Environmental perspectives on Chinese global engagement

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Dear Reader,

2012 promises to be an interesting year for China-Africa relations: we will see another FOCAC summit in the second half of the year, thereby deepening the cooperation at the official level. Interactions, however, require continuous engagement of both Chinese and Africans in order to make the interactions prosperous and future-oriented for both sides of the partnership. The CCS will continue its critical and balanced analysis of the official interactions. And we will continue to engage with the public on China-Africa relations, which we understand as one of our tasks as an African academic institution.

The year 2012 is also the last year of office for the current Chinese leadership. In the second half of 2012, Hu Jintao will step down as party’s General Secretary before handing over the Presidency to his successor in 2013. During Hu’s time, and despite a continued tight grip on the internal political scenery, the world has seen China rise to a global power status. In line with this, the China’s Africa engagement and its policy towards the continent have tremendously evolved. It might be too narrow to call Hu Jintao “the African” amongst China’s Presidents – he is much rather “the global player”. Yet, from a contemporary African perspective, it feels justified, as China’s engagement in Africa has been strongly encouraged under Hu’s presidency.

This engagement has arguably also contributed to putting Africa back on the map of investors. Yet, the long-term effects of these investments are not always unequivocally positive and a wait-and-see attitude would be the least advisable to African leaders. Africa has its fair share to catch up with the Asian growth and the tidal wave of interests in the continent coming from Asia. Only when based on understanding the other can the cooperation become beneficial to both sides.

This issue of the China Monitor is once again dedicated to the environmental aspect of Chinese global engagement and, more specifically, the engagement with the African continent. Our authors look into the effects of China’s engagement on environmental protection, both at the level of potential impact on policies and international negotiations (see the article by Frances Fuller), and with regard to the choice of location of foreign direct investment and their possible impact on areas of conservation value (see the article by Douglas Scott).

The New Year sees a new layout of our China Monitor. Our key publication is likely to see more changes, namely our intention to move towards a quarterly journal from mid-2012 on. We will proudly adapt our publications to our evolving work at the CCS and would very much hope to continue catering to your interest in issues of African East Asian Affairs. The CCS team wishes you a prosperous, joyful and healthy year 2012, the year of the dragon.

Yours sincerely,
The Environmental Cost of Antigua and Barbuda’s Diplomatic Relationship with China

By Frances Fuller
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This is an edited version of a longer paper. The full version can be obtained by contacting the author.

Much of China’s interaction with large developing countries, such as within Africa and South America, has been well documented due to China’s huge appetite for natural resources to support their economic growth (Saich, 2011). With the exception of the issue of the ‘One China’ policy and Taiwan, a neglected theme throughout literature has been China’s policy and influence towards small developing nations especially towards small island developing states (SIDS) like Antigua and Barbuda (AG). The recent increase in the level of Chinese attention in the small island nation of AG has piqued the interest of many. From the perspective of SIDS the implications of this developing diplomatic relationship could not only be extensive but could also be very important for the future of both national and international environmental standing as China appears to not have received much in return so far (Fieser, 2011). This has become a concern because AG lacks any natural resources of significance and no country gives financial aid without it being ultimately beneficial to them and the result could be very detrimental to AG.

The Caribbean as a hotspot for biodiversity

Since colonisation in 1632 by England the twin island state of AG has been plagued with environmental destruction and degradation through the conversion of the natural vegetation into tobacco, cotton and sugar plantations and as a result AG and the Caribbean region as a whole currently maintains only 11.3% of its original biological habitat (Mittermeier et al., 1999). Even with this historical degradation, the Caribbean region and AG in particular have been highlighted in numerous reports and multilateral environmental agreements (MEAs) as having high levels of endemism, high numbers of species per unit area and many regionally important habitats. Therefore as a region the Caribbean “could arguably be considered the highest-priority hotspots of all” (Mittermeier et al.,1999: 53) for biodiversity conservation within any global strategy (GoAB, 2008; Sullivan Sealey and Bustamante, 1999). Further, there is a strong economic dependence on the important linkages between the terrestrial and marine environments (Conway and Lorah, 1995) and conservation should therefore be of high priority within any government agenda.

AG unfortunately lacks protected areas and even the areas that are under protection suffer from a major lack of monitoring, regulation and enforcement (Albuquerque and McElroy, 1995). Today the main contributor to AG’s GDP is the tourism sector which
again, more often than not, is associated with severe environmental degradation due to unregulated development and lack of monitoring and enforcement by government institutions. There are over forty pieces of legislation in AG that govern different aspects of the environment yet most of this legislation “is out-dated and needs to be reassembled and realigned in a more coherent manner, and does not reflect the changes required by the regional and international Conventions to which the country is Party” (GoAB, 2008: 17).

