopia's Industrialization: What Can Be Learned from China's Industrial Parks?* (Geneva: United Nations, 2021).
189 Federal Democratic Republic of Ethiopia, *Growth and Transformation Plan II (GTP II), 2015/16–2019/20* (Addis Ababa: National Planning Commission, 2016).
190 Deborah Brautigam, *The Dragon's Gift: The Real Story of China in Africa* (Oxford: Oxford University Press, 2009); Arkebe Oqubay and Justin Yifu Lin, eds., *China-Africa and an Economic Transformation* (Oxford: Oxford University Press, 2019),

At the official level, Ethiopian authorities have consistently positioned cooperation with China as a strategic partnership to accelerate industrialization and economic transformation.[191] Infrastructure projects, particularly the Addis Ababa-Djibouti Railway, were publicly linked to broader national development plans,[192] including the Growth and Transformation Plans (GTP I and GTP II) that were designed to accelerate economic growth and promote structural transformation, and achieve lower-middle-income status by 2025. The GTP I emphasized large-scale infrastructure, development, and poverty reduction, and the GTP II further focused on manufacturing expansion, export competitiveness, and industrial modernization.[193] Ethiopia's developmental ambitions together with the engagement of the BRI illustrate that Chinese-supported projects are not functioning as isolated infrastructure investments, but they became deeply embedded within Ethiopia's long-term state development agenda. Ethiopia occupies a strategically crucial position in the Horn of Africa, a region closely connected to the Red Sea trade route, maritime security, and regional political competition, which further demonstrates the broader geopolitical and geoeconomic dynamics of the partnership between Ethiopia and China.[194] Through infrastructure financing and industrial cooperation, China expanded its influence in one of Africa's most geopolitically sensitive regions while simultaneously strengthening economic and diplomatic ties with one of the continent's most influential states.[195]

However, while Ethiopia's development goals align closely with China's infrastructure-centric cooperation model, this relationship has also presented significant structural challenges over time, which will be elaborated on in upcoming sections. Therefore, the Ethiopian case is particularly important to this thesis because it illustrates a different development trajectory from the Kenyan case study.

---

[191] *China's Foreign Minister visits Ethiopia, strengthening cooperation – your gateway to Ethiopia*. (2026).

[192] Hub, G. I. *Addis Ababa - Djibouti Railway*.(November, 2020).

[193] Federal Democratic Republic of Ethiopia, *Growth and Transformation Plan I (GTP I): 2010/11–2014/15, Volume I: Main Text* (Addis Ababa: Ministry of Finance and Economic Development, 2010); Federal Democratic Republic of Ethiopia, *Growth and Transformation Plan II (GTP II): 2015/16–2019/20* (Addis Ababa: National Planning Commission, 2016).

[194] Nadège Rolland, *China's Eurasian Century? Political and Strategic Implications of the Belt and Road Initiative* (Seattle: National Bureau of Asian Research, 2017); Deborah Brautigam, *The Dragon's Gift: The Real Story of China in Africa* (Oxford: Oxford University Press, 2009); Ngala Chome, "The Horn and the Gulf: How a New Geopolitical Confluence is Emerging," *African Arguments*, January 21, 2026.

[195] Ibid.

6.2 Strategic and Financial Interests

Comparable to the Kenyan case, to understand Ethiopia's engagement with the BRI requires examining the strategic and financial interests of both Ethiopia and China at the beginning of their cooperation. Ethiopia's partnership with China was more deeply connected to state-led industrialization and long-term economic transformation. Therefore, the strategic logic underpinning the relationship between Ethiopia and China extended beyond infrastructure development and is closely tied to broader issues of industrial policy, manufacturing integration, and developmental state modernization.[196]

From China's perspective, Ethiopia occupied a particularly important position in China's broader African strategy.[197] Ethiopia's developmental state orientation and industrialization ambitions have led Chinese policymakers and institutions to frequently portray it as one of the most positive examples of China-Africa development cooperation, especially in the fields of infrastructure construction, manufacturing expansion, and industrial park development. Many Chinese institutions view Ethiopia as a potential manufacturing and industrial hub, capable of integrating into global production networks connected to Chinese investment and industrial relocation.[198] In this context, Chinese engagement in Ethiopia extended beyond infrastructure financing, reflecting broader ambitions to internationalize elements of China's own development model through state-led industrial transformation and connectivity-driven modernization.[199] In addition, Ethiopia's strategic location further enhances its importance in China's geoeconomic and geopolitical considerations. Therefore, China may, through railway construction, industrial cooperation, and expanded regional connectivity in Ethiopia, pursue a long-term presence in a region

[196] Federal Democratic Republic of Ethiopia, *Growth and Transformation Plan II (GTP II): 2015/16–2019/20* (Addis Ababa: National Planning Commission, 2016);Arkebe Oqubay, *Made in Africa: Industrial Policy in Ethiopia* (Oxford: Oxford University Press, 2015);*China's Policy Experience in Special Economic Zones and Industrial Parks: Implications for Belt and Road Initiative Partner Countries* (Geneva: United Nations, 2023).
[197] Ngala Chome, "The Horn and the Gulf: How a New Geopolitical Confluence is Emerging," *African Arguments*, January 21, 2026; Global Infrastructure Hub, "Addis Ababa–Djibouti Railway," *Connectivity Across Borders Case Study*, November 30, 2020
[198] Ministry of Foreign Affairs of the People's Republic of China, "China and Ethiopia: All-Weather Strategic Cooperation Partnership," official statements emphasizing Ethiopia as a model of China-Africa cooperation in infrastructure and industrial developmen, 2026.; Justin Yifu Lin and Yan Wang, "Going Beyond Aid: Development Cooperation for Structural Transformation," *Cambridge Journal of Economics* 41, no. 4 (2017).
[199] Chen Xiangming, "China's Huge Geoeconomic Footprint in the Horn of Africa," *ThinkChina*, August 12, 2024.

closely linked to the Red Sea trade routes and the broader Indian Ocean commercial network. At the economic level, Ethiopia offered Chinese state-owned enterprises and manufacturing industries the access to a large and relatively cheap labor force compared to China, a rapidly growing domestic market, and opportunities for international expansion.[200] As labor costs increased in China during the late 2000s and early 2010s, Ethiopia became increasingly compelling as a destination for labor-intensive manufacturing relocation, especially in textiles, garments, and the light industry.[201]

From Ethiopia's perspective, its urgent domestic economic and structural priorities make cooperation with China particularly important. Following decades of political instability, economic underdevelopment, and limited industrial capacity, the Ethiopian government pursued an ambitious developmental state strategy aimed at transforming the country into a manufacturing-based economy.[202] Thus, under the leadership of the Ethiopian People's Revolutionary Democratic Front (EPRDF) from 1991 to 2019,[203] Infrastructure expansion and industrialization were identified as central pillars of national development planning, particularly through the GTP I(2010/2011-2014/2015) and GTP II (2015/2016-2019/2020).[204]

However, while Ethiopia's development goals and China's infrastructure-centric cooperation model appear superficially aligned, an asymmetry has existed from the outset. While Ethiopia has gained access to construction, its reliance on external financing and Chinese technological expertise has created a structural dependency.

---

[200] tate Council Information Office of the People's Republic of China, *China and Africa in the New Era: A Partnership of Equals* (Beijing: State Council Information Office, 2021); Chen Xiangming, "China's Huge Geoeconomic Footprint in the Horn of Africa," *ThinkChina*, August 12, 2024; Arkebe Oqubay, *Made in Africa: Industrial Policy in Ethiopia* (Oxford: Oxford University Press, 2015);Irene Yuan Sun, *The Next Factory of the World: How Chinese Investment Is Reshaping Africa* (Boston: Harvard Business Review Press, 2017).
[201] National Bureau of Statistics of China, *Monitoring Report on Migrant Workers 2012* (Beijing: NBS, 2013);Mary Gallagher et al., *China's 2008 Labor Contract Law: Implementation and Implications for China's Workers* (World Bank, 2012).
[202] Federal Democratic Republic of Ethiopia, *Growth and Transformation Plan I (GTP I): 2010/11–2014/15, Volume I: Main Text* (Addis Ababa: Ministry of Finance and Economic Development, 2010); Federal Democratic Republic of Ethiopia, *Growth and Transformation Plan II (GTP II): 2015/16–2019/20* (Addis Ababa: National Planning Commission, 2016).
[203] *EPRDF*. (n.d.). https://eprdf.org.et/EPRDFE/faces/ssi/aboutus.jsp?type=aboutus
[204] Federal Democratic Republic of Ethiopia, *Growth and Transformation Plan I (GTP I): 2010/11–2014/15, Volume I: Main Text* (Addis Ababa: Ministry of Finance and Economic Development, 2010); Federal Democratic Republic of Ethiopia, *Growth and Transformation Plan II (GTP II): 2015/16–2019/20* (Addis Ababa: National Planning Commission, 2016).

Conversely, China is expanding its economic, logistical, and geopolitical influence in one of Africa's most strategically important regions. As will be explained in the following sections, this interaction of interests has yielded both significant development outcomes and created a long-standing structural asymmetry in the partnership.

6.3 Observable Decision Patterns

By examining publicly available policy choices, institutional arrangements, development strategies, financing agreements, industrial planning documents, and infrastructure models, this thesis assesses how Ethiopia leverages its state power to cooperate with China, and how its government capacity shapes the opportunities and structural constraints for participation in the BRI. Ethiopia's cooperation with China is more deeply integrated into a national development strategy centered on industrialization, export-oriented manufacturing, and long-term economic transformation. Thus, Ethiopia's decision-making process demonstrates a more coordinated and state-led approach to the BRI.

6.3.1 Selection of China as a development partner

Driven by the urgent developmental agenda adopted by the EPRDF government, Ethiopia proactively cooperated with China and later engaged in the BRI in order to achieve its broader development-oriented national strategy.

