Asian cooperation with Africa:
Japan and South Korea

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Dear Reader,

When we are discussing Chinese engagement with Africa, we often implicitly or explicitly assume a uniqueness of the “Middle Kingdom”. We thus often overlook that China has examples to learn from in the East Asian context. The Asian ‘tigers’ have undergone rapid development in the 20th century, with Japan leading in the 1980s and 1990s and other Asian countries following suit, including South Korea.

Japan has since stagnated and is struggling to cope with a long-lasting recession and a relative loss of global weight in an extremely dynamic region. It is, however, still one of the biggest development partners to the African continent, as Scarlett Cornelissen argues in this edition of African East-Asian Affairs / The China Monitor, with regard to aid, but also with important investments in African states. Some of the Japanese institutions have also set an example for Sino-African structures, not least so the Tokyo International Conference on Aid, Trade, and Development (TICAD). This forum looks very familiar to FOCAC, the Forum on China-Africa Cooperation.

Korea, for its matter, was often used as a comparison for development prospects, e.g. for Ghana at independence. At the time, commentators were unanimous in their forecast of a bright future for Ghana and regarding post-war Korea as a basket case for the international community. Besides teaching us that forecasts come with uncertainties and can thus go wrong, this also gives food for thought about what makes the Koreans successful. Our author Yejoo Kim – who has just joined the CCS as a research analyst – is looking at the specific challenges when establishing an ambitious aid programme. Much of these points of debate are also in focus in China’s Aid policy.

These similarities (and some differences) should presumably be kept in mind when we look for a ‘Chinese development model’ – which is, if anything, presumably rather an Asian approach to development. This, it is worth reminding, is not the only successful approach to development and the ‘model’ presumably boils down to some essential lessons that we have read about in development literature many a times since the 1990s. Implementing these lessons in specific situations remains a challenge, though – and nobody should claim to be in the possession of the blueprint for development.

Our commentary pieces in this edition look at current Chinese economic reforms and what they could mean for Africa. As a second look at internal Chinese developments with greater repercussions, we also comment on pollution in Beijing and elsewhere and how the environmental issues become (highly) political ones. And, last but not least, the last days of March have seen the 4th BRICS summit – subject to much attention in South Africa and elsewhere. I hope you enjoy the read!

Yours sincerely,
Japan’s Role in Africa: Principle, Pragmatism and Partnership

By Scarlett Cornelissen
Professor in Political Science at Stellenbosch University

Introduction

Japan has been an important actor in Africa’s international relations over the past few decades, although its role tends to be understated in most analyses of Africa’s ties with the large powers. The Asian country’s economic and aid relationship with the African continent has been highly variable, shaped by changing foreign policy objectives and internal political conditions in Japan, and changing reorientations and expressions of agency in African diplomacy. In recent years the emergence of new players from Asia in Africa’s economy and politics (most notably the People’s Republic of China) has nearly overshadowed the role that Japan has played on the continent; this eclipse of Japan reinforced by the country’s relative decline as a major aid power.

Yet Japan is still an important partner for the continent, being the source of a not insignificant volume of development assistance, and for some African countries, of investments in key sectors. Indeed, Japan contributes nearly one-third of all aid flows to Africa from the OECD’s Development Assistance Committee (DAC), and as a member of the G8, has been instrumental in sustaining the forum’s ‘Africa Agenda’ over the years. It was on the initiative of the government of Japan, as host of the Okinawa Summit in 2000, for instance, that African leaders were first invited to be present at G8 proceedings, an early progenitor of the G8’s later Heiligendamm outreach programme. Following and sometimes setting the example for Western G8 members, Japanese leaders also tended to use the G8 setting for pronouncements about Africa’s plight and for pledges of aid doubling.

“Japan is still an important partner for the continent, being the source of a not insignificant volume of development assistance, and for some African countries, of investments in key sectors.”

This article reflects on the past patterns and contemporary dynamics of Japan’s relationship with the African continent, considering some of the substantive underpinnings of this relationship and the way in which they relate to key political processes underway both in Japan and in Africa. The focus falls on Japan’s bilateral and multilateral engagements with the continent, the significance of the TICAD (Tokyo International Conference on African Development) process, and Japan’s role as an aid donor and investor.

The contours of Japan-Africa relations

Given Japan’s lack of colonial history with Africa and limited economic and political contact between the two entities for much of the twentieth century, the change in the Asian country’s position in Africa since the 1990s is noteworthy. The end of the Cold War introduced a new era in Japan-Africa relations, with the Asian country ostensibly placing more emphasis on fostering meaningful, and for Africa, beneficial ties. An expansive Official Development Assistance (ODA) programme, that saw Japan...
emerge as top donor to several African states during the 1990s, and the initiation of the TICAD in 1993 are two indicators of a far greater degree of Japanese involvement on the continent.

Prime Minister Mori’s official visit to Kenya, South Africa and Nigeria in 2001, the first ever by an incumbent, marked a break from Japan’s earlier detachment from the continent. Mori’s promise that this heralded the start of a new period between the two with Japan focused on supporting African development, indicated an attempt by the Japanese government to solidify its ties with the continent, but also signalled to the outside world that Japan was embarking on a new international path (Cornelissen, 2004).