“\[
\text{The example of AG changing its position at the International Whaling Commission (IWC) as a result of financial aid received from Japan is a telling case.}
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Further, there is a weak civil society with low levels of environmental awareness and poorly developed coordination between government and NGOs (GoAB, 2008). Historically there have been two main NGOs that have been active within the field of the environment with the Environmental Awareness Group (EAG) as the only one involved actively in education and awareness. The weak national agenda to protect AG’s environment is in direct contradiction to AG’s strong standing in the international community regarding to its involvement with the majority of multilateral environmental agreements (MEAs). As a small developing country, AG is not only vulnerable to the impacts of global environmental change, but is a minor contributor to these problems. Yet, as a member of the Organisation of Eastern Caribbean States (OECS), the Caribbean Community (CARICOM), the Alliance of Small Island States (AOSIS), the Group of 77 and China, and Group of Latin America and Caribbean Countries (GRULAC)1 among others, AG is at the forefront of many environmental MEAs including climate change negotiations representing the most vulnerable. This position has unfortunately been compromised in the past as a result of financial aid provided by other countries.

Political turnarounds due to aid

The example of AG changing its position at the International Whaling Commission (IWC) as a result of financial aid received from Japan is a telling case. When AG joined the IWC in 1982, AG was at the forefront of the fight to put a world-wide ban on international commercial whaling and was “the only Caribbean country to vote in favour of the Southern Ocean Whale Sanctuary in 1994” (Caribbean Whale Friends, 2011). However, financial aid from the Japanese Government in the form of several large fisheries complexes, altered the Government of Antigua and Barbuda’s (GoAB) position when voting at the IWC. In the late 1990s, AG switched its position to pro-whaling, a 180 degree turn around, to support Japans whaling policies whereby “ninety-two of the ninety-seven votes taken by Antigua and Barbuda since 1997 have been identical to Japan’s votes” (Caribbean Whale Friends, 2011). The Prime Minister of AG, the Hon. Baldwin Spencer, stated that the financial aid received from Japan “has a direct relationship with the IWC”. Further, the leader of the opposition and previous Prime Minister of AG, Hon. Lester Bird, stated nonchalantly “they don’t have to buy our support for whaling, Japan is the one that does that” when speaking on China’s influence on AG’s foreign policy. If AG can change its position at the IWC as a result of financial aid received from the Government of Japan, it is arguable this could also occur within other international agreements in which a donor country has its own agenda, for example China.
China and Antigua & Barbuda

AG established diplomatic relations with China in 1983, soon after independence from the British Empire in 1981. Over the following decades the economic and political power of China has been ever increasing, as has its interest within the Caribbean region and Latin America. China generally promotes a ‘dollar diplomacy’ throughout the Caribbean and traditionally in exchange these countries which have good diplomatic relations with China, side with China with regards to the ‘One-China’ policy within the United Nations (Sutter, 2010). Recently there has been an increase in Chinese aid in the form of loans and grants, received for developmental projects in AG and the broader Caribbean and Latin American region (Erikson, 2005; Sutter, 2010). When these figures are put as a percentage of GDP they are extremely high (UN ECLAC, 2010), especially when considering the value of what China is apparently receiving in return i.e. The ‘One-China’ Policy. Professor Terrence Wesley-Smith of the Centre for Pacific Islands Studies at University of Hawaii at Manoa stated that “China is active everywhere on the globe and it’s active everywhere in pursuit of its own interests - for the most part those interests are economic ... It’s in Africa because there are resources; it’s in the Middle East because it needs oil and so on and so forth. There are practical reasons for China to be active all over the world” (cited in Reeves, 2008). Despite this growing activity by China, there has been little to no detailed examination of the discourses emerging around China’s interest in small islands nations like AG which have no recognised natural resources of interest (Potter, Barker, Conway and Klak, 2004) beneficial for China’s economic development.

It is essential to question the more recent underlying motives of China within AG and the broader Caribbean region as a whole as we move into a world where natural resources are becoming more scarce and the pressures on emerging economies such as China to combat environmental problems such as climate change are ever increasing. This research is important as the underlying reasons around the financial aid from China into AG, and other small island developing states (SIDS) with no significant natural resources have not been examined and this could have negative implications for AG. Any significant findings of the research could ultimately feed into decision making in AG in future bilateral agreements with China and other foreign aid donors and add to the evolving discourse around China and the changing global geopolitical relations.

China as a Benign Dragon?