Following the end of the Cold War and the collapse of the Marxist Derg regime in 1991, the Ethiopian People's Revolutionary Democratic Front under Meles Zenawi adopted a developmental state model aimed at accelerating industrialization, infrastructure expansion, and export-oriented growth. Influenced by East Asian development experiences, Ethiopia's leadership believes that strong national coordination and large-scale infrastructure investment are crucial for national transformation.[205] In this context, Ethiopia increasingly seeks external partners

[205] HISTORY.com Editors. *Ethiopian capital falls to rebels, ending 17 years of Marxist rule,* (May 2025); Arkebe Oqubay, *Made in Africa: Industrial Policy in Ethiopia* (Oxford: Oxford University Press, 2015).

capable of supporting its long-term economic transformation without attaching excessive political conditions. Therefore, Western-led financing, which emphasized political liberalization and market-based reforms as conditions for aid, was naturally not within Ethiopia's scope. Conversely, China's infrastructure financing and its later BRI aligned closely with Ethiopia's domestic development strategy and connectivity priorities, and its own development experience was a significant advantage.[206] Furthermore, the urgent demand for the Addis Ababa-Djibouti Railway development stemmed from its structural constraints as a landlocked country after Eritrea's independence in 1993. Given the fact of losing the direct access to the sea, Ethiopia became heavily dependent on Djibouti maritime trade, therefore joining China's BRI to build railways and shorten travel time is a strategic and economic benefit for the country.[207] The significance of this railway lies not only in the economic aspect, but also in the broader national economic security and development capabilities.

6.3.2 Official Development Framing of the Addis Ababa-Djibouti Railway

Beyond Ethiopia's strategic decision to select China as a primary development partner, another important observable dimension of Ethiopia's engagement with the BRI lies in how the Ethiopian government officially framed the cooperation with China. Ethiopia's official discourse incorporated Chinese-supported projects into an existing developmental framework, which focus on industrialization and structural transformation, further taking it as part of a broader, state-led industrialization strategy.[208] At the domestic level, the Ethiopian government consistently viewed infrastructure expansion as the foundation for future-oriented structural transformation. Within the Growth and Transformation Plan, especially GTP II, infrastructure projects such as the Addis Ababa-Djibouti Railway, urban transport

---

[206] Meles Zenawi, States and Markets: Neoliberal Limitations and the Case for a Developmental State, 2011.

[207] Global Infrastructure Hub, "Addis Ababa-Djibouti Railway," *Connectivity Across Borders Case Study*, November 30, 2020.;*Ethiopia's landlocked Economy: a $31 billion annual drain on Growth – IFA*. (2026b, February 15).

[208] Federal Democratic Republic of Ethiopia, *Growth and Transformation Plan I (GTP I): 2010/11–2014/15* (Addis Ababa: Ministry of Finance and Economic Development, 2010);Federal Democratic Republic of Ethiopia, *Growth and Transformation Plan II (GTP II): 2015/16–2019/20* (Addis Ababa: National Planning Commission, 2016);Arkebe Oqubay, *Made in Africa: Industrial Policy in Ethiopia* (Oxford: Oxford University Press, 2015).

networks, industrial parks, and energy systems were framed as a core mechanism for overcoming historical underdevelopment and transitioning Ethiopia from an agriculture-dominated economy toward a manufacturing and export-oriented industrial state.[209]

Under the scope of this development ambition, the railway was officially portrayed as a strategic economic corridor to Ethiopia's national survival[210] and economic modernization. Given Ethiopia's landlocked location, reducing transport inefficiencies and ensuring stable access to the world trade route via Djibouti are essential for enhancing export competitiveness and achieving its manufacturing ambitions, thereby strengthening its industrial development.[211] Indeed, the government viewed the railway not only as a project of transportation but also as a core component of the development state strategy. However, the official discourse also emphasized that infrastructure connectivity alone is insufficient unless it integrates with manufacturing capacity, industrial parks, and export production systems.[212] Based on the vision of logistic integration, the industrial parks were systematically linked to this economic corridor, thus framed as symbols of Ethiopia's transition toward labor-intensive manufacturing and global economic integration.[213]

From Ethiopia's official narrative, it highlights that Chinese financing and cooperation were presented as tools that enabled Ethiopia to pursue rapid state-led development while maintaining national policy autonomy and a centralized economic plan. Thus, Ethiopia frequently describes its cooperation with China as a development partnership based on economic modernization rather than ideological alignment. [214]

---

209 Federal Democratic Republic of Ethiopia, *GTP I.;*Federal Democratic Republic of Ethiopia, *GTP II.;*United Nations Conference on Trade and Development (UNCTAD), *China's Policy Experience in Special Economic Zones and Industrial Parks: Implications for Belt and Road Initiative Partner Countries* (Geneva: United Nations, 2023).

210 Global Infrastructure Hub, "Addis Ababa–Djibouti Railway," *Connectivity Across Borders Case Study*, November 30, 2020.;Global Infrastructure Hub, "Addis Ababa–Djibouti Railway," *Connectivity Across Borders Case Study*, November 30, 2020.

211 Federal Democratic Republic of Ethiopia, *GTP II.;*UNCTAD, *China's Policy Experience in Special Economic Zones and Industrial Parks*.

212 Global Infrastructure Hub, "Addis Ababa–Djibouti Railway"; UNIDO, *Industrial Park Development in Ethiopia: Case Study Report* (Vienna: United Nations Industrial Development Organization, 2018).

213 Ministry of Foreign Affairs of the People's Republic of China, "China and Ethiopia Establish an All-Weather Strategic Cooperation Partnership."

214 Meles Zenawi, States and Markets: Neoliberal Limitations and the Case for a Developmental State, 2011.

6.3.3 Financing Structure and Emerging Concerns

Although Ethiopia officially framed China as a development partnership aimed at accelerating industrialization and infrastructure modernization, the financing structures behind these projects have gradually raised economic and structural concerns from the IMF.[215] Similar to the case of Kenya, the Chinese state-backed financing enabled Ethiopia to rapidly advance its large-scale projects. However, the institutional arrangements associated with the Chinese financing model have also led to increasing debt risks, operational pressures, and a long-term dependence on Chinese capital and technical systems.[216] The Addis Ababa-Djibouti railway was financed by the Export-Import Bank of China (EXIM Bank) and Chinese state-owned enterprises responsible for the construction, engineering, and operational coordination, however, the financing structure reflects the operational model of the BRI, where Chinese policy banks, construction companies, and infrastructure contractors operate under a highly integrated institutional arrangement.[217] Therefore, Ethiopia's modernization is linked to China's financing mechanisms and implementation capabilities, further generating the asymmetric outcomes and over-dependence on China. [218]

From the Ethiopian government's perspective, Chinese financing was initially attractive because it allowed for the rapid construction of infrastructure projects aligned with its developmental national ambitions. However, with the continued construction and extension of the railway, Ethiopia's external debt burden significantly increased.[219] The public and international increasingly questioned whether the economic returns generated by these projects would be sufficient to offset the long-term repayment burden. Additionally, the operational challenges of the railway further exacerbated the BRI's financial complexity.[220]

---

[215] IMF flags currency risks as Kenya, Ethiopia shift Chinese loans to yuan - Businessfront,May 2026. ;Adf, & Adf. *Ethiopia Defaults Amid Financial Strains from War, Debt to China*. Africa Defense Forum.(January 2024).
[216] Ibid.
[217] Sickell, J., & Escobar, B. (2026). Ethiopia. In *Chinese Development Finance, 2000-2023*, 2026.
[218] Edward N. Luttwak, "From Geopolitics to Geo-Economics: Logic of Conflict, Grammar of Commerce," The National Interest, no. 20, 1990; Susan Strange, States and Markets (London: Pinter, 1988).; Ammar A. Malik et al., *Banking on the Belt and Road: Insights from a New Global Dataset of Chinese Development Finance* (Williamsburg, VA: AidData at William & Mary, 2021).
[219] AidData, *Ethiopia Profile of Chinese Development Finance, 2000–2023.*
[220] "Ethiopia Defaults Amid Financial Strains From War, Debt to China," *ADF Magazine*, January 2, 2024; Deborah Brautigam, Yufan Huang, and Kevin Acker, "Risky Business: New Data on Chinese

At the heart of this operational challenge was a remarkably simple yet destructive mismatch: the loan agreement legally mandated Ethiopia repay China in US dollars, but the railway itself could only earn revenue in Ethiopian riyals (Bills) from passenger and freight transport. To make payments, the government was forced to continuously use its domestic revenue to purchase US dollars on the international market. However, due to the rapid depreciation of the Ethiopian riyal and its sharp weakening against the dollar, the government had to spend far more currency than anticipated to buy the equivalent amount of dollars.[221] Although the railway operated normally every day, the currency it earned was not the currency directly used to repay the loan, turning what should have been a clear and unambiguous contractual obligation into a financial nightmare that ultimately led to a national debt default.

Although the railway improved transport efficiency between Addis Ababa and Djibouti, reduced transit times, operational profitability remains difficult to achieve.[222] The cargo volumes were lower than expected, a shortage of foreign currency, and high operational costs created ongoing financing pressures on the Ethiopian government and the railway operator.[223] These difficulties highlighted the broader challenge of translating large-scale infrastructure projects into sustainable economic returns in developing countries undergoing rapid structural transformation.[224]

Loans and Africa's Debt Problem," *Briefing Paper*, no. 3 (Washington, DC: China Africa Research Initiative, Johns Hopkins University School of Advanced International Studies, 2020).

[221] xport-Import Bank of China, "Buyer's Credit Loan Agreement for the Addis Ababa–Djibouti Railway Project," signed May 15, 2013.;International Monetary Fund (IMF), "Ethiopia: Request for an Arrangement Under the Extended Fund Facility," *IMF Country Report*, no. 24/250 (Washington, DC: IMF, August 2024).

[222] Global Infrastructure Hub, "Addis Ababa–Djibouti Railway," *Connectivity Across Borders Case Study*, November 30, 2020.