**Aid**

Aid has been an important feature of Japan’s role in Africa. Moreover, Japan’s African ODA programme is significant for the wider foreign policy utility it has offered to the Asian country. By 1995 Japan’s total aid disbursements amassed to US$ 14.5bn, making it the top ODA donor in the world. Its aid power was undisputed, globally, and its prominence as a donor was particularly highlighted in the African continent, where, at the time Japan provided assistance to all sub-Saharan African states. It has conventionally followed a key-country approach in its aid-giving, with most of its ODA going to strategic states (those that are resource-rich or have diplomatic clout) (e.g. Ampiah, 1997; Morikawa, 1997).

Since the start of the twenty-first century there has been a steady decline in Japanese aid disbursements to the continent, which paralleled trends in Japan’s global aid contributions. This has mostly been as a result of Japan’s declining economic fortunes. Japan’s aid fell to an average of about US$7.7bn during the 2000s. Against this backdrop, Japan’s bilateral ODA to Africa has wavered, for instance comprising less than 10% of Japan’s total disbursements in 2002 and 2003 (MOFA, 2007).

In 2005, during the G8 Gleneagles Summit, Japan announced that it would double its African ODA over the next three years and that it would increase ODA cumulatively by US$10bn over the next ten years. Then prime minister Koizumi heralded it as part of Japan’s efforts to help Africa transform itself from ‘the home of issues’ to ‘the home of self-endevor’ (Koizumi, 2006), but the announcement had a clear political intent to it, as Japan was well aware that the cyclical downturn in aid to the African continent could jeopardise set diplomatic objectives.

The impact of the announcement on Japan’s ODA to Africa was tangible and immediate: in 2006 for instance, Africa received more than one-third of all Japanese bilateral disbursements (MOFA, 2007). In 2007 however, Japan’s overall ODA budget declined severely, largely due to unforeseen cuts to multilateral assistance. It was therefore somewhat unexpected when, in May 2008, Prime Minister Fukuda announced another doubling in its ODA to Africa, this time projecting disbursements of US$1.8bn by 2012. As part of this he pledged the implementation of a loan facility (amounting to approximately US$4bn) for the development of the continent’s agriculture and
One consequence of Japan’s aid philosophy is that it dedicates more support for infrastructural development projects in the developing world.

One consequence of Japan’s aid philosophy is that it has dedicated more support for infrastructural development projects in the developing world than other DAC donors do. This traditional emphasis has also been the case in Africa. In recent years grants and technical cooperation to African countries have become more tailored to meet Japan’s new emphasis on human security and attaining the Millennium Development Goals. Most grant assistance provided by Japan has therefore been directed to food assistance and the enhancement of the agricultural sector, while technical cooperation has focused on the improvement of health provision (MOFA, 2008a). Several African countries have also received debt relief from Japan under its commitments to the World Bank’s Highly Indebted Poor Countries’ Initiative and G8 debt relief pledges. Finally, Japan has become a more active supporter of peace-building initiatives on the continent, albeit mostly through indirect financing channelled through multilateral conduits such as United Nations-run programmes.

The Tokyo International Conference on African Development (TICAD)

Japan’s launch of TICAD in 1993 came at a time of significant Afro-pessimism and donor fatigue in Western aid circles. The TICAD process (with successive five-yearly meetings) has been the principal framework under which Japan’s aid and other types of economic involvement with Africa have been determined, even as it has evolved in nature and outflows (Similarities to the subsequently established China-Africa Forum (FOCAC) are very unlikely to be purely incidental). The second conference held in 1998 identified priority areas for Japan’s economic cooperation (i.e. education, health, gender, agriculture, industry and private sector support, and assistance for improved governance, conflict prevention and post-conflict development (TICAD, 2008)). At the 2003 TICAD meeting priority sectors were linked to the three newly defined pillars of Japan’s assistance to Africa, which were declared as the consolidation of peace, human-centred development and poverty reduction. A commitment to human security and South-South cooperation was also made (TICAD, 2003).

TICAD IV, held in 2008, pledged a major increase in Japan’s ODA to Africa over the next five years. It also had a more focused and hands-on tone than the three meetings that preceded it. The 2008 Yokohama Plan of Action for example listed some specific development targets and also called for the establishment of follow-up mechanisms to monitor progress. This has had some very early offshoots in that the Ministry of Foreign Affairs set up a unit (or secretariat) to oversee the implementation of projects under the
broader framework of TICAD IV objectives. TICAD IV identified three priority areas: boosting economic growth through infrastructure development and agricultural sector support; promoting human security through encouragement of the attainment of the Millennium Development Goals and the consolidation of peace and good governance; and supporting measures to improve environmental protection.

**Changes in the administration of Japanese aid**

In the past the administration of Japanese aid involved up to 13 state bureaucracies. Aid administration was reformed in 2008, first through the merger of the Japan International Cooperation Agency (JICA) and the overseas economic cooperation section of Japan’s Bank for International Cooperation (JBIC) into the so-called ‘New JICA’, and secondly through attempts to streamline the activities of the state bureaucracies tasked with aid disbursement. Through this process JICA not only gained more aid functions – beyond its conventional tasks of technical cooperation – but also greater autonomy vis-à-vis traditionally powerful bureaucracies such as the Ministries of Foreign Affairs and Finance.