As the previous Prime Minister of AG, Hon. Lester Bird stated, the public “have a legitimate right to be concerned and here they are pumping all this money, airports, hospitals, for what? Because no country does anything that is not in its own national interest.” From this study it is apparent that the nature of the manner in which China deals with SIDS like AG, is an issue but it is not the only one. One of the major themes raised in the interviews conducted was that AG is a country in major debt and both the current and previous Prime Ministers argued, AG needs financial aid. The Prime Minster of AG Hon. Baldwin Spencer, stated “if it wasn’t China, it would have to be somebody else”, where conditionalities are usually tied to financial and therefore China
is currently the preferred partner for financial aid. Although Baker (1998: 107) argues that for small developing countries these "links with their big neighbours are essential to their survival" (Baker, 1998: 107), there is a major need for sustainable partnerships regarding financial aid to allow for sustainable development within SIDS (Conway and Lorah, 1995).

A major concern is that AG leaders and policy makers do not have time to specialise in all areas of the decision making process, particularly the scientific and technical aspect and their motivations therefore lie mostly in the short-term financial gains and the ability to create growth opportunities. It is especially difficult for them to appreciate the physicalities of the environmental issue at hand when they are being lobbied more strongly by industry, investors and foreign partners. The scientific arguments are therefore shrouded in misconstruction of the debate, and erroneous projections of environmentally sound activities.

"The evolving diplomatic and now financial relations between AG and China has been able to give the Government of AB space to manoeuvre."

The evolving diplomatic and now financial relations between AG and China has, to date, been able to give the Government of AB space to manoeuvre at a time where they are financially constrained. This financial aid has allowed Governments of AG and the wider Caribbean region to finance big developmental projects and subsequently create employment for their public, which is essential for retaining political power. As Sir Sanders argues, this relationship so far has proven beneficial for Caribbean Governments but has not yet proven to be beneficial for AG and the Caribbean region. One of the major issues with the developing discourse around China being a neocolonial power is that much of what has been written on the subject has come from a Western perspective. There is a need for literature on this issue from a perspective other than the ‘North’ and until then the question of whether China is or is becoming a neocolonial power will be open for debate.

Development and the environment

The question therefore is, how does a SIDS like AG that is in need of financial aid move along the developmental path without degrading the environment. As Baker (1998: 118) argues "many of the ex-colonial small states, are still configuring themselves as nations" and awareness and priority given to environmental issues is unfortunately low. Change is slowly happening within government agencies that govern natural resources, especially within the Environment Division. AG is the first country within the eastern Caribbean to receive a fullsize Global Environment Facility funded project, Sustainable Island Resource Management Mechanism, responsible for capacity building and implementing institutional change, "developing and implementing a comprehensive cross-sectoral ecosystem approach" (GoAB, 2008: 1). The Environment Division also implements several other developmental projects with an environmental focus with similar outcomes. Further, according to the draft National Energy Policy the AG Government is going to "amend the existing legislation in order to allow civil society to auto-generate electricity utilising renewable energy sources" (GoAB, 2010: 25) as currently doing so is against the law.

At a regional level the members of the OECS are developing Eastern Caribbean Environment Charter (ECEC) and adopting an Eastern Caribbean Environment Management Strategy (ECEMS) (GoAB, 2008: 19) which will work in line with the mandated St. George's Declaration (20 principles for environmental sustainability adopted
by the member states of the OECS in 2000). These national and regional intentions are all steps toward a more sustainable future for the environment of AG, but it is essential that they are backed up by political will to allow the agencies that govern environmental issues in AG to develop both institutional and legislative capacity. With no change on the ground, the cycle of environmental degradation will remain.

**Challenges to a small nation with limited capacities**

From this study it became apparent that the majority of projects implemented with financing from China do not correlate with national and regional environmental policies. It is therefore necessary to implement projects financed by China or other donors, in AG with an integrated approach that falls in line with the policies currently under implementation within each of the government agencies, especially those that have the responsibility of managing natural resources. Furthermore it is essential to request environmentally friendly technology that is in line with the new energy desk’s policies, as the Hon. Lester Bird stated that “clearly we should have had this as the basis for the agreement”. It is essential that the basis of the agreements between the GoAB and China should be made public knowledge and transparent to ensure the public is aware what the Government is agreeing to on behalf of them. In the past China has been accused of lack of transparency when developing diplomatic relations with developing countries (San Jose Embassy Cable, 2009) and within a vulnerable SIDS, it is essential that this does not occur.

As Sir Sanders recommends it would be beneficial to the CARICOM region if CARICOM had a coordinated position with regards to China and as a region they would be able to see tangible benefits over a set period of time and in a predictable way. This study argues along the same lines as Wesley-Smith, that it is extremely important within an ever globalising world that SIDS need to maintain their autonomy over their natural resources (Reeves, 2008) ensuring that leaders within these states take charge of their future and allow for healthy ecosystem functions for the future generations.