[223] International Monetary Fund (IMF), *The Federal Democratic Republic of Ethiopia: Debt Sustainability Analysis*(Washington, DC: IMF, 2018).;Lorenzo Calabrese, *The Belt and Road and Chinese Enterprises in Ethiopia* (London: Overseas Development Institute, 2021).

[224] Arkebe Oqubay, *Made in Africa: Industrial Policy in Ethiopia* (Oxford: Oxford University Press, 2015);Arkebe Oqubay, *Made in Africa: Industrial Policy in Ethiopia* (Oxford: Oxford University Press, 2015).

6.3.4 Evolution of the Addis Ababa-Djibouti Railway and Industrial Integration

Under the BRI framework, Ethiopia has adopted a broader development strategy: connecting the Addis Ababa-Djibouti Railway with the industrial parks along the route, thereby reducing transportation costs, shortening freight transit times, and improving access to Djibouti.[225] To achieve this intention, the Ethiopian government progressively integrated the industrial parks and manufacturing zones into the railway corridor system. In the early stages of the project implementation, this railway-industrial integration model generated considerable optimism, thus it highlights the strong coordination between Ethiopia's infrastructure planning, industrial policy, and export-oriented economic development.[226]

By the success in the early stage, Ethiopia demonstrated the capacity to replicate the East Asian industrial model through state-led development and foreign infrastructure cooperation. China's investment and manufacturing engagement in Ethiopia has further reinforced the perception that the country is emerging as one of Africa's most promising industrial and export-oriented economies. However, the long-term sustainability of this development model has been proven that it is highly vulnerable to domestic political instability and external economic pressures.

With the breaking out of the Tigray War in 2020, it marked as a major turning point in the evolution of the BRI-related projects in Ethiopia.The war and the ensuing regional unrest severely disrupted Ethiopia's economic environment and weakened the infrastructure industry system surrounding the railway corridor.[227] The impacts of the war have spread across multiple sectors, causing increasing disruptions to the railway operations due to electricity interruptions, logistical disruptions, and infrastructure security risks. Thus, broader economic instability has weakened the logistics networks

---

[225] Yunnan Chen, "Laying the Tracks: The Political Economy of Railway Development in Ethiopia's Railway Sector and Implications for Technology Transfer," *SAIS-CARI Working Paper*, no. 2021/43 (Washington, DC: China Africa Research Initiative, Johns Hopkins University School of Advanced International Studies, January 2021); Overseas Development Institute (ODI), *The Belt and Road and Chinese Enterprises in Ethiopia: Infrastructure Connectivity and Industrialization* (London: ODI Report, August 2021).
[226] World Bank Group, *Ethiopia Economic Update: Strategic Infrastructure Assessment of the Rail-Industrial Complex*(Washington, DC: World Bank, 2019).
[227] Armed Conflict Location & Event Data Project (ACLED), *Ethiopia Conflict Alert: The Tigray War and Its Regional Macroeconomic Contagion* (Washington, DC: ACLED, 2021).

and further caused the railway operational instability.[228] Meanwhile, foreign currency shortages and declining export performance placed additional pressure on Ethiopia's infrastructure operations and manufacturing sector, especially the industrial park system. Political instability and growing economic uncertainty have led several foreign firms to scale down operations, postpone expansion plans, or completely withdraw investments.[229]

Significant losses include the fact that Ethiopia's industrialization strategy faces further difficulties after the United States terminated Ethiopia's eligibility under the African Growth and Opportunity Act (AGOA) in 2022.[230] AGOA based on Ethiopian human rights standards and grants Ethiopia a zero-tariff privilege granted by the United States. With this privilege, Ethiopia can export products from industrial parks to the United States, thereby earning a large amount of foreign exchange and being able to repay railway loans[231]. However, with the outbreak of civil war, the United States revoked the AGOA preferences significantly reduced the competitiveness of Ethiopia's export-oriented manufacturing sector, whose products need to be added 15% to 30% tariff and weakened the broader economic logic supporting its rail-industrial integration model.[232] Even though the railway continues to operate to this day, its deteriorating financial situation and dramatic development have prevented it from repaying the debts. [233]

---

[228] World Bank Group, *Ethiopia Economic Update: Investing in Human Capital for Growth and Resilience* (Washington, DC: World Bank, November 2022).

[229] International Monetary Fund (IMF), "Ethiopia: Request for an Arrangement Under the Extended Fund Facility," *IMF Country Report*, no. 24/250 (Washington, DC: IMF, August 2024).

[230] White House, "Proclamation 10327—To Take Certain Actions Under the African Growth and Opportunity Act and for Other Purposes," *Federal Register* 86, no. 245 (December 23, 2021).

[231] Office of the United States Trade Representative (USTR), *AGOA Eligibility Review and the Textile-Apparel Manufacturing Complex in Sub-Saharan Africa* (Washington, DC: USTR, 2020); African Union, *The Impact of Trade Preference Loss on Low-Income Sovereigns: The Case of Ethiopia's AGOA Revocation* (Addis Ababa: AU Policy Brief, 2023).

[232] United States International Trade Commission (USITC), *Harmonized Tariff Schedule of the United States: Section XI, Chapters 61 and 62 (Articles of Apparel and Clothing Accessories)* (Washington, DC: USITC, 2022).

[233] Export-Import Bank of China, "Buyer's Credit Loan Agreement for the Addis Ababa–Djibouti Railway Project," signed May 15, 2013, cited in AidData, *Ethiopia 2000–2023: China Development Finance Profile* (Williamsburg, VA: AidData at William & Mary, 2026), Record ID#96154; for operational handover and local asset performance details, see "Lease Income, Forex Gains Reverse Losses at Industrial Parks Corp," *The Reporter Ethiopia*, April 11, 2026.

6.4 Implementation and Structural Embedding

The implementation of China-supported projects in Ethiopia demonstrated deep structural integration, with China's involvement not only concentrated on transportation connectivity and logistics infrastructure but also expanded to industry, technology, and institutional capacity-building.[234] Therefore, China's role in Ethiopia extended beyond infrastructure financing and became increasingly integrated into its long-term industrialization and modernization process.[235] One characteristic of the project's implementation is the continued involvement of Chinese state-owned enterprises after the construction phase. It means that Chinese participation extended to the daily operations of one of Ethiopia's most strategically important transport corridors.[236] Taking the Addis Ababa-Djibouti Railway as an example, Chinese companies were not only taking the responsibility of financing and construction but also deeply engaged in railway operations, technical management, maintenance systems, and personnel training from the initial stages of operation.[237] Instead of delivering the completed infrastructure to Ethiopia, China integrated itself into the mechanisms, which is necessary for the continued operation of the railway. Therefore, the railway systems remained highly linked to Chinese technology, standards, engineering systems, and maintenance experience even after the completion of the project construction.[238]

The impact of the long-term infrastructure dependence, fostered by China in Ethiopia through technological integration, transcends short-term financing arrangements. Ethiopian authorities are increasingly relying on Chinese technical support, spare parts, engineering systems, and operational experience to maintain the railway's functionality.[239] In this regard, the implementation of the project has created a

---

[234] Deborah Bräutigam, *The Dragon's Gift: The Real Story of China in Africa* (Oxford: Oxford University Press, 2011).
[235] Federal Democratic Republic of Ethiopia, *Growth and Transformation Plan II (GTP II), 2015/16–2019/20* (Addis Ababa: National Planning Commission, 2016).
[236] Yunnan Chen, "Laying the Tracks: The Financing and Construction of the Addis Ababa–Djibouti Railway," *SAIS-CARI Working Paper*, no. 24 (Washington, DC: China Africa Research Initiative, Johns Hopkins University School of Advanced International Studies, 2019).
[237] Hub, G. I. *Addis Ababa - Djibouti Railway*.(November, 2020).
[238] Chinese Academy of International Trade and Economic Cooperation (CAITEC), *White Paper on China-Africa Development Cooperation and Technical Capacity Transfer in Transportation Infrastructure* (Beijing: Ministry of Commerce, 2021).
[239] Ethio-Djibouti Standard Gauge Rail Transport Share Company (EDR), *Technical Operations Assessment and Local Capacity Report* (Addis Ababa: EDR Internal Archive, 2024); Ministry of

technological and institutional continuity, consolidating China's long-standing presence in Ethiopia's transportation sector.[240]

Furthermore, Chinese institutions are progressively integrated into Ethiopia's broader economic transformation process. Through these multi-layered cooperations, China's structural embedding in Ethiopia extends beyond not only in railway infrastructure but also in the industrial parks.[241] For instance, the Eastern Industrial Zone, which served as Ethiopia's first, largest, and most successful industrial park in Ethiopian history, is operated by a Chinese private enterprise and is not an isolated investment project but has become an integrated component of Ethiopia's export-oriented industrialization strategy.[242]

Chinese manufacturers, infrastructure contractors, and logistics systems have collectively driven the development of interconnected production networks linked to transport corridors and global supply chains. This forms a dynamic in which infrastructure, industrial production, and export logistics are interconnected through China-supported systems.[243] Moreover, human resources and institutional cooperation were also involved during the project implementation. As part of the project's operational transfer process, Chinese firms and technical personnel participated in training the Ethiopian workers, engineers, and industrial personnel[244]. While these training projects contributed to local capacity building, they also strengthened long-standing institutional relationships between Ethiopian infrastructure systems and Chinese technical expertise.[245] Importantly, China's structural embedding in Ethiopia

---

Transport and Logistics (MoTL), *Reform Prospects for Ethiopia's Rail and Surface Transport: Institutional and Operational Frameworks* (Addis Ababa: Federal Democratic Republic of Ethiopia, 2025).

240 Yunnan Chen, "Laying the Tracks: The Political Economy of Railway Development in Ethiopia's Railway Sector and Implications for Technology Transfer," *SAIS-CARI Working Paper*, no. 2021/43 (Washington, DC: China Africa Research Initiative, Johns Hopkins University School of Advanced International Studies, January 2021).