Following this streamlining, JICA has gained a new role as implementer of grant aid, technical cooperation and yen loans. JICA has also defined new medium-term focuses under the framework of the Yokohama Action Plan. These have included four priority areas: assistance with regional infrastructure development (mainly roads, ports and electricity); improvement of agricultural productivity; assistance to promote private-public partnerships between Japanese and African counterparts; and improving access to safe water (personal communication, Director-General: Africa, JICA, Tokyo, 14 January 2009).

JICA’s objective to bolster African agricultural productivity centres extensively on a multi-agency initiative to promote rice production on the continent under the framework of a project termed the Coalition for African Rice Development. Based on the principle that rice cultivation could address some of the food insecurity in Africa, and making use of a rice hybrid of strains from Africa and Asia, the initiative aims to double the harvest of rice in Africa over the next ten years to 28 million tonnes. It was extended from an earlier initiative, known as the New Rice for Africa, which was launched in the late 1990s.

In keeping with the Yokohama Action Plan’s objective to boost economic growth, JICA has identified support to infrastructure development projects as a focus area for its activities. These stem from a framework to enhance the development of economic corridors developed by the African Union and NEPAD, many of them through public-private partnerships. The intention is to extend Japanese support for these projects mainly through the provision of grants and loans (MOFA, n.d.). A similar focus has been placed on Africa’s renewable energy sector (see Appendix 1).

By early 2009, however, more negative outlooks for the world economy, and that of Japan in particular, led some observers to question whether Japan would be able to deliver on its much publicised TICAD pledges (see for instance Africa-Asia Confidential, 2009: 4). In an attempt to placate African concerns, at the first TICAD ministerial follow-up meeting held in Botswana in March 2009 the Japanese government not only recommitted to the Yokohama goals, but went further, promising to increase grant aid and technical assistance to US$2bn (more than the US$1.8bn initially pledged by Prime Minister Fukuda) and to speed up its disbursement of the pledged US$4bn of yen loans (MOFA,
2009b). Yet more commentators have questioned the wisdom of this, as it would place additional burdens on an aid bureaucracy that was already battling to contend with recent major institutional realignments (personal communication, President: TICAD Civil Society Forum, Kyoto, 16 April 2009).

**Trade and investments – focussing on, often starting in South Africa**

While Japan has been a major aid donor to Africa, its trade with and investments in the continent have been minimal; historically sub-Saharan Africa has captured only around 2-3% of total Japanese trade and investments (JETRO, 2008a). Table 1 details Japan’s main trade partners in Africa.

**Table 1: Japan-Africa trade (US$bn)**

<table>
<thead>
<tr>
<th>Principal partners</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>4.40</td>
<td>7.71</td>
</tr>
<tr>
<td>Egypt</td>
<td>1.29</td>
<td>0.84</td>
</tr>
<tr>
<td>Nigeria</td>
<td>0.73</td>
<td>0.67</td>
</tr>
<tr>
<td>Algeria</td>
<td>0.85</td>
<td>0.39</td>
</tr>
<tr>
<td>Liberia</td>
<td>1.19</td>
<td>0.0001</td>
</tr>
<tr>
<td>Morocco</td>
<td>0.37</td>
<td>0.32</td>
</tr>
<tr>
<td>Kenya</td>
<td>0.55</td>
<td>0.03</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>0.02</td>
<td>0.22</td>
</tr>
<tr>
<td>Tanzania</td>
<td>0.17</td>
<td>0.08</td>
</tr>
<tr>
<td>Cote d’Ivoire</td>
<td>0.04</td>
<td>0.02</td>
</tr>
</tbody>
</table>

Source: JETRO (2008a)

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In recent years however, South Africa has exported a greater volume of value-added goods, particularly of motor components. This has been underpinned by the increase in Japanese investments in South Africa’s automotive sector.
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Japan had built up a very strong trade relationship specifically with South Africa, so that South Africa is Japan’s main trading partner in Africa. Similarly, for South Africa, Japan is one of its principal export destinations. South Africa has been the main source for Japan’s platinum imports for numerous decades (also see Ampiah, 2003; Morikawa, 1997).

In recent years however, South Africa has exported a greater volume of value-added goods, particularly of motor components. This has been underpinned by the increase in Japanese investments in South Africa’s automotive sector. For example, the export of motor vehicles and related components from South Africa to Japan rose by 41% between 2002 and 2006, carrying a value of approximately US$1bn in 2006 (Department of Trade and Industry of South Africa, 2007). Over the years specific corporations such as Toyota and Nissan have been major developers of the automotive sector in South Africa (see e.g. Cornelissen, 2004), but others such as Honda and Suzuki have also started to develop a significant marketing presence.
Japanese corporations have undertaken some major investments in African countries through public-private collaborations and joint ventures. One of the largest has been Mitsubishi’s investment in a joint venture with the transnational mining group BHP Billiton and the Industrial Development Corporation, a South African parastatal, to create an aluminium smelter plant in Mozambique. Since its creation in 1998, Mozal, as the facility is known, has come to account for 60% of all goods exported from Mozambique. A further recent case of a large-scale public-private project partially funded by Japanese investment, is Sumitomo Corporation’s involvement in the planned development of a nickel and cobalt mine and smelting facilities in Ambatovy, Madagascar and the related development of a port pier along the east coast of Madagascar. The project will involve a Canadian mining corporation, Sherrit and a consortium of Korean and Japanese corporations led by Sumitomo.