All of the institutional issues outlined in the paper above, allow for foreign powers such as China to be able to take advantage of SIDS like AG. As argued by Professor Aswani (cited in Reeves, 2008) “where land mass is limited and leaders exert a disproportionate influence, countries become vulnerable to the whims of external forces ... They’re making deals to the detriment of the environment and to the detriment of their people.”

It is therefore essential that the proposed national and regional intentions are fully implemented and are in line with AG’s international environmental commitments. Further to this it is essential that the Attorney General and Ministers back the agencies that govern natural resources within the twin island state to allow them to do their job as prescribed by national law and international conventions. This will allow for fines stipulated in legislation to feed back into and assist the agencies in areas in which they lack institutional capacity, reducing the need to rely on external financial aid from donor countries such as China. This will also allow for Ministers to see the financial benefits accrued by environmental protection for not only his/her Ministry but also for their constituency. Finally conservation and environmental education, and public awareness for the public and leaders needs to be a top priority for change to occur.
End Notes

1 These groupings or blocs of countries are important for a small developing state like AG. With a coordinated common position, the voice of many is much stronger when negotiating in the international community than by itself.

References


San Jose Embassy Cable (2009). "Costa Rica and China Explore an Evolving


Frances Fuller completed her MA in Environment, Politics and Globalisation at King's College London where she achieved Distinction. This paper is a shortened version of her dissertation. Recently she was a Special Advisor to the Environment Division for the UN Climate Change meeting in Durban, South Africa. She was responsible for negotiations for the second commitment period under the Kyoto Protocol for Antigua and Barbuda. She also assisted in the coordination of the negotiating and technical strategy with the rest of the delegation and within the Alliance of Small Island States (AOSIS).
Do Chinese Extraction (Mining, Oil & Gas) Activities in Africa
Overlap with Areas of Conservation Value?

By Douglas Scott
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In December of 2010 a Washington based environmental non-government organisation (NGO) Conservation International (CI) commissioned a desktop study on Chinese mining, oil and gas extraction operations in Africa. The report assessed whether Chinese extraction operations were located in and/or adjacent to areas of conservation value. This summary of that report will only give a brief outline of issues that concern CI and other environmental NGOs and will instead focus on a summary of the findings on Chinese extraction operations.

The report focuses on extraction operations in eleven African countries where CI has a significant presence and/or interest. CI aimed to establish whether to initiate partnerships with specific Chinese companies in the extraction industry that were similar to some of the partnerships it had already developed with western mining, oil & gas companies.

CI’s Integrated Biodiversity and Assessment Tool (IBAT) was used to compile the country specific maps and determine the location of Chinese extraction operations in relation to biologically sensitive areas. An IBAT map similar to the Zambian map was done for each of the eleven countries. An example of one of these maps can be found on figure 2 which looks at Zambia.

The broad scope of the report which encompassed eleven countries prevented any in-depth research on individual extraction operations. Only Chinese owned operations directly involved in the extraction process were investigated. Exploration, prospecting and beneficiation operations were not included in this report. Only well-established operations with over US$10 million in Chinese investment were included in the report.

Magnitude of investments

Figure 1 depicts the countries investigated (as highlighted in red on the map) and the location of some significant Chinese extraction operations (both publicly and privately owned) which are further described in the report.

Many of these operations are joint ventures between either western mining houses (predominantly Australian) or local African State-Owned Enterprises (SOE).
The most noticeable finding was just how small China’s presence actually is in the eleven countries investigated; both in relation to people’s perceptions of the extent of Chinese investments in the extraction sector and in relation to the scale of Western investments. Although the number of Chinese extraction operations is relatively small in proportion to popular perception it is large for any single country and growing rapidly.

The concentration of Chinese extraction operations and investments appear to be primarily in South Africa and Zambia.

Whilst the larger deals are substantial they are a minority of Chinese owned mining operations. At a meeting with the Financial Director of Sinosteel in Sandton (Johannesburg, South Africa) it was explained to CI that Sinosteel Pty Ltd (which comprises 86 companies, 23 of which are outside China) does not have the time or expertise to get involved in actual mining and prefers to buy shares in large existing mining companies so that the resources can be traded and sent to China quickly based on the current demand.

The concentration of Chinese extraction operations and investments appear to be primarily in South Africa and Zambia. While Zambia has a long history of Chinese investment in the mining sector (particularly in copper) and an even longer relationship on the international stage South Africa recognized the People’s
Republic of China only in 1998. South Africa does have large chrome and platinum group metals deposits both of which are of great value for Chinese industry. South Africa also has well developed legal and financial institutions that mitigate risk for Chinese investors and increase the ease of investing in the country. Additionally most of the already established and fully functional extraction operations are located in Zambia and South Africa whereas the majority of the extraction operations underway in the other countries looked at are not yet online.