241 Arkebe Oqubay, *Made in Africa: Industrial Policy in Ethiopia* (Oxford: Oxford University Press, 2015),Federal Democratic Republic of Ethiopia, *Growth and Transformation Plan II (GTP II), 2015/16–2019/20* (Addis Ababa: National Planning Commission, 2016).

242 Policy Studies Institute (PSI), *The Impact of Industrial Parks on Local Labour Markets: Evidence from Ethiopia's Structural Transformation* (Addis Ababa: PSI Policy Brief, February 2026).

243 Overseas Development Institute (ODI), *The Belt and Road and Chinese Enterprises in Ethiopia: Infrastructure Connectivity and Industrialization* (London: ODI Report, August 2021).

244 Ethiopian Railway Corporation (ERC), *Establishment and Curriculum Charter of the African Railway Academy at Bishoftu*

245 World Bank Group, *Ethiopia Economic Update: Strategic Infrastructure Assessment of the Rail-Industrial Complex*(Washington, DC: World Bank, 2019).

is formed through long-term participation and financing arrangements, it illustrate that under the BRI framework, China's geopolitical influence operates through assisting in development and economic integration, instead of through overt political domination and intervention.[246]

6.5 Outcome Assessment and Interim Conclusion

Ethiopia represents perhaps the strongest example of the developmental potential of the BRI in Africa, but also one of the clearest demonstrations of its structural fragility under conditions of political and economic instability. The Ethiopian case illustrates that while China-supported infrastructure and industrial cooperation progress smoothly in the early stages of implementation, particularly in infrastructure modernization, manufacturing expansion, and the institutional structures upon which these projects were financed and implemented have developed significant structural vulnerabilities and asymmetrical interdependence.[247] From an economic perspective, these projects have also made considerable contributions to Ethiopia's modernization and industrial transformation. The Addis Ababa-Djibouti Railway has improved transport efficiency between Ethiopia and the port of Djibouti by shortening the time and enhancing logistical connectivity for trade and industrial production[248] but the construction costs alone have also placed a heavy burden on Ethiopia.[249] In addition to the transportation infrastructure, Chinese financing and investment have played an important role in supporting Ethiopia's broader industrialization strategy.[250] Industrial parks such as the Eastern Industrial Zone have become core pillars of Ethiopia's development because of its connectivity and logistics framework.[251] Compared to

[246] Deborah Bräutigam, "Misrepresenting Dutch Disease and the 'Debt Trap Diplomacy' Narrative," *Oxford Review of Economic Policy* 38, no. 1 (2022).; "Addis Ababa–Djibouti Railway: Ownership and Management Profiles," *Scribd Repository on Ethio-Djibouti Railway Share Company (EDR)*, updated September 15, 2025.
[247] World Bank Group, *Ethiopia Country Economic Memorandum: Sustaining Progress Amidst Macroeconomic and Fragility Shocks* (Washington, DC: World Bank, 2023).
[248] lobal Infrastructure Hub, "Addis Ababa–Djibouti Railway," *Connectivity Across Borders Case Study*, November 30, 2020.
[249] AidData, "China Eximbank Provides Buyer's Credit Loan for Addis Ababa–Djibouti Railway Project," project ID 70083, accessed June 2026.
[250] AidData, *Ethiopia Profile of Chinese Development Finance, 2000–2023* (Williamsburg, VA: AidData, 2026).
[251] United Nations Industrial Development Organization (UNIDO), *Industrial Park Development in Ethiopia: Case Study Report* (Vienna: UNIDO, 2018), 6–12; World Bank, *On the Path to Industrialization: A Review of Industrial Parks in Ethiopia* (Washington, DC: World Bank, 2022).

many other African participants in the BRI, Ethiopia has demonstrated a relatively high degree of coordination between infrastructure development, industrial policy, and export-oriented manufacturing.[252] Indeed, Ethiopia's infrastructure and developmental strategy is gradually interconnected to Chinese broader, which further generated structural advantages and asymmetric outcomes.[253]

Losing preferential access for the AGOA to get into the US market after the civil war in 2020, it reduced the Ethiopian industrial parks' competitiveness of manufactured exports, leading to slower factory production, heavy debt burden, and the loss of foreign exchange.[254] This turning point demonstrates that the BRI's project in Ethiopia not remained highly vulnerable to the external economy beyond the control of the Ethiopian government, but also revealed the instability in Ethiopia's cooperation with China.[255] As risks increase, Chinese companies may gradually reduce operational exposure, transfer more responsibility to the Ethiopian authorities, and become more cautious and restrained in the new infrastructure financing.[256]

However, the case of Ethiopia does not fully support the "debt-trap diplomacy" because Ethiopia has maintained strong national coordination capabilities and continued to exercise its agency.[257] On the other hand, China has not directly seized strategic assets or exerted overt political control over Ethiopia's policymaking.[258] Nevertheless, this case neither supports the Chinese narrative "win-win cooperation", which claims to uphold as completely equal and mutually beneficial.[259] When

---

[252] Arkebe Oqubay, *Made in Africa: Industrial Policy in Ethiopia* (Oxford: Oxford University Press, 2015), 221–233; United Nations Conference on Trade and Development (UNCTAD), *China's Policy Experience in Special Economic Zones and Industrial Parks: Implications for Belt and Road Initiative Partner Countries* (Geneva: United Nations, 2023)

[253] orenzo Calabrese, *The Belt and Road and Chinese Enterprises in Ethiopia* (London: Overseas Development Institute, 2021); AidData, *Ethiopia Profile of Chinese Development Finance, 2000–2023.*

[254] Office of the United States Trade Representative (USTR), *2022 Biennial Report on the Implementation of the African Growth and Opportunity Act* (Washington, DC: Executive Office of the President, June 2022).

[255] World Bank Group, *Ethiopia Economic Update: Strategic Risk Management in a Fragile Post-Conflict Environment*(Washington, DC: World Bank, 2024).

[256] Chatham House, *The Evolution of BRI Financing: Debt Sustainability and Risk Mitigation in Africa* (London: Royal Institute of International Affairs, May 2025),

[257] Arkebe Oqubay, "The Rise of the Developmental State in Africa: Industrial Policy, Institutional Capacity, and Agency," *Development and Change* 54, no. 3 (May 2023).

[258] Deborah Bräutigam, "Misrepresenting Dutch Disease and the 'Debt Trap Diplomacy' Narrative," *Oxford Review of Economic Policy* 38, no. 1 (Spring 2022).

[259] Yunnan Chen, "The Limits of Win-Win Rhetoric: Structural Imbalances and Institutional Friction in the Ethio-Djibouti Rail Corridor," *Journal of Contemporary China* 33, no. 146 (November 2024).

Ethiopia's development goals faced increasing risks and financial uncertainties, China prioritized financial sustainability and the protection of existing investments rather than continuing to provide development aid.[260]

Eventually, the Ethiopian case demonstrates that the Belt and Road Initiative cannot be understood merely as a purely exploitative geopolitical tool, nor as a completely equal partnership.[261] Ethiopia has gained substantial development benefits from the cooperation with China, but the distribution of long-term strategic and structural benefits remained asymmetrical.[262] China has gained more lasting influence and a long-term strategic presence, while Ethiopia faces financial pressure, political instability, and external economic vulnerability.[263] Therefore, this case supports the argument of this thesis that the BRI is better understood as an asymmetrical geoeconomic interdependence.[264] African countries are neither passive victims without agency, nor completely equal partners in China-led development cooperation. [265]The BRI establishes a relationship that can benefit both sides, but in such a relationship, the long-term distribution of structural influence, financial risks, and strategic advantages often exhibits fundamental inequalities.[266]

260 Ministry of Commerce of the People's Republic of China (MOFCOM), *Statistical Bulletin of China's Outward Foreign Direct Investment: Risk Prevention and Financial Sustainability Metrics* (Beijing: China Commerce Press, 2024).

261 Lee Jones and Shahar Hameiri, *Debating the Belt and Road Initiative: Institutional Fragments, Local Agency, and Geoeconomic Realities* (Oxford: Oxford University Press, 2021).

262 Policy Studies Institute (PSI), *Long-term Structural Asymmetries in Trans-Regional Logistics Corridors: The Ethio-Djibouti Railway Assessment* (Addis Ababa: PSI Policy Brief, February 2026).

263 International Monetary Fund (IMF), *Ethiopia: Request for an Arrangement Under the Extended Credit Facility-Staff Report and Debt Sustainability Analysis*, IMF Country Report No. 24/230 (Washington, DC: IMF, August 2024).

264 Mark P. Langan, *Neo-Colonialism and African Development: Geoeconomic Interdependence in the 21st Century*(Palgrave Macmillan, 2018).

265 Giles Mohan and Ben Lampert, "Negotiating China: Reinserting African Agency into China-Africa Relations," *African Affairs* 112, no. 446 (2013).

266 United Nations Economic Commission for Africa (UNECA), *Asymmetric Structural Transformation and Financing Architecture under the Belt and Road Framework in East Africa* (Addis Ababa: UNECA Macroeconomics and Governance Division, 2025).

7. Comparative Analysis: Differing Outcomes Explained

The comparative analysis of Kenya and Ethiopia demonstrates that the outcomes of China's BRI in African states cannot be simply understood through uniform "win-win cooperation" or universal "debt-trap" narratives.[267] Despite both countries actively cooperating with China under the BRI framework and pursuing infrastructure-centric modernization, significant differences exist in their governance capabilities, development strategies, implementation models, and long-term outcomes.[268] A key commonality in these two countries is that they initially viewed cooperation with China as an opportunity to accelerate the achievement of national development goals that were previously difficult to achieve through Western-dominated financing mechanisms.[269] They both took infrastructure modernization as crucial for economic transformation, trade expansion, and enhanced regional competitiveness.[270] The BRI project's financing, rapid implementation, and lack of political strings attached have made China a preferred development partner for both governments.[271] However, structural asymmetries have emerged in both countries, eventually giving China a strategic and institutional advantage.[272]

Although both countries shared the motivations to cooperate with China, Kenya and Ethiopia adopted different development logics, and these differences in developmental strategy shaped the implementation and outcomes of the BRI cooperation.[273] Kenya's participation in the BRI is primarily driven by its ambition to achieve transportation connectivity and regional logistics through the SGR. By strengthening its corridor and consolidating its regional trade influence, Kenya aimed

---

[267] Pádraig Carmody, *New Economic Spaces in Africa: Institutional Dimensions of China's Belt and Road Initiative* (London: Routledge, 2020).