In 2007 the Japanese government concluded an agreement with Botswana to establish a Remote Sensing Centre, a unit to detect metals such as nickel, cobalt and platinum through the use of Japanese-owned satellite technology. In return, Japan can get preferential access to mines in Botswana extracting such metals. The Remote Sensing Centre was opened in July 2008 with the assistance of the Japan Oil, Gas and Metals National Corporation (JOGMEG), an agency created by the Japanese government a few years ago, and funded through public finances to source new international supplies of minerals and metals. JOGMEG principally establishes joint venture agreements with third parties for the exploration of resources before transferring rights to interested Japanese corporations. The agency has targeted platinum group metals, nickel and zinc as priority resources for exploration in Africa (JOGMEG, 2006).

In line with these aims several large Japanese corporations have stepped up their efforts in recent years to gain entry to the African resources market.

These moves reflect a wider emphasis in Japan’s aid policy to secure stable access to needed resources, which has come to define Japan’s orientation to Africa. The 2007 ODA White Paper (MOFA, 2007) for instance comments that

“The international environment for rare metals is growing in severity. Additionally, especially in Africa, China is intensifying its diplomatic efforts for securing natural resources. Against this backdrop, it is tremendously important for Japan to secure stable supply of these resources over the longer term through direct investments by Japanese enterprises for gaining access to vital resources such as rare metals. It is considered that supporting these corporate activities through the utilization of official aid will become more and more important in the future. Specifically, possibilities include the development of an environment where Japanese enterprises can conduct activities smoothly in developing countries through assisting infrastructure building such as harbors and roads, and social development of local residents of surrounding mines.” (MOFA, 2007).

In line with these aims several large Japanese corporations have stepped up their efforts in recent years to gain entry to the African resources market. In West Africa, corporations such as Mitsui have proactively sought to secure contracts for underwater oil and gas scouting projects. That corporation is involved in energy development projects along the Gulf of Guinea, where fresh discoveries of submarine reserves have meant that exploitation along the coasts of Cameroon, Equatorial Guinea, Gabon and Cote d’Ivoire has become very lucrative (Africa Research Bulletin, 2008). In studies, the Japan External Trade Organisation has also documented how the desire to tap Africa’s
resource reserves has become a more general motivation for Japanese business interests on the continent (JETRO, 2008b).

It is therefore noteworthy that at the TICAD IV meeting, a great deal of emphasis was placed on the need to invest in Africa’s resources as a means to stimulate development. In his speech, Prime Minister Fukuda for instance stated that ‘if we are able to utilise Africa’s plentiful resources more fully by harnessing Japan’s technologies this will surely be a major trigger for growth and without a doubt benefit Africa’ (cited in Africa Research Bulletin, 2008: 17836). To this end the Japanese government promised to seek to double Japanese investments over the next five years. The Japan Bank for International Cooperation was pledged US$2.5bn to establish a Facility for African Investments to provide equity, guarantees and loans for projects undertaken in manufacturing, energy and natural resource and infrastructure development in various parts of the continent (JBIC, 2008). This facility was established in April 2009.

Concluding remarks

Japan’s relations with Africa over the past number of decades may be typified as a mix of aloofness, growing interest underpinned by paternalism, and latterly, pragmatism and partnership.

African countries may benefit from a new emphasis on resource-driven partnership by Japan. It is encouraging for instance that Japan’s objectives for infrastructure and energy sector development on the continent are principally framed under the continental development blueprints of NEPAD and the AU, with the offices of both organisations involved in progress monitoring. Individual countries should also seek to ensure that economic cooperation and public-private partnerships with Japanese entities are not one-sided or unequal arrangements. At the same time, it should be recognised that the interests of the Japanese corporate sector do not necessarily overlap with that of the state. While the Japanese government may therefore promote greater investments in Africa, it is not guaranteed that corporations will follow suit if they do not deem conditions appropriate.

Shifts in Japan’s domestic situation could imply changes to Japan’s aid policy in the foreseeable future, in which Africa may not feature very prominently. Following the election of the Democratic Party of Japan in mid-2009, the new government reiterated its commitment to honour the TICAD IV pledges (see for example MOFA, 2010). In the wake of the triple environmental and nuclear crises of March 2011, further, Japan quickly reassured African countries that its involvement will not decrease. However, Japan’s total aid budget has seen systemic reduction over the years, and much of the country’s recent disbursements to Africa came as a result of creative budget reallocations, rather than new capital flows.

Most crucially, from the perspective of many African countries, Japan seems to have lost the edge to China in terms of economic involvement and its role in shaping development discourse on the continent. The robustness with which China has engaged in many economies in Africa has led it to overshadow Japan in many respects: Chinese trade with Africa outweighs Japan-Africa trade by a factor of nearly six; Chinese investment in
the continent is far above that of Japan, and in spite of media-hyped announcements of ODA increases by Japan, its aid to Africa has not matched that of China. Today, even China’s flagship conference on African development, the Forum on China-Africa Cooperation, in many ways modelled on the TICAD, eclipses the TICAD meeting in profile and number of high-ranking African delegates in attendance.