It must however be noted that Chinese investors (both SOE and private) are greatly expanding their investments in African resources. This is particularly true for energy and ferrous metals. One factor driving the interest in ferrous metals has been a desire to expand and acquire more overseas iron ore reserves to reduce China's reliance on imports from foreign firms. This was partly catalysed by an incident in July 2009 when Australian mining giant Rio Tinto was accused by the Chinese government of fixing Chinese iron ore prices and thereby increasing the cost of processed iron products so reducing the country's competitive edge in the manufacturing sector.

A possible manifestation of this drive to secure additional mineral reserves is an apparent prospecting boom currently taking place across southern Africa. Preliminary observations are that it is being driven by Chinese companies seeking to find and/or buy up as yet unfound deposits that have not yet been secured by western mining houses.

Structure of investments

The structure of Chinese investments in the mining, oil and gas extraction sector can be divided into two groups, wholly owned and joint ventures. With wholly owned operations tending to be the preferred structure of privately owned operations by Chinese nationals. Joint-ventures tend to be the preferred investment structure of larger and more professionally run state owned enterprises (SOE).

Often these have been done between a number of Chinese partner organisations in addition to the non-Chinese partner. Sometimes involving one (or in larger cases more) Chinese mining and/or beneficiation companies (usually SOEs) and a financing institution (often the China Africa Development fund or EXIM Bank of China) in addition to the non-Chinese partner. The non-Chinese partner is required for a number of reasons including ranging from their access to existing mining rights that the Chinese are interested in to utilising advanced technical mining/extraction skills (often by western firms) such as the case with offshore oil extraction in Angola. In return for the necessary equipment, technical training and financing Chinese producers get a secure source of important raw materials.

"Much of Chinese SOE's preference for joint-ventures in extraction operations in Africa can be explained by China's own foreign investment and development experience with Japan."

Much of Chinese SOE's preference for joint-ventures in extraction operations in Africa can be explained by China's own foreign investment and development experience with Japan in the 1970s and early 1980s. It is therefore a model that they have a comfortable degree of experience with and which worked well for China when the country was in a similar developmental position as much of Africa is today.
Environmental Impact

By and large corporate social responsibility (CSR) policies of Chinese companies today are in a similar state to the CSR policies of western companies in the mid-1990s. Whilst pressure for western companies to improve their environmental policies has largely come from NGOs and civil society, for Chinese firms this pressure comes from government which in turn is influenced by popular opinion.

Although there is growing awareness and an increasing interest in CSR and environmental impact mitigation policies by Chinese companies operating outside China there is still considerable room for improvement with regards to how these companies address environmental issues associated with their extraction activities.

Most of the time mining firms are unaware of the biodiversity in the area that they are operating in. This is as true for Chinese firms as it is for firms from other countries. By overlaying the locations of extraction operations onto maps compiled using IBAT it is possible to determine the position of Chinese extraction operations in relation to their proximity to biologically sensitive areas. An example of this is given in figure 2 which illustrates the position of extraction operations with a significant level of Chinese ownership in relation to biodiversity areas in Zambia.

Figure 2: Main mining operation areas and biodiversity hotspots in Zambia

A table charting the biodiversity areas across the eleven African countries that the 27 projects looked are located in can be found in figure 3. Apart from the operations located in High Biodiversity Wilderness Areas—which is largely unavoidable due to the vast areas of Southern Africa covered by this area type—most of the operations looked at are located in areas that are not particularly sensitive. A few notable exceptions are the larger iron ore mines being opened up in Liberia (Bong Mine) and Madagascar (Soalala iron ore project).

Looking forward

For environmental organisations - whether from the western world, Africa or China—there is clearly space to work with Chinese firms engaged in extraction activities outside of China. Chinese extraction firms are increasingly aware of the need to
improve their environmental record. Space for partnerships with environmental groups that could produce mutually beneficial outcomes (for both the relevant firm and the local environment) does exist. However significant challenges in terms of setting up these relationships would need to be overcome and only relationships that fully include local African governments would stand the best chance of success.

"Chinese extraction firms are increasingly aware of the need to improve their environmental record."

Chinese extraction firms often rely on the guidelines of the country they are operating in. If these guidelines are lacking or less robust then environmental guidelines in China then Chinese firms tend to use Chinese guidelines as their standard. This means that so far as environmental standards are concerned room for greater improvement in such guidelines and their proper implementation in an African context is largely reliant on African governments. From the point of view of African governments balancing the needs of the environment with the need for investment and development is a tricky issue. This must also be taken into account.