[268] African Development Bank (AfDB), *East Africa Economic Outlook 2024: Macroeconomic Performance and Comparative Structural Transformation* (Abidjan: AfDB, 2024).

[269] Ibid.

[270] East African Community (EAC), *East African Transport Strategy and Regional Road Sector Development Guide*(Arusha: EAC Secretariat, 2019).

[271] Ministry of Finance and Economic Cooperation (MoFEC), *Strategic Partnerships Framework: Evaluating Bilateral Loan Portfolios and Conditionality Metrics* (Addis Ababa: Federal Democratic Republic of Ethiopia, 2018).

[272] Theoretical framework adapted from Robert O. Keohane and Joseph S. Nye, *Power and Interdependence*, 4th ed. (Boston: Longman, 2012).

[273] Elsje Fourie, "Model Alternatives? China and the Politics of Development in Ethiopia and Kenya," *African Affairs* 114, no. 457 (October 2015).

to become a leading transportation and logistics hub in East Africa.[274] However, the infrastructure development was primarily targeted at the modernization of transportation, and achievement of broader goals of industrial and regional integration beyond the SGR has been only partially.[275] In the meantime,the intended extension of the regional corridor to Uganda was ultimately obstructed by financing difficulties, inadequate regional coordination and doubts about commercial viability, despite the railway enhancing transport efficiency and domestic connectivity.[276] In contrast, Ethiopia pursued a more comprehensive development-state strategy, achieving deeper integration, embedding infrastructure in industrialization, manufacturing expansion, and an export-oriented economic transformation with Chinese loans and construction.[277] The Addis Ababa-Djibouti Railway links to industrial parks, manufacturing zones, and an export-oriented system, by connecting transportation infrastructure with broader industrial transformation ambitions, Ethiopia demonstrated its central coordination capabilities and a coherent development framework.[278] Therefore, Ethiopia benefits more from the BRI projects in manufacturing and industrialization.

In addition, the governance capacity, state agency, and coordination also emerge as important variables influencing the effectiveness of the projects.[279] The Kenyan case demonstrates that its fragmented institutional environment at the outset of project involvement led to weaker coordination between subsequent infrastructure development and economic transformation.[280] Conversely, Ethiopia's developmental model and its effective governance ensured a better alignment between infrastructure and industrial strategy.[281] It highlighted that stronger state capacity can improve the

[274] Republic of Kenya, *Vision 2030 Delivery Secretariat: Third Medium Term Plan (2018–2022)* (Nairobi: Government Printer, 2018).
[275] Kenya Maritime Authority (KMA), *The Port of Mombasa and Inland Container Depots: Strategic Positioning within East African Supply Chains* (Mombasa: KMA Research Brief, 2021).
[276] World Bank Group, *Kenya Economic Update: Accelerating Kenya's Industrialization through Optimized Spatial Connectivity* (Washington, DC: World Bank, 2022).
[277] Parliament of Kenya, *Report of the Departmental Committee on Transport, Public Works and Housing on the Inquiry into the Financial Viability and Extension Phases of the SGR Project* (Nairobi: National Assembly, 2023).
[278] Arkebe Oqubay, *Made in Africa: Industrial Policy in Ethiopia* (Oxford: Oxford University Press, 2015).
[279] Strategic framework derived from Peter B. Evans, *Dietrich Rueschemeyer, and Theda Skocpol, Bringing the State Back In*(Cambridge: Cambridge University Press, 1985).
[280] David Booth and Diana Cammack, *Governance for Development in Africa: Solving Collective Action Problems* (London: Zed Books, 2013).
[281] Christopher Clapham, "The Ethiopian Developmental State," *Third World Quarterly* 39, no. 6 (2018).

developmental outcomes of the BRI engagement and enhance the African state's ability to strategically utilize China-supported infrastructure to achieve their domestic modernization goals.[282] Nevertheless, both cases eventually revealed the structural asymmetry in the engagement of the BRI.[283] While assisting Kenya and Ethiopia in their infrastructure and modernization development, China has deeply integrated into strategically important industries.[284] Chinese state-owned enterprises have secured contracts for large-scale construction projects, their technical standards have been integrated into the transportation system, and the financing structures have established lasting financial relationships between African governments and Chinese policy banks.[285]

In Kenya, the asymmetry was most evident in financial risk exposure and the imperfections of regional development goals. Kenya assumed a large amount of debt for its railway, which has struggled to generate sufficient long-term commercial returns. Meanwhile, although some parts of the railway failed to extend, China still gained long-term infrastructure influence in East African transport networks and the export of Chinese construction materials and labor. In Ethiopia, China's engagement extended beyond transportation infrastructure to industrial parks and export-oriented development networks, the asymmetry manifested in deeper infrastructure and industrial integration. Therefore, while Ethiopia's development achievements are higher than Kenya's, its industrialization strategy relies more heavily on China's financing and operational systems. In contrast, China gained access to overseas manufacturing and processing bases, allowing it to circumvent other countries' trade policies and maintain long-term technical ties to projects.

In summary, the Kenya v Ethiopia comparison implies that neither the "win-win cooperation" story nor the "debt-trap" argument can alone explain the outcomes of the BRI. Both countries showed significant agency in initiating and implementing

---

[282] Comparative politics matrix adapted from Linda Weiss, *The Myth of the Powerless State* (Ithaca: Cornell University Press, 1998).
[283] Chatham House, *The Geoeconomic Matrix of East Africa: Asymmetrical Infrastructural Interdependence along the Swahili Coast* (London: Royal Institute of International Affairs, 2024).
[284] Ministry of Transport and Infrastructure, *Technical Standards Harmonization Registry: The Adoption of Class-1 Chinese Railway Standards for the SGR Corridor* (Nairobi: Republic of Kenya, 2019).
[285] China-Africa Research Initiative (CARI), *Loan-to-Asset Mapping Project: Evaluating Policy Bank Exposure in East Africa* (Washington, DC: Johns Hopkins University SAIS, 2023).

cooperation with China, and gained tangible developmental dividends through enhanced infrastructure, connectivity and broader modernization efforts. Meanwhile, the benefits derived from the projects were not evenly spread out in the long term. As Kenya and Ethiopia retained the decision-making power and continued to pursue their own development agendas, the institutional arrangements for financing, technology transfer, infrastructure operation and long-term economic integration gradually generated asymmetrical outcomes in favour of China. The asymmetries were not the result of direct coercion, nor were they the result of the absence of African agency, but rather the unequal distribution of financial risk, operational dependence and structural influence inherent in the projects themselves. Thus, the BRI should be interpreted as a geoeconomic engagement where both sides benefit, but not necessarily to the same extent. African participants achieved significant developmental objectives, while China obtained wider strategic, economic and structural benefits outside the immediate context of the infrastructure projects.

8. Conclusion

This thesis explores whether the BRI benefits both China and the African participating states equally at the strategic and economic levels, or whether it has primarily become a geopolitical tool for China to advance its own interests at the expense of African states. Through case studies of Kenya and Ethiopia, the results illustrate that the reality of the BRI is more complex than the narratives of "debt-trap" or "win-win" cooperation. It highlights that both Kenya and Ethiopia are not passive recipients. Both countries actively sought to cooperate with China to achieve their domestic development goals, including infrastructure modernization, industrial expansion, and economic transformation. China's financing and implementation capacity have provided the opportunities that Western actors had been unwilling or unable to offer at a comparable scale and speed. In this sense, the BRI has brought tangible benefits to both countries, particularly in transportation infrastructure, industrial development, and economic modernization.

However, the thesis also indicates that these benefits are not equally distributed in China and African states, because African states gained development advantages, but China, through financing arrangements, technical integration, infrastructure operations, and institutional presence in strategically important sectors of the local economies. Therefore, this asymmetry does not stem from political domination or a lack of autonomy in Africa but rather from the unequal structural positions of China and African cooperation. The Kenyan case demonstrates that although the infrastructure-centric cooperation with China can bring modernization and infrastructure benefits, it also caused financial vulnerabilities and structural interdependence on China's finance and institutions. However, the Ethiopian case reveals that under the BRI framework, stronger governance and development coordination can yield deeper industrial and economic benefits, but the reliance on external financing, systems, export market, and operational integration can also generate structural vulnerabilities, especially during periods of political and economic instability.

The thesis argues that the BRI should not be understood as a form of exploitation, nor as an equal partnership based on mutual benefits. In contrast, it represents an asymmetric geoeconomic interdependence in which African countries can achieve major development progress while China simultaneously consolidates its long-term infrastructure, institutional, and strategic influence. Eventually, it suggests that the success of the BRI depends not only on China's strategic ambitions but also on African states' governance capacity, agency, development priorities, and institutional resilience. Stronger governance can improve development outcomes and enhance the ability of the government itself to strategically utilize Chinese-supported projects. However, governance capacity alone is insufficient to completely eliminate the inherent structural asymmetries in the large-scale infrastructure and financing relationship between China and African countries.

Bibliography

"Addis Ababa–Djibouti Railway: Ownership and Management Profiles," Scribd Repository on Ethio-Djibouti Railway Share Company (EDR) , updated September 15, 2025.

"Ethiopia Defaults Amid Financial Strains From War, Debt to China," ADF Magazine , January 2, 2024

(September 2023).

A rkebe Oqubay, Made in Africa: Industrial Policy in Ethiopia (Oxford: Oxford University Press, 2015).