Thanks in large part to its willingness to divulge more resources, a more visible (if less elegant) public relations machinery, and its philosophy of comradeship above foreign policy ethics, China, not Japan, appears to be viewed as a partner for development by many African countries. It can be argued that these factors played a significant role in the recent revitalisation of the TICAD process. With a view to TICAD V, to be held in 2013, these forces might help stimulate an aid policy which has been rather lacklustre. Also, provided programmes and initiatives are appropriately conceived and implemented, they may yet hold real, long-term development gains for the continent.

End Notes

1 This article is a condensed and adapted version of an article entitled ‘TICAD’s directives for Southern Africa: Promises and pitfalls’, which is to be published in a forthcoming issue of Japanese Studies in 2012.

2 On his visit to South Africa, for instance, Yoshiro Mori announced: ‘I chose to visit Africa at the dawn of the new century because I definitely wanted to stand on the soil of the African continent and express directly to the African people the firm determination of the Japanese people to open our hearts along with you, to sweat and to expend all our might to aid in the process of Africa overcoming its difficulties and building a bright future. I believe this is an appropriate new beginning for Japan’s global diplomacy’ (The Sunday Independent, 14 January 2001).

3 As an outcome of TICAD IV, a three-tier follow-up mechanism was formalised, which consists of the MOFA secretariat (Tier 1) to gather, monitor and disseminate information on the implementation of TICAD; a joint African and Japanese Monitoring Committee (Tier 2) which meets on an annual basis and produces a yearly progress report; and annual follow-up meetings (Tier 3) which involve public and private Japanese organisations and counterparts from the African continent.

4 The major agencies involved in the Coalition for African Rice Development include JICA, the Alliance for a Green Revolution in Africa and the Africa Rice Centre.

5 Since its establishment in 1994, JOGMEC has established close to 30 joint venture mining contracts for Japanese corporations. In Africa, in addition to the Botswana agreement, two further have been drawn up with Niger and the Democratic Republic of Congo (see Africa Research Bulletin, 2007: 17423).

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TICAD, 2003. ‘Tenth Anniversary Declaration, Tokyo, Japan, 1 October 2003.'
Appendix 1

Japan’s Assistance for Energy Sector in Africa

(Source: MOFA, n.d.)

Scarlett Cornelissen is Professor in the Department of Political Science at Stellenbosch University. She conducts research on Japan’s economic and diplomatic relations with sub-Saharan Africa.
Korea’s cooperation\(^1\) policy and its implications for development cooperation with Africa

By Yejoo Kim  
*PhD candidate, at Stellenbosch University, and CCS Research Analyst*

One of the most prominent features in the area of development cooperation in the 21st century is the appearance of so-called emerging donors\(^2\). Especially, China’s massive aid package combined with its determination to strengthen economic ties with recipient countries has resulted in traditional Western donors feeling anxious and even awe-struck. Under the circumstances, from time to time, other Asian countries feel that China receives most international attention, these countries such as Singapore, Thailand and South Korea (hereafter Korea) also deserve to be noticed, considering that their involvement can also bring about certain changes in development cooperation\(^3\). However, little research has been done on these countries. Against this background, the focus in this article will be on Korea’s cooperation policy, especially towards Africa.

Korea has changed from a recipient to a donor country, and became a member of the Organisation for Economic Cooperation and Development/ Development Assistance Committee (OECD/DAC) in 2010. Especially, the country’s approach towards Africa in terms of cooperation policy has been closely related to its economic interests. As a member of the OECD/DAC, Korea has to follow the guideline laid down by the international donor community. Since Korea’s traditional development cooperation policy was not motivated by humanitarian or poverty reduction concerns, the country is now under pressure to maintain a balance between national interests and a sense of international duty.

This article is organised as follows: First of all, the general characteristics of the Korean cooperation policy will be discussed. The country is on its way to craft strategies that will comply with international guidelines; however, several problems exist that need to be addressed in order to reach this goal of compliance with international norms. Secondly, Korea’s development cooperation with Africa will be explored. Many analysts are likely to simplify the country’s motivation, linking it to economic drivers. However, Korea has been struggling to position itself as one of rising powers or middle powers. Bearing this in mind, the motivation is probably more complex than a single economic factor. Then, the implications for African recipient countries will also be briefly discussed. Lastly, several suggestions will be made, not only to Korea but also to other emerging donors, traditional donors and recipient countries, in order to increase both the quantity of aid to Africa, and to improve the quality of development cooperation.
General characteristics of Korean aid

Since 1982, there have been several cases of technical assistance provided by Korea. However, Korean aid began officially with the introduction of the Economic Development Cooperation Fund (EDCF) established by the Export-Import Bank of Korea in 1987 to support the economic growth of developing countries. EDCF has mainly provided soft loans to developing countries at a below-market rate of interest. In 1991, the establishment of the Korea International Cooperation Agency (KOICA) led to the advancement of Korean development cooperation. In sum, Korean aid has been deployed by these two major agencies. The Export-Import Bank of Korea provides EDCF loans, and KOICA provides grant aid and technical cooperation (Ministry of Foreign Affairs and Trade, 2011).