Figure 3: Biodiversity location table for 27 Chinese operations in Africa

<table>
<thead>
<tr>
<th>Key Biodiversity Areas</th>
<th>Biodiversity Hotspots</th>
<th>HBWA</th>
<th>Endemic Bird Areas</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Biodiversity Areas</td>
<td>NA</td>
<td>4</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Biodiversity Hotspots</td>
<td>NA</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HBWA</td>
<td>2</td>
<td>NA</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Endemic Bird Areas</td>
<td>NA</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td></td>
<td></td>
<td></td>
<td>7</td>
</tr>
</tbody>
</table>

Source: Author

End Notes
1 It is important to emphasise that non-extraction related mining activities such as beneficiation were not looked at in the report. However for the interested reader a list of thirteen Chinese, mostly privately owned, beneficiation operations in the DRC are listed on pages 48-49.
3 Integrated Biodiversity and Assessment Tool, Available at: https://www.ibatforbusiness.org
4 The eleven Africa countries looked at were Angola, Botswana, Equatorial Guinea, Liberia, Madagascar, Mozambique, Namibia, South Africa, Zambia, Zimbabwe and
the Democratic Republic of the Congo.

5 A few notable exceptions were made largely on either the lack of other significant Chinese owned extraction operations in that country or the seeming certainty of the near completion of a large deal.

6 Amendment: The original report also includes the Grootvlei and Orkney gold mines which at the time of the completion of the report it appeared that these mines would soon be sold to Shandong Gold and as such were worthy of mention. However this deal has since fallen through.


10 As Deborah Brautigam most recently noted in both her book (The Dragon's Gift: The Real Story of China in Africa (2009): 47) and at a recent U.S. Senate Committee hearing. Available at:http://foreign.senate.gov/hearings/hearing/?id=8651beb7-5056-a032-52db-fb33c635619

11 The IBAT analysis focused on four main variables. They are Key Biodiversity Areas, Biodiversity Hotspots, High Biodiversity Wilderness Area and Endemic Bird Areas. An expanded definition of these variables can be found in the report or on IBATs website. Available at: https://www.ibatforbusiness.org/data_behind_ibat

12 Two notes on the Zambia map (Figure 2):

- No. 5 – The Kabwe Nickel mine was shutdown in 2007 due to excessively high levels of pollution produced by the mine
- No. 3 – the Mpongwe copper mine is still in the start-up stage but a number of sites have been confirmed hence its addition to the report.

13 Definition: Large areas of at least 10,000km2 in size and consisting of regions that have a relatively undisturbed environment that is at least 70% intact. In addition these areas also have a at least 1,500 endemic plant species. These three factors combined form a supplementary broad-scale priority to biodiversity hotspots for Conservation international.

References


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China-Africa relations in 2012 – Harmony is quite a task in the auspicious Year of the Dragon

By Matthew McDonald
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As many parts of the world put the recent festive season to rest and clamber into 2012, the world’s most populous country and the second largest economy is busily preparing to welcome the Year of the Dragon. For China, last year, the Year of the Rabbit, was one of careful consolidation and reinforcement of its international stature, from attention to the trembling Eurozone economies, to intermittent face-offs with the Federal Reserve in Washington over the value of the Yuan Renminbi, to manoeuvres within dynamic new global alliances such as the BRICS. Sino-African relations similarly reflected this careful atmosphere of consolidation - some feat given the deep political and economic penetration of China in many African states on one hand, and the bitter tumult experienced in a handful of African countries that witnessed violent protests against governments, and even overthrow of those regimes.

Africa’s political landscape wasn’t all that easy for Beijing in 2011 and will likely to remain tricky for 2012. While things may have settled down after revolutions north of the Sahara, the movements that sprung the Arab Spring have not been ignored south of the desert (or east of the Gobi desert, actually). This presented unique foreign policy challenges to China, which clung steadfastly to its policy of not getting drawn into the political conflicts in the countries it calls friends. Beijing’s diplomats and corporate envoys simply waited for things to settle so business could resume. This might prove too little when increasingly own interests are at stake, for instance in the conflict between Sudan and South Sudan that affects oil exports to China. Increasingly, China’s long standing foreign policy of non-interference is at odds with the shifting African political landscapes. In African states, several disputed or unpopular regimes are facing elections this year, including Zimbabwe and Kenya, while other resource rich regimes such as Equatorial Guinea, DRC, Nigeria and Angola have seen elevated levels of conflict already since the Year of the Rabbit began.