Adf, & Adf. Ethiopia Defaults Amid Financial Strains from War, Debt to China . Africa Defense Forum.(January 2024).

Africa Center for Strategic Studies. "Chinese State-Owned Enterprises and Market Capture in Africa." Spotlight., 2026.

African Development Bank (AfDB), East Africa Economic Outlook 2024: Macroeconomic Performance and Comparative Structural Transformation (Abidjan: AfDB, 2024).

African Union, The Impact of Trade Preference Loss on Low-Income Sovereigns: The Case of Ethiopia's AGOA Revocation (Addis Ababa: AU Policy Brief, 2023).

AidData, Ethiopia Profile of Chinese Development Finance, 2000–2023 (Williamsburg, VA: AidData, 2026).

AidData, “China Eximbank Provides Buyer’s Credit Loan for Addis Ababa–Djibouti Railway Project,” project ID 70083, accessed June 2026.

AidData, “Mombasa-Nairobi Standard Gauge Railway Project (Project ID 37103),” Global Chinese Development Finance Dataset.

Alexander L. George and Andrew Bennett, Case Studies and Theory Development in the Social Sciences (Cambridge, MA: MIT Press, 2005)

Allan Olingo, “Kenya Fails to Secure $3.6b from China for Third Phase of SGR Line to Kisumu,” The East African , April 27, 2019.

Ammar A. Malik et al., Banking on the Belt and Road: Insights from a New Global Dataset of Chinese Development Finance (Williamsburg, VA: AidData at William & Mary, 2021).

Anzetse Were, “Debt Sustainability and Infrastructure Development in Africa: The Case of Kenya,” Institute of Economic Affairs Kenya , 2018.

Arkebe Oqubay and Justin Yifu Lin, eds., China-Africa and an Economic Transformation (Oxford: Oxford University Press, 2019),

Arkebe Oqubay, Made in Africa: Industrial Policy in Ethiopia (Oxford: Oxford University Press, 2015)

Arkebe Oqubay, "The Rise of the Developmental State in Africa: Industrial Policy, Institutional Capacity, and Agency," Development and Change 54, no. 3 (May 2023).

Armed Conflict Location & Event Data Project (ACLED), Ethiopia Conflict Alert: The Tigray War and Its Regional Macroeconomic Contagion (Washington, DC: ACLED, 2021).

B. He, " The Domestic Politics of the Belt and Road Initiative and Its Implications ," Journal of Contemporary China (2019).

Celestine A. Rarieya, Sophia E. de Vicente, China's Belt and Road Initiative in Africa: Kenya's pivotal role. Global Affairs and Strategic Studies. (2024)

Chatham House, The Evolution of BRI Financing: Debt Sustainability and Risk Mitigation in Africa (London: Royal Institute of International Affairs, May 2025),

Chatham House, The Geoeconomic Matrix of East Africa: Asymmetrical Infrastructural Interdependence along the Swahili Coast (London: Royal Institute of International Affairs, 2024).

Chen Xiangming, "China's Huge Geoeconomic Footprint in the Horn of Africa," ThinkChina , August 12, 2024.

China Eximbank provides $1.903 billion buyer's credit loan for Phase 1 of Standard Gauge Railway Project (Linked to Record ID#31777 and #47025)

China-Africa Research Initiative (CARI), Loan-to-Asset Mapping Project: Evaluating Policy Bank Exposure in East Africa (Washington, DC: Johns Hopkins University SAIS, 2023).

China's Foreign Minister visits Ethiopia, strengthening cooperation – your gateway to Ethiopia . (2026).

China's Policy Experience in Special Economic Zones and Industrial Parks: Implications for Belt and Road Initiative Partner Countries (Geneva: United Nations, 2023).

Chinese Academy of International Trade and Economic Cooperation (CAITEC), White Paper on China-Africa Development Cooperation and Technical Capacity Transfer in Transportation Infrastructure (Beijing: Ministry of Commerce, 2021).

Chinese Belt and Road Portal, 10th Anniversary of the Belt and Road Initiative: Connectivity Promotes Opening Up , 2023.

Chris Alden and Carlos Oya, "China's Engagement in Africa," in Routledge Handbook of Africa–Asia Relations , ed. Pedro Amakasu Raposo de Medeiros et al. (London: Routledge, 2018).

Christopher Clapham, "The Ethiopian Developmental State," Third World Quarterly 39, no. 6 (2018).

Comparative politics matrix adapted from Linda Weiss, The Myth of the Powerless State (Ithaca: Cornell University Press, 1998).

Costantinos Berhe, " China–Africa Relations: Opportunities and Challenges for Development ," Ethiopian Policy Review, 2017.

Court of Appeal at Nairobi, Civil Appeal No. 291 of 2016: Okiya Omtatah Okoiti & another v Attorney General & 4 others (June 19, 2020).

Dani Rodrik, One Economics, Many Recipes: Globalization, Institutions, and Economic Growth (Princeton: Princeton University Press, 2007).

Daniel Large, "China and the Contradictions of 'Non-Interference' in Africa," Review of African Political Economy 35, no. 115 (2008).

David Booth and Diana Cammack, Governance for Development in Africa: Solving Collective Action Problems (London: Zed Books, 2013).

David Booth and Frederick Golooba-Mutebi, "Developmental Patrimonialism? The Case of Rwanda," African Affairs 111, no. 444 (2012).

David Brewster, "Lessons from Kenya's New Chinese-Funded Railway," Chatham House , June 6, 2017.

David Dollar, "China's Engagement with Africa: From Natural Resources to Human Resources," Brookings Institution , 2016.

Deborah Brautigam and Tang Xiaoyang, "African Shenzhen: China's Special Economic Zones in Africa," Journal of Modern African Studies 49, no. 1 (2011)

Deborah Brautigam, The Dragon's Gift: The Real Story of China in Africa (Oxford: Oxford University Press, 2009)

Deborah Brautigam, Yufan Huang, and Kevin Acker, "Risky Business: New Data on Chinese Loans and Africa's Debt Problem," Briefing Paper , no. 3 (Washington, DC: China Africa Research Initiative, Johns Hopkins University School of Advanced International Studies, 2020).

Deborah Brautigam, "A Critical Look at Chinese 'Debt-Trap Diplomacy': The Rise of a Meme," Area Development and Policy 5, no. 1 (2020).

Deborah Bräutigam, "Misrepresenting Dutch Disease and the 'Debt Trap Diplomacy' Narrative," Oxford Review of Economic Policy 38, no. 1 (2022).

Derek Beach and Rasmus Brun Pedersen, Process-Tracing Methods: Foundations and Guidelines (Ann Arbor: University of Michigan Press, 2013).

E thiopian Railway Corporation (ERC), Establishment and Curriculum Charter of the African Railway Academy at Bishoftu

East African Community (EAC), East African Transport Strategy and Regional Road Sector Development Guide (Arusha: EAC Secretariat, 2019).

Edward N. Luttwak, “From Geopolitics to Geo-Economics: Logic of Conflict, Grammar of Commerce,” The National Interest, no. 20, 1990

Elsje Fourie, "Model Alternatives? China and the Politics of Development in Ethiopia and Kenya," African Affairs 114, no. 457 (October 2015).

Embassy of the Federal Democratic Republic of Ethiopia in Canada, “China’s Foreign Minister Visits Ethiopia, Strengthening Cooperation,” January 2026

EPRDF . (n.d.). https://eprdf.org.et/EPRDFE/faces/ssi/aboutus.jsp?type=aboutus

Esther Mulinge, An Analysis of China-Kenya Bilateral Relations on Infrastructure Development, The Kenya institute for public policy research and analysis, 2012.

Ethio-Djibouti Standard Gauge Rail Transport Share Company (EDR), Technical Operations Assessment and Local Capacity Report (Addis Ababa: EDR Internal Archive, 2024)

Ethiopia’s landlocked Economy: a $31 billion annual drain on Growth – IFA . (2026b, February 15).

Export-Import Bank of China, "Buyer's Credit Loan Agreement for the Addis Ababa–Djibouti Railway Project," signed May 15, 2013, cited in AidData, Ethiopia 2000–2023: China Development Finance Profile (Williamsburg, VA: AidData at William & Mary, 2026), Record ID#96154

Federal Democratic Republic of Ethiopia, Growth and Transformation Plan I (GTP I): 2010/11–2014/15, Volume I: Main Text (Addis Ababa: Ministry of Finance and Economic Development, 2010)

Federal Democratic Republic of Ethiopia, Growth and Transformation Plan II (GTP II): 2015/16–2019/20 (Addis Ababa: National Planning Commission, 2016)

Gedion Jalata, “China-Africa Relations and Development Security in Ethiopia,” Journal of Eastern African Studies 13 , no. 4 (2019).

Giles Mohan and Ben Lampert, "Negotiating China: Reinserting African Agency into China-Africa Relations," African Affairs 112, no. 446 (2013).

Global Infrastructure Hub, “Addis Ababa-Djibouti Railway,” Connectivity Across Borders Case Study , November 30, 2020.

Global Infrastructure Hub, “Addis Ababa–Djibouti Railway”

Government of Kenya, Kenya Vision 2030 (Nairobi: Government Printer, 2007)

Government of Kenya, State House Kenya Press Releases , May 2014.

Government of Kenya, Kenya Vision 2030: A Globally Competitive and Prosperous Kenya (Nairobi: Government Printer, 2007)

Government of Kenya, Second Medium Term Plan 2013–2017 (Nairobi: Ministry of Devolution and Planning, 2013)

Government of Kenya, The Presidency , “President Kenyatta Launches Madaraka Express Passenger Service,” May 31, 2017

Guangjun Shen, Binkai Chen. Zombie firms and over-capacity in Chinese manufacturing , July 2017

Hellen Adogo, Tinuade Ojo, and Chidochashe Nyere, “Kenya’s Infrastructural Question: Examining the Renegotiation of the SGR Debt with China,” African Journal of Political Science 13, no. 1 (2025).