Recent literature on Korea and its aid policy mostly focuses on its unique status as rising from recipient to donor, there have been many debates and discussions about the Korean aid policy (Chun, Munyi and Lee, 2010; Cho and Kalinowski, 2012; Watson 2011). One of the main characteristics of the Korean aid policy is that, even though the country has contributed to multilateral aid through international organisations or institutions such as the United Nations, the Asian Development Bank (ADB) and the African Development Bank (AfDB), bilateral aid is greater than multilateral. In 2010, Korea provided US$884.52 million of bilateral aid and US$133.09 million of multilateral aid (Ministry of Foreign Affairs and Trade, 2011). The criticism of this pattern is that bilateral aid tends to provide tied aid and it can be associated with a donor country’s self-interest (Saïdi and Wolf, 2011:9). ‘Tied aid’ means that the recipient country is required to use part of the fund to purchase goods from companies in the donor country. This limits the impact on the recipient country’s local economy in terms of job creation and technology transfer. In this context, Korea has been criticised and suspicions have been expressed regarding its motivation. From the perspective of recipient countries, there has been demand to end tied aid (Mark, 2011).

Secondly, its official development assistance (ODA) has rapidly increased from US$23.5 million in 1987 to US$699.1 million in 2007 (KOICA, 2010). Despite this 30-fold growth in twenty years, many challenges still exist. According to Chun, Munyi and Lee (2010:792), first of all, the ODA/GNI ratio of Korea is the lowest among OECD/DAC members. The percentage of ODA/GNI in 2007 was only at 0.07%, i.e. one quarter of the average OECD/DAC levels. Even though the government set itself the goal of doubling its ODA by 2015, this will result in an ODA/GNI ratio of 0.25%, which is still below the average of other OECD/DAC countries and far behind of its target of 0.7% (OECD, 2010).

Thirdly, the country is urged to reduce the high proportion of concessional loans (Chun, Munyi and Lee, 2010:792). Korea should note that the efforts of the international community are to reduce debt, especially in Least Developed Countries (LDC). Even China now provides debt relief more willingly. There is another problem with Korea allocating its aid. Korea has granted loans not to the poorer recipients but...
to middle income countries (Kang, Lee and Park, 2009:4). Considering that the international community’s efforts to reduce the external debt burden of heavily indebted poor countries, Korea needs to harmonise its policy with the policies of the international community.

Fourthly, more than 50% of Korea’s aid has concentrated on Asia. Actually, regardless of geographical location, recipients are countries in which Korea takes a political or economic interest (Chun, Munyi and Lee, 2010:794). For example, from 2006 to 2008, Iraq was the country that received the most aid from Korea (Chun, Munyi and Lee, 2010:795). This is because of Korea’s relations with the United States as the most important ally in the situation of confrontation with North Korea, and the maintenance of reciprocal relations with the United State is directly linked to its national security (Choi, 2011).

Lastly, even though Korea provided aid to a handful of countries in order to strengthen its national interests, aid was actually allocated to 114 countries according to data from OECD/DAC in 2008 (Chun, Munyi and Lee, 2010:794). Considering that Korea can only distribute a limited amount of aid in total, only a small amount of aid can be distributed to poor recipient countries. A higher volume does not automatically ensure that the aid will be effective. However, the country needs to prioritise the more needy countries in terms of aid allocation.

Even though Korea provided aid to a handful of countries in order to strengthen its national interests, aid was actually allocated to 114 countries according to data from OECD/DAC in 2008

These characteristics of Korean aid are often regarded as influenced by Japan. Kang, Lee and Park (2009:5) point out that the two countries share many aspects in terms of aid allocation such as “type, sector, region and income level of recipient countries”. The Japan International Cooperation Agency (JICA) was a model for the establishment of the KOICA (Kang, Lee and Park, 2009:2). What should be noted in comparisons with Japan is that Japan was also criticised in the past because its aid policy had close linkages with its national interests, especially, related to new markets (see article by Cornelissen in this edition). Not only Japan but also other traditional donors used to use aid to secure political alliances or to win contracts in recipient countries (Kragelund, 2011:601). Korean aid is seen in the same context. However, this also shows that there is a possibility that this new OECD/DAC member country can be socialised following the philanthropical path of traditional donors.

Korea’s aid towards Africa and its motivation

Recently, Korea has increased its aid to Africa through various mechanisms such as the Korea Africa Economic Cooperation (KOAFEC). However, these are still at the nascent level and have not yet drawn full attention at domestic and international level. Nevertheless, since there are many LDC concentrated in Africa, the country’s increased aid to the continent is welcomed.

As already discussed, the amount of aid towards Africa reaches US$100 million (Karuhanga, 2009). Korea’s ODA toward Africa has increased since 2006 and now takes up 20% of the total ODA of Korea (Chun, Munyi and Lee, 2010:794). However, when it comes to the total ODA, Angola was the largest recipient in Africa from 2006 to 2008 and Angola is categorised as a middle income country (Chun, Munyi and Lee, 2010:795). The case of Angola shows again that Korea does not concentrate on
poverty reduction, as the international community would like. Since 2009, Korea’s aid has been combined with the government’s “resource diplomacy” and “pragmatic diplomacy”, which highlight economic gains or the strengthening of diplomatic ties by strategically using aid. Korea’s aid has been concentrated on only a few resource-rich countries on the continent⁴. Existing literature criticises this tendency, however, there is the counter-argument that these studies tend to oversimplify the motivation of Korea and other emerging donors such as China linking aid to the economic and resource issues (Alden and Large, 2011:25). Therefore it is crucial to explore deep-seated motivations. In the case of Korea, it will be possible to explore its motivation in connection with its aspiration to become acknowledged as a middle power.