It would be speculation to predict which of these regimes will see out the Year of the Dragon unscathed, but two major events seem likely to impact on African relations with China in the year to come, and both are expected in the last quarter of 2012. The first major change to expect is the designated end of terms of office for Hu Jintao...
and Wen Jiabao, and the subsequent transition of power at the top of the Communist Party. Given the volatility of world affairs at present, and the increasingly weighty role China exerts in them, this planned change of hands at the wheel cannot be ignored. The money is on current Vice President Xi Jinping to ascend to leadership of the Party by March next year, aided by current Vice-Premier and Party Secretary, Li Keqiang, while the rest of the top party seats remain up for grabs, in terms of predicted successors. Economic forecasts predict that China can expect less than double digit economic expansion this year, and that pressure will come to bear as President Hu’s and Premier Wen’s successors assume the reins of power. All eyes are thus on the 18th Party Congress planned for October, that will elect the committee that will eventually, via establishment of the Politburo, put the new leaders in place to see out the Five-Year Plans laid out so carefully at Congress in 2011. The new leaders are not expected to stray too far from the party line where domestic or international political and economic considerations are concerned. Yet, in any regime, a change of power is sure to have unanticipated effects. A rising middle class in China increasingly expresses demands – and millions of still poor Chinese are living in deplorable conditions amongst the wealthy parts or in China’s West. Despite the ongoing economic success: a lot remains to be done and conflicting demands need to be balanced within China; the giant is far from being as monolithic as it is often depicted in the news.

The second, directly Africa-related event, is the anticipated FOCAC V, the Fifth Ministerial Conference of the Forum on China-Africa Co-operation, planned to be held in Beijing towards the end of the year. Hu Jintao arguably has earned the title “the African” during his Presidency. The first FOCAC was convened in Beijing in 2000 by previous President, Jiang Zemin, and this year sees the fifth such gathering take place right back where it started twelve years ago. Successive Ministerial Meetings have produced respectively more elaborate webs of agreement and understanding between China and the over three dozen African states that turn up for the event. Each year that passes sees more events and meetings organised under the various interest areas that FOCAC concerns itself with. Foreign Minister Yang already concluded his year opening annual whistle stop tour of African friends for 2012.

Furthermore, there are legal and socio-cultural forums, political and economic think tank meetings, trade agreements and educational exchanges. The depth and reciprocity of these links are to be further improved. As the final receipts are counted, China-Africa trade is expected to top US$150 billion last year, a figure which may double by 2015, which places that trade dynamic well within the playing field of China’s trade relations with America and Europe. In 2011, China was Africa's third-largest export market, behind Europe and the United States, and it trailed only Europe as a source of imports. And yet, the political and economic dynamic at FOCAC in Beijing this year may be quite a different challenge than those in the Ministerial Meetings previous.

Where the Rabbit dictated calm consolidation in increasingly volatile times, the Dragon is a more fraught year in the Chinese zodiac, portending great risks, but also valuable rewards. May we all have an auspicious year 2012. 🐉
The kick-off at the African Cup of Nations in Gabon and Equatorial Guinea has been made. Both countries co-host the 28th African Cup of Nations (AFCON 2012) between 21 January and 12 February 2012. It is the first time for both countries to host a big international sports event – and the biggest soccer event on the continent will make Gabon and Equatorial-Guinea the centres of attention for a large part of the African population. Gabon's government made investments in the scope of €370 million, spent on equipment for the competition, inter alia for stadiums, hotels, and transport system. Moreover, the country has had the financial and technical support of, amongst others, China. Even if China cannot participate in the Cup itself, it is still scoring goals with the event.

China's showcase projects in Gabon

China has co-financed (i.e. provided a loan) and built (via the Shanghai Construction Group) a 40,000-seat stadium in the Gabonese capital, Libreville. The stadium, the biggest the country has ever had, hosts the matches of the group C (Gabon, Morocco, Tunisia, and Niger) and the Final on the 12 February 2012. The Chinese government, through its Vice Minister Fu Ziyang, symbolically put down the foundation stone in April 2010. Henri Ohayon, General Director of the National Agency of Major Construction (ANGT), affirmed in the magazine Jeune Afrique that the stadium is considered as "a gift from the Chinese government to Gabon in the name of the friendship that ties the two countries". Commonly known as the Stade d'Angondjé, the new stadium is now officially referred to as the Stade de l'Amitié (Sino-Gabonaise).

Through the Stade de l'Amitié, Libreville is the city where the showcase projects of Chinese cooperation in Gabon are most obvious – but the stadium is not the only one. Other showcase projects in Libreville are the Chinese Hospital of Libreville, the National Assembly building, the Senate building, and the Maison George Rawiri which is the headquarter of the Gabonese national broadcaster, amongst others. In Franceville (in the south-east), the other Gabonese city which will host some matches, one can see the Hôpital Chinois de Franceville. Other projects such as primary schools, clinics, roads, or Chinese medical teams can be noticed throughout the country.