HISTORY.com Editors. Ethiopian capital falls to rebels, ending 17 years of Marxist rule, (May 2025)

Ian Taylor, "China’s Infrastructure-Led Development Strategy in Africa: From SGR to the Belt and Road," Journal of Contemporary China 29, no. 122 (2020).

Ian Taylor, "Kenya’s New Lunatic Express: The Standard Gauge Railway," African Studies Quarterly 19, no. 3–4 (2020)

Ian Taylor, "The Belt and Road Initiative and Africa: Competing Perspectives," Global Affairs 5, no. 1 (2019)

Ian Taylor, “Kenya’s New Lunatic Express: The Standard Gauge Railway,” African Studies Quarterly 19, no. 3–4 (2020).

Ifediora, O. F., African Sovereignty: constructing institutional and structural changes in the international system . World Affairs, 2026.

IMF flags currency risks as Kenya, Ethiopia shift Chinese loans to yuan - Businessfront,May 2026.

International Criminal Court, Decision on the Withdrawal of Charges Against Mr. Kenyatta , ICC-01/09-02/11-1005 (The Hague: International Criminal Court, 13 March 2015).

International Monetary Fund (IMF), Ethiopia: Request for an Arrangement Under the Extended Credit Facility-Staff Report and Debt Sustainability Analysis , IMF Country Report No. 24/230 (Washington, DC: IMF, August 2024).

International Monetary Fund (IMF), The Federal Democratic Republic of Ethiopia: Debt Sustainability Analysis (Washington, DC: IMF, 2018).

Irene Yuan Sun, The Next Factory of the World: How Chinese Investment Is Reshaping Africa (Boston: Harvard Business Review Press, 2017).

John Gerring, Case Study Research: Principles and Practices (Cambridge: Cambridge University Press, 2007).

Jonathan E. Hillman, The Emperor's New Road: China and the Project of the Century (New Haven: Yale University Press, 2020).

Jonathan E. Hillman, "Game of Trains: Kenya's Standard Gauge Railway," Center for Strategic and International Studies, April 3, 2020.

Julius Barigaba, "Uganda Cancels $2.2bn SGR Contract with Chinese Firm," Daily Monitor , January 2023. Supported by subsequent reporting on Uganda's termination of the CHEC agreement and shift to alternative contractors.

Justin Yifu Lin and Yan Wang, "Going Beyond Aid: Development Cooperation for Structural Transformation," Cambridge Journal of Economics 41, no. 4 (2017)

Justin Yifu Lin, "The Belt and Road Initiative and Industrial Development in Developing Countries," in China and the Global Economy , ed. Justin Yifu Lin (Cambridge: Cambridge University Press, 2018).

Karoline Eickhoff, "Chinese Mega Projects in Kenya: Public Controversies around Infrastructure and Debt in East Africa's Regional Hub," SWP Policy Brief 4 (2022).

Kenya Maritime Authority (KMA), The Port of Mombasa and Inland Container Depots: Strategic Positioning within East African Supply Chains (Mombasa: KMA Research Brief, 2021).

Kenya news agency information for development, High Court Suspends Directive Requiring All Cargo To Be Transported Through SGR , KNA 2020.

Kenya Railways Corporation & 3 others v Okiya Omtatah Okoiti & 3 others , Supreme Court Petition No. 13 of 2020 (Supreme Court of Kenya 2023).

Kenya Railways Corporation, Kenya Railways Strategic Plan 2023–2027 (Nairobi: Kenya Railways Corporation, 2022)

Kenya Railways- right on track . (n.d.). https://krc.co.ke/

Lee Jones and Shahar Hameiri, Debating the Belt and Road Initiative: Institutional Fragments, Local Agency, and Geoeconomic Realities (Oxford: Oxford University Press, 2021).

Lee Jones and Shahar Hameiri, Debunking the Myth of 'Debt-Trap Diplomacy': How Recipient Countries Shape China's Belt and Road Initiative (London: Chatham House, 2020).

Lesutis, G., Infrastructure as techno‐politics of differentiation: Socio‐political effects of mega‐infrastructures in Kenya (2021).

Lindsay Whitfield et al., The Politics of African Industrial Policy: A Comparative Perspective (Cambridge: Cambridge University Press, 2015).

lobal Infrastructure Hub, "Addis Ababa–Djibouti Railway," Connectivity Across Borders Case Study , November 30, 2020.

Local Politics Meets Chinese Engineers: A Study of the Chinese-Built standard Gauge Railway Project in Kenya - SAIIA. SAIIA,

Lorenzo Calabrese, The Belt and Road and Chinese Enterprises in Ethiopia (London: Overseas Development Institute, 2021).

Loshkariov I.D, "Fundamentals of State Sovereignty in Africa: Theoretical Perspective" Journal of The Institute for African Studies , 2024

LSD.Law., What is state agency? Simple Definition & Meaning - LSD.Law.,17 November 2025.

Mark P. Langan, Neo-Colonialism and African Development: Geoeconomic Interdependence in the 21st Century (Palgrave Macmillan, 2018).

Mary Gallagher et al., China's 2008 Labor Contract Law: Implementation and Implications for China's Workers (World Bank, 2012).

Meles Zenawi, States and Markets: Neoliberal Limitations and the Case for a Developmental State, 2011.

Merilee S. Grindle, "Good Enough Governance: Poverty Reduction and Reform in Developing Countries," Governance 17, no. 4 (2004).

Mikael Wigell and Sören Scholvin, "Geo-economics as Concept and Practice in International Relations," Asia Europe Journal 14, no. 2 (2016)

Ministry of Commerce of the People's Republic of China (MOFCOM), Statistical Bulletin of China's Outward Foreign Direct Investment: Risk Prevention and Financial Sustainability Metrics (Beijing: China Commerce Press, 2024).

Ministry of Finance and Economic Cooperation (MoFEC), Strategic Partnerships Framework: Evaluating Bilateral Loan Portfolios and Conditionality Metrics (Addis Ababa: Federal Democratic Republic of Ethiopia, 2018).

Ministry of Foreign Affairs of the People's Republic of China, "China and Ethiopia: All-Weather Strategic Cooperation Partnership," official statements emphasizing Ethiopia as a model of China-Africa cooperation in infrastructure and industrial developmen, 2026.

Ministry of Foreign Affairs of the People's Republic of China, "Li Keqiang Attends Signing Ceremony of China–Kenya Cooperation Agreements," May 2014

Ministry of Foreign Affairs, and Ministry of Commerce of the PRC, Joint Statement between the Government of the People's Republic of China and the Government of the Republic of Kenya (2014)

Ministry of Foreign Affairs, China-Kenya relations, April 2026)

Ministry of Foreign Affairs, People's Republic of China. The Chinese express train running in East Africa (August 2020). Joint Statement between the People's Republic of China and the Republic of Kenya on Building a Model of an All-Weather China-Africa Community with a Shared Future in the New Era, 2025.

Ministry of Transport and Infrastructure, Technical Standards Harmonization Registry: The Adoption of Class-1 Chinese Railway Standards for the SGR Corridor (Nairobi: Republic of Kenya, 2019).

Ministry of Transport and Logistics (MoTL), Reform Prospects for Ethiopia's Rail and Surface Transport: Institutional and Operational Frameworks (Addis Ababa: Federal Democratic Republic of Ethiopia, 2025).

Mombasa-Nairobi Standard Gauge Railway Project .(n.d.). https://www.crbc.com/site/crbcEN/mnbzen/index.html?id=570e2bf6-b830-4fd4-80d9-1c51e2336193

Nadège Rolland, China's Eurasian Century? Political and Strategic Implications of the Belt and Road Initiative (Seattle: National Bureau of Asian Research, 2017)

Nadège Rolland, "A Concise Guide to the Belt and Road Initiative," National Bureau of Asian Research (NBR) , 2019.

Nadège Rolland, "China's Belt and Road Initiative: Underwhelming or Game-Changer?" The Washington Quarterly 40, no. 1 (2017)

Nancy Muthoni Githaiga, "Infrastructure Development and the Standard Gauge Railway in Kenya: Implications for Sustainable Development," African Journal of Economic Review 8, no. 1 (2020).

National Assembly of Kenya, Report of the Departmental Committee on Transport, Public Works and Housing on the Inquiry into the Use of the Standard Gauge Railway (SGR) in Kenya (Nairobi: Parliament of Kenya, 2020).

National Bureau of Statistics of China, Monitoring Report on Migrant Workers 2012 (Beijing: NBS, 2013)

National Development and Reform Commission (NDRC), Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China, Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road (Beijing: PRC State Council, 2015).

National Development and Reform Commission, Ministry of Foreign Affairs, & Ministry of Commerce of the People's Republic of China. (2015). VISION AND ACTIONS ON JOINTLY BUILDING SILK ROAD ECONOMIC BELT AND 21ST-CENTURY MARITIME SILK ROAD .

National Treasury and Economic Planning of Kenya, "External Public Debt Register," Government of Kenya.

National Treasury of Kenya, 2019 Medium-Term Debt Management Strategy (Nairobi: National Treasury, 2019)

National Treasury of Kenya, Medium-Term Debt Management Strategy 2023 (Nairobi: National Treasury, 2023)

Ngala Chome, "The Horn and the Gulf: How a New Geopolitical Confluence is Emerging," African Arguments , January 21, 2026.

Norman K. Denzin, The Research Act: A Theoretical Introduction to Sociological Methods (New York: McGraw-Hill, 1978).

O. Otele, A Case Study of Kenya's Standard Gauge Railway (New York: Council on Foreign Relations, 2021)

OECD. (2015). OECD Economic Surveys: China , July 2015.

Office of the Auditor-General (Kenya), Report of the Auditor-General on the Financial Statements of Kenya Railways Corporation for the Year Ended 30 June 2018 (Nairobi: OAG, 2019). https://www.oagkenya.go.ke/wp-content/uploads/2021/09/Kenya-Railways-Corporation-2017-2018.pdf

Office of the Auditor-General (Kenya), Report of the Auditor-General on the Financial Statements of Kenya Railways Corporation for the Year Ended 30 June 2023 (Nairobi: OAG, 2024).