Despite its increasing economic power, Korea has failed to become a regional leader. There are many reasons for this such as its security dependency on the neighbouring countries as well as the United States. Thus, Korea has had little leverage or ownership for shaping foreign policies (Kalinowski and Cho, 2012:3). In order to compensate for this and gain reputation, at first, Korea has kept on pursuing economic interests to consolidate its standing and the government turned to forms of resource diplomacy and pragmatic diplomacy. Also, Kalinowski and Cho (2012:4) argue that Korea has started being actively engaged with global issues. When it comes to ODA, the country was enthusiastic about becoming a member of OECD/DAC in 2010 since Korea had never been included in such global forum and global discussion before. The government (and the public) regard becoming a member of OECD and OECD/DAC as a symbol of increasing national power. Similarly, the hosting of G20 summit and the 4th High Level Forum on Aid Effectiveness held in 2011 show the country’s aspiration.

“Despite its increasing economic power, Korea has failed to become a regional leader. There are many reasons for this such as its security dependency on the neighbouring countries as well as the United States.”

Korea achieved remarkable economic growth within a few decades after the Korean War in 1950 which left the country devastated. At the time Korea’s GDP per capita was US$ 70; Korea was often compared to development prospects in e.g. Ghana and elsewhere – and was mostly commented on as a basket case in these comparisons. Now Korea is categorised as one of high income countries.

In terms of aid, the country’s slogan is to share the experience, which the country accumulated through its development. Korea has run Knowledge Sharing Programme and this is expected to become the basis of Korea’s soft power. It can be seen as the diffusion of the Korean model of development (Kalinowski and Cho, 2012:2). This can be seen as well in the other emerging donor countries highlighting their own recipe of development.

Therefore, if one focuses on only Korea’s aid combined with its economic interest, the perspective has limitations in explaining the increasing humanitarian assistance and the hosting of the G20 summit (Bae, 2010). It is important to understand the promotion of this Korean model and to combine it with the concept of a middle power. According to Cooper (1997), one of the distinctive features of a middle power country is that the country is likely to identify and position itself as having a unique type of power, just as the Korean government identifies its development model as successful, distinctive and transferable.
Korea’s presence in the African continent can be beneficial in the context that more development aid can go to more countries (Kragelund, 2011:604). Even though at the moment it is seen that only a few countries benefit, Korea’s own experience in transforming its economic structure from agriculture to manufacturing can be a positive model for Africa. Kang, Lee and Park (2009:16-17) figured out that Korea’s aid, which is criticised as combined with trade and investment, is actually correlated to FDI inflow; and arguably, investment is what African countries need the most. Kang, Lee and Park (2009:17) argue that public aid alone cannot result in a visible difference in a recipient country.

**Suggestions for stakeholders in the development cooperation in Africa**

It should be noted that Korea’s aid flow has implication not only for the recipient country, but also for other traditional donors. There are several issues which must be coordinated.

Firstly, as discussed in the section of general characteristics of Korean aid, Korea should rectify some problems in terms of ODA/GNI ratio, high percentage of loans and tied aid. If it wants to follow the OECD/DAC mainstream, the country has to focus more on poverty reduction. It urgently needs to craft its own framework that strikes a balance between international guidelines focusing on humanitarian aspects and the social development of recipient countries, and its pursuing of soft power.

"Even though Korea has its own experience of development and wants to transform this into soft power, it is likely to overlook the characteristics of the recipient countries themselves."

Even though Korea has its own experience of development and wants to transform this into soft power, it is likely to overlook the characteristics of the recipient countries themselves. For example, Korea has transplanted its New Village Movement in several African countries such as DRC (Borowiec, 2011). However, the programme in Korea was run under the authoritarian regime in the 1960s and cannot be directly applied to Africa. It will be also important for Korea to cooperate with regional organisations and traditional donors, as well as to share their know-how in the area of development cooperation.

Secondly, traditional donors should avoid segregating donors into emerging donors versus traditional donors. It is understandable that they argue that the emerging donors’ approach can undermine the interests of the international community highlighting good governance and social development of recipient countries. However, not only Kim and Lightfoot (2011:712) question the effectiveness of the existing framework for aid which was designed by the DAC members, mainly Western countries. Actually, African countries can be expected to perceive emerging donors to be more capable in their delivery of aid. That is why these new donors are welcomed by Africa and other recipient countries. Instead of dividing into two sides and treating newly emerging countries as a threat, it is essential to incorporate this new group into an overarching framework. It is high time to design an inclusive framework to incorporate emerging donors as well as various actors such as NGOs and businesses.

Many emerging countries are criticised for giving aid at the expense of good governance, human rights and environmental issues of recipient countries. In the past, Japan was also criticised because of its hesitation to intervene in the domestic affairs of recipient countries. Only since 2003 has the country taken steps towards the
harmonisation of aid (Jerve, 2007:1). Many argue that countries like Korea follow the example of previous traditional donors (Kim and Lightfoot, 2011:714). This means that it could also be possible for them to follow a new path by socialising other newly emerging donors.

It should not be overlooked that the actual impact and outcome of aid depends on the political economic context of African countries.