Beyond these showcase projects, China is playing an influential role in some important sectors in Gabon. Diplomatic relations between China and Gabon were established in 1974. However, it has been argued that the increase in China's involvement in Gabon, like with other African countries and especially in terms of commercial relations, started in the late 1990s. And not least so the visit to Gabon of President Hu Jintao in 2004 was considered as a sign of the increase of the ties between the two countries. Today, regarding the extent of China's involvement as an investor and trading partner especially in the mine sector, the country has been
considered as amongst Gabon’s privileged and second largest customer behind the United States of America.

**Small but interesting – Gabon’s economy**

Gabon - like its north-west neighbour Equatorial Guinea - is a country sitting on riches. Indeed, Gabon has large natural resources and is an important producer of oil and manganese. Gabon has also reserves of diamonds, niobium and phosphates, gold, lead/zinc, potassium salts and magnesium. Even if statistically having the second largest per capita income on the African continent (after – exactly: Equatorial Guinea),

Gabon is a tiny market; the country, being slightly bigger than the UK or Ecuador, is having a population of only 1.5 million. The market size is even smaller if one considers the substantial inequality in the country. Big rainforest are covering more than 85% of the country’s land.

The International Monetary Fund (IMF) indicates a 5.6% Real GDP growth in 2011 and predicts a 3.3% of Real GDP growth in 2012. Even if the country’s significant performance since 2010 has resulted from the country’s investments for the preparation of the AFCON2012, the fact remains that Gabon’s main source of economic growth are the extraction and exportation of oil, manganese, and forestry.

**China’s goal in the AFCON 2012**

In the light of Chinese interest across the African continent, it is not surprising to find China playing a major role in timber and mining as a major investor and trade partner. As Putzel et. al (2011) report, 70% of Africa’s log exports to China are from the countries of the Congo Basin (including Equatorial Guinea) and in 2009 Gabon was China’s fifth largest supplier of wood. In the mining sector, Chinese state-owned companies are involved in the extraction of Iron ore (with the Belinga iron project, Gabon’s largest investment), and manganese (with the M’bembélé mine in the Moyen Ogooué area). China’s economic interests in Gabon are thus predominantly in the (resource) trade links between the two countries. The construction of the stadium is largely of symbolic value. In terms of absolute value, a loan with either interest-free or prime rate to construct the Stade de l’Amitié in itself was not a large issue for the Chinese state (even if beneficial to the company that built it). The stadium, however, represents another goal that China just scored in: the game of influence against Gabon’s other major partners such as the United States and France.

The Centre for Chinese Studies thanks you for your support and wishes you an auspicious Year of the Dragon.

感谢您对“中国研究中心”的关心和支持！恭祝龙年吉祥安康！
Recent Events at the CCS

IPRCC visits CCS – 12 December 2011

A large delegation from the International Poverty Reduction Centre of China visited the CCS on 12th December 2011. Researchers at the CCS met with the delegation and presented their ongoing research prospects, as well as answering questions from the IPRCC. The delegation was largely comprised of representatives of different Chinese provincial poverty reduction authorities.

CCS prepares for selecting first Phandulwazi nge China Visiting Scholar for 2012

Phandulwazi nge China (Xhosa for Understanding China) scholarships offer opportunities for African researchers to spend research time at the Centre for Chinese Studies (CCS) in order to advance mutual learning and a better exchange on interpretations of political, economic or environmental impact of Chinese engagement in Africa. The Phandulwazi nge China scholarship targets citizens of African states from Academia or the broader civil society with a proven research interest in China-Africa relations.

For more information, please consult the CCS website under Visiting Research Scholars, or contact us directly. For a scholarship in the second half of 2012, applications close 30 June 2012.

Personalia: CCS bids farewell to Sanne van der Lugt

In December, the CCS bid a fond farewell to Research Analyst, Sanne van der Lugt. Sanne has been at the CCS since 2009 and has contributed heavily to the research output of the Centre since then. Sanne is heading back to the Netherlands, and can be contacted on sannevdlugt@operamail.com. We wish her well in all her future endeavours.
The CCS is recruiting

The CCS is recruiting for the following positions:

- a **Research Analyst**, position open until 28 February 2012 and
- a **Post-Doctoral Fellow** in the area of Chinese foreign and security policy towards Africa; position open until 20 February 2012

Please note that due to the policy of the funder, the post-doctoral position is targeting South African nationals only.

For more details on requirements and documentation for applications, please consult the adverts on our website ([www.sun.ac.za/ccs](http://www.sun.ac.za/ccs)).

Full applications must be submitted to Dr Sven Grimm, Centre for Chinese Studies, PO Box 3538, Matieland, 7602 South Africa, or by e-mail to sgrimm@sun.ac.za.