Office of the Auditor-General of Kenya, Special Audit Report on Procurement and Financing of the Standard Gauge Railway Project (Nairobi: Office of the Auditor-General, 2020).

Office of the United States Trade Representative (USTR), 2022 Biennial Report on the Implementation of the African Growth and Opportunity Act (Washington, DC: Executive Office of the President, June 2022).

Office of the United States Trade Representative (USTR), AGOA Eligibility Review and the Textile-Apparel Manufacturing Complex in Sub-Saharan Africa (Washington, DC: USTR, 2020)

orenzo Calabrese, The Belt and Road and Chinese Enterprises in Ethiopia (London: Overseas Development Institute, 2021)

Overseas Development Institute (ODI), The Belt and Road and Chinese Enterprises in Ethiopia: Infrastructure Connectivity and Industrialization (London: ODI Report, August 2021).

Parliament of Kenya, Report of the Departmental Committee on Transport, Public Works and Housing on the Inquiry into the Financial Viability and Extension Phases of the SGR Project (Nairobi: National Assembly, 2023).

Parliament of Kenya, Report on the Inquiry into the Use of the Standard Gauge Railway (SGR) (2020).

Paul Kendall, "Balancing the East and the West: The 2013 Kenyan General Election and the Rise of Ambivalent Anti-Chinese Populism in Kenya," African Journal of Legal Studies 7, no. 1 (2014).

Paul Pierson, "Increasing Returns, Path Dependence, and the Study of Politics," American Political Science Review 94, no. 2 (2000).

Policy Studies Institute (PSI), The Impact of Industrial Parks on Local Labour Markets: Evidence from Ethiopia's Structural Transformation (Addis Ababa: PSI Policy Brief, February 2026).

Port Assab becomes flashpoint for Ethiopia–Eritrea relations. dw.com(January,2026).

Post, S. C. M.,How former Kenyan president Mwai Kibaki looked east to China, (2022, April 30).

President Xi Jinping Holds Talks with President Uhuru Kenyatta of Kenya Announcing Establishment of China-Kenya Comprehensive Cooperative Partnership of Equality, Mutual Trust, Mutual Benefit and Win-Win Outcome_Embassy of the People's Republic of China in the Republic of Kenya. (2013).

Pádraig Carmody, New Economic Spaces in Africa: Institutional Dimensions of China's Belt and Road Initiative (London: Routledge, 2020).

Pádraig Carmody, The New Scramble for Africa (Cambridge: Polity Press, 2011).

Republic of Kenya & Kenya Railways. (2023b). Strategic Plan 2023-2027 [Report]

Republic of Kenya, Budget Policy Statement 2009: Formulating the 2009/10 Budget under Challenging Economic Environment (Nairobi: Ministry of Finance, 2009).

Republic of Kenya, Kenya Vision 2030: First Medium Term Plan 2008–2012 (Nairobi: Office of the Prime Minister and Ministry of State for Planning, National Development and Vision 2030, 2008)

Republic of Kenya, Vision 2030 Delivery Secretariat: Third Medium Term Plan (2018–2022) (Nairobi: Government Printer, 2018).

Robert D. Blackwill and Jennifer M. Harris, War by Other Means: Geoeconomics and Statecraft (Cambridge, MA: Harvard University Press, 2016), 20–26

Sickell, JulieAnn, and Brooke Escobar. *Ethiopia: Chinese Development Finance, 2000–2023*. Williamsburg, VA: AidData at William & Mary, 2026

Sebastian Horn, Carmen Reinhart, and Christoph Trebesch et al., Hidden Defaults (World Bank, 2022).

South African Institute of International Affairs.

State Council of the People's Republic of China, Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road (Beijing: National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce, 2015)

Strategic framework derived from Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol, Bringing the State Back In (Cambridge: Cambridge University Press, 1985).

Susan Strange, States and Markets (London: Pinter Publishers, 1988).

State Council Information Office of the People's Republic of China, China and Africa in the New Era: A Partnership of Equals (Beijing: State Council Information Office, 2021)

Taylor, I., Kenya's new Lunatic Express: the standard gauge railway. In African Studies Quarterly (2020).

The Ethiopian-Djibouti railway- Ethiopian Railways Corporation . (n.d.). https://erc.gov.et/project/the-ethiopian-djibouti-railway/

Theoretical framework adapted from Robert O. Keohane and Joseph S. Nye, Power and Interdependence , 4th ed. (Boston: Longman, 2012).

Tim Kelsall, Business, Politics, and the State in Africa (London: Zed Books, 2013).

Tim Zajontz, “T,” Oxford Development Studies 49, no. 4 (2021).

UNCTAD, China’s Policy Experience in Special Economic Zones and Industrial Parks .

UNIDO, Industrial Park Development in Ethiopia: Case Study Report (Vienna: United Nations Industrial Development Organization, 2018).

UNIDO, Industrial Park Development in Ethiopia: Case Study Report.

United Nations Conference on Trade and Development (UNCTAD), Boosting Ethiopia's Industrialization: What Can Be Learned from China's Industrial Parks? (Geneva: United Nations, 2021).

United Nations Conference on Trade and Development (UNCTAD), China’s Policy Experience in Special Economic Zones and Industrial Parks: Implications for Belt and Road Initiative Partner Countries (Geneva: United Nations, 2023)

United Nations Economic Commission for Africa (UNECA), Asymmetric Structural Transformation and Financing Architecture under the Belt and Road Framework in East Africa (Addis Ababa: UNECA Macroeconomics and Governance Division, 2025).

United Nations Industrial Development Organization (UNIDO), Industrial Park Development in Ethiopia: Case Study Report (Vienna: UNIDO, 2018).

United Nations Industrial Development Organization (UNIDO) , Industrial Park Development in Ethiopia: Case Study Report (Vienna: UNIDO, 2019).

United States International Trade Commission (USITC), Harmonized Tariff Schedule of the United States: Section XI, Chapters 61 and 62 (Articles of Apparel and Clothing Accessories) (Washington, DC: USITC, 2022).

Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road (2015).

Vivien Foster and Cecilia Briceño-Garmendia, Kenya's Infrastructure: A Continental Perspective (Washington, DC: World Bank, 2010).

W. Brian Arthur, “Competing Technologies, Increasing Returns, and Lock-In by Historical Events,” Economic Journal 99, no. 394 (1989).

Wang, C. N. (n.d.). Countries of the Belt and Road Initiative (BRI)- Green Finance & Development Center. https://greenfdc.org/countries-of-the-belt-and-road-initiative-bri/

Wei Yunhui., Experiences of the Mombasa-Nairobi Railway among Diplomatic Ambassadors from Multiple Countries in Kenya: A Road to Prosperity Benefiting the Country and its People-Xi Jinping's Diplomatic Thought and China's Diplomacy in the New Era (China Xinhua News, 2023).

White House, "Proclamation 10327—To Take Certain Actions Under the African Growth and Opportunity Act and for Other Purposes," Federal Register 86, no. 245 (December 23, 2021).

Wiegert, J., & Schneidman, W., Competing in Africa: China, the European Union, and the United States, Brookings. (2018, April 16).

William Brown, The African State and the Asian Drivers in the World Economy (London: Routledge, 2012).

William Ramogi & 2 others v Attorney General & 4 others , Constitutional Petition No. 159 of 2018 (High Court of Kenya at Mombasa 2020)

WISSENBACH, U., & WANG, Y. (2016). LOCAL POLITICS MEETS CHINESE ENGINEERS: A STUDY OF THE CHINESE-BUILT STANDARD GAUGE RAILWAY PROJECT IN KENYA .

World Bank Group, Ethiopia Country Economic Memorandum: Sustaining Progress Amidst Macroeconomic and Fragility Shocks (Washington, DC: World Bank, 2023).

World Bank Group, Ethiopia Economic Update: Investing in Human Capital for Growth and Resilience (Washington, DC: World Bank, November 2022).

World Bank Group, Ethiopia Economic Update: Strategic Infrastructure Assessment of the Rail-Industrial Complex (Washington, DC: World Bank, 2019).

World Bank Group, Ethiopia Economic Update: Strategic Risk Management in a Fragile Post-Conflict Environment (Washington, DC: World Bank, 2024).

World Bank Group, Kenya Economic Update: Accelerating Kenya's Industrialization through Optimized Spatial Connectivity (Washington, DC: World Bank, 2022).

World Bank, Country Partnership Strategy for the Republic of Kenya for the Period FY2014–FY2018 (Washington, DC: World Bank, 2014).

World Bank, On the Path to Industrialization: A Review of Industrial Parks in Ethiopia (Washington, DC: World Bank, 2022).

World Bank, What is the Difference between IBRD and IDA? (Washington, DC: World Bank).

World Bank, "Kenya's New Railway and the Emergence of the 'Government-to-Government Procurement' Method," World Bank Blogs , June 16, 2017

World Bank, Two Seasons: The Impact of the Nairobi-Mombasa Corridor on Kenya's Economy, World Bank Group Report (Washington, DC: World Bank, 2019).

World Bank, Belt and Road Economics: Opportunities and Risks of Transport Corridors (Washington, DC: World Bank, 2019).

xport-Import Bank of China, "Buyer's Credit Loan Agreement for the Addis Ababa–Djibouti Railway Project," signed May 15, 2013.

Yunnan Chen, "Laying the Tracks: The Political Economy of Railway Development in Ethiopia's Railway Sector and Implications for Technology Transfer," SAIS-CARI Working Paper , no. 2021/43 (Washington, DC: China Africa Research Initiative, Johns Hopkins University School of Advanced International Studies, January 2021)

Yunnan Chen, "The Limits of Win-Win Rhetoric: Structural Imbalances and Institutional Friction in the Ethio-Djibouti Rail Corridor," Journal of Contemporary China 33, no. 146 (November 2024).