Elizabeth Economy and Karen Monaghan, “The perils of Beijing’s Africa strategy,” 
The International Herald Tribune, November 2, 2006.

On Friday, when Beijing will host African leaders at the third Forum on China-African Cooperation, the participants will undoubtedly hail the dramatic expansion in trade and investment, the stream of high-level diplomatic visits and agreements, and the newly forged strategic bonds between their nations.

Yet beyond the celebrations there is growing unease on both sides about the social, political and economic tensions that the integration has generated.

Outwardly, China’s ‘‘Year of Africa’’ has been a striking success. Since January, President Hu Jintao, Prime Minister Wen Jiabao and Foreign Minister Li Zhaoxiong have all traveled to Africa, visiting a total of 15 countries. Skyrocketing trade and foreign direct investment have made China a major player in Africa’s economic development.

African leaders now regularly cite China as the ideal development model for their countries. Two-way trade has quadrupled in the last five years to $40 billion in 2005, making China Africa’s third largest trading partner after the European Union and the United States.

While China’s voracious demand for commodities has driven investment priorities, it is diversifying into apparel, food processing, telecommunications and construction. At $1.2 billion, Chinese foreign direct investment in Africa is small compared to the $29 billion total recorded last year, but if the influx of Chinese firms is any guide a ten-fold increase since 2003 future capital inflows likely will multiply.

Politically, China’s ‘‘hands-off politics’’ approach was initially a welcome change for many African leaders who bristled over the conditions imposed by the United States, Europe and multilateral institutions.

Yet it has also become evident that China’s approach to Africa comes at a steep price. The situation in Sudan is the most pernicious example of the consequences of not mixing business and politics. By refusing to press Khartoum to accept the Security Council mandate for a UN peacekeeping force in Darfur, Beijing has effectively condoned atrocities. In Zimbabwe, Beijing’s economic largesse is helping keep Robert Mugabe’s repressive regime in power.

On another front, Beijing’s unwillingness to press its state-owned firms on good governance and social responsibility is producing a backlash in several African countries. Last month, Gabon ordered the Chinese energy firm, Sinopec, to halt exploration in Loango national park after a U.S. conservation group accused it of desecrating the forest and operating without an environmental-impact study.

Anecdotal evidence also suggests simmering grass-roots resentment of the growing Chinese presence. Legal and illegal Chinese immigrants are moving to Africa by the
hundreds of thousands to work in extractive industries, construction and manufacturing, prompting charges that Chinese investors are taking rather than creating jobs.

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Ultimately, African leaders have to decide whether Beijing’s ‘‘strictly business’’ strategy is compatible with the principles of transparency and good governance set out in their New Partnership for Africa’s Development (NEPAD). Every day brings new evidence that getting China to sign on to these principles will be critical for the continent’s long term development and stability.

As a first step, China and its energy and mining firms should be encouraged to sign on to the Extractive Industries Transparency Initiative, which requires companies and host governments to publicly disclose transactions. Chinese firms can also prove their commitment to transparency, the environment and safe and equitable working conditions by submitting open bids for projects funded by multilateral institutions.

Finally, World Bank President Paul Wolfowitz has said the bank wants to work directly with China in its development projects in Africa. The United States and Europe should follow suit by inviting China to participate in initiatives for sustainable development and eradicating poverty in Africa.

On his visit to Africa last summer, Wen said, ‘‘We encourage African countries to improve democracy and the rule of law, social justice and equality.’’ He went on to say that China had ‘‘full confidence’’ that the Africans could ‘‘properly handle their own affairs.’’

Yet with hundreds of thousands of Chinese living and working across Africa and with China rapidly becoming the largest trading partner and investor on the continent, Beijing must realize that it cannot merely voice support but must work actively to help realize Africa’s aspirations. Africa’s ‘‘own affairs’’ have become China’s as well.

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