Lastly, the presence of emerging countries in Africa is strong, but these countries have focused on Asia and Latin America as well. Kragelund (2011:600) argues that actually Africa is not the primary focus of these emerging donors. We cannot overlook historical and geographical closeness when discussing this aid allocation pattern. However, since emerging donors’ aid is combined with economic (self-)interests, and countries outside Africa have generally shown better performance in the past, this concentration of allocation can also be understood as having gone for the more successful recipient.

It should not be overlooked that the actual impact and outcome of aid depends on the political economic context of African countries. Actually, aid is still the ‘second-best’ solution as Manning (2012) suggests. African countries’ aspiration of development should be combined with aid then it can produce a visible outcome primarily through their own national development goals.

End Notes

1 In this article, cooperation policy will cover humanitarian aid, grants or loans as well as financial assistance such as investment.

2 Considering that China and Korea have provided aid since the 1960s and 1980s respectively, it is not appropriate to call these countries emerging donors; however, considering their rapidly increasing aid volume and its impact in recent years, this article uses the term ‘emerging donors’ to form a contrast with ‘traditional donors’.

3 There are about 40 Singapore companies with investments and projects across Africa. Singapore has strengthened its economic cooperation with African countries. Most importantly, among the ASEAN countries, Singapore is the largest investor in Africa. In 2011, even in the midst of the global recession, Singapore-Africa trade reached US$8.4 billion. Singapore has moved rapidly and is gaining in the race against other Asian countries (Redfern, 2010). Thailand is another emerging commercial partner in Africa (Freemantle and Stevens, 2012).

4 The Middle East used to be the major supplier of oil. However, the unstable geopolitics of the Middle East have negatively affected Korea’s macro-economy as the country relies heavily on fossil fuel. Therefore, oil imports from African countries help reduce over-reliance on a particular country or region.

5 In this regard, the 4th High Level Forum on Aid Effectiveness was expected to take radical steps emphasising the links between aid and other forms of development finance from emerging donors. Even though it is evaluated as having broadened the scope of discussion including by bringing South-South cooperation into the discussion of how to make aid more effective, it has failed to bring the OECD/DAC members and emerging donors into the aid framework (Alden and Sidiropoulos, 2012).
References


**Yejoo Kim** is a PhD candidate at Stellenbosch University and has just joined the CCS team as a research analyst. The main focus of her dissertation is labour movements and globalization, and their implications for state-society relations in developing countries. Her research interests include: emerging relations between Asian investors and Africa, and labour relations in conjunction with Chinese engagement in Africa.
Chinese economic reforms, the next round – impacts on Sino-African economic cooperation?

By Daouda Cissé
Research Fellow, Centre for Chinese Studies, Stellenbosch University

During the last three decades, China has experienced a remarkable economic growth not yet achieved by any other country in the world. This boom has been centred on export-driven economy based on the competitive advantage that China has always benefited through its cheap (and abundant) human power and consequently low production cost in its manufacturing industries in the Southern provinces. With its reforms, this trend is meant to change and will probably affect Sino-African economic ties. The transition from low and middle incomes to high-income will be a challenge for Chinese officials and the path to success in China is changing now.

Since last year, China’s central government (via its 12th five year plan) has announced social measures to improve the life of the numerous population in the underprivileged zones and the millions of migrant workers (民工/mingong) who work in construction and heavy industries and contribute tremendously to China’s economic rise and modernisation. The reforms, among others, include an increase of wages and the controversial hukou system. Yet, even though the salaries have improved, the second, more substantial reform remains problematic.

The hukou system is not fully reformed

Basically, the hukou system is a residence permit given by the government of China (it might ring bells with South Africans, reminding them of the historical experience with the notorious passbook system). It is issued on family basis. Every family has a hukou booklet that records information about the family members, including name, date of birth, relationship with each other, marriage status (including spousal details, if married), address, etc. If the hukou system were revised, it could enhance peoples’ lives and allow them to leave the countryside in order to look for job opportunities in developed coastal cities. The official fear is that this would lead to planning problems in cities such as Shanghai, Shenzhen, Guangzhou and Beijing which attract the largest number of workers; yet it would recognize already de facto city dwellers as citizens of these cities.

Migrant workers were hoping for an improved hukou system. However, the measures that the Chinese government announced in late February will effectively still limit mingong to the rural areas with few job opportunities other than in agriculture. The frustrating aspect for the mingong is that if they choose to venture towards major Chinese cities regardless, they will not benefit from medical insurance and their children will not have access to incentives for education. Clearly there remains work to be done on internal reforms.

Macro-economic goals and increasingly vocal demands

China’s government aspires to shift from export-driven- to a consumption-based
economy, and it should not forget to improve the life of millions of people left behind. During recent years, social tensions arose from unsatisfied factory workers and villagers (e.g. in Wukan and Xinfeng). Villagers lost their land without compensation in China’s Southern and North-East provinces, leading to protests that could not be silenced by Chinese officials. Persisting inequalities between Chinese provinces and people, as well as environmental issues set limits to China that is mostly relying on exports and Outward Foreign Direct Investment for development.

In its China 2030 report published on 27 February 2012, the World Bank has already advised the “middle kingdom” to undertake reforms aiming at: “building a modern, harmonious and creative high-income society”. China needs to strike a balance between the country’s economic rise and people’s livelihoods. Thus, there is a strong focus on attracting more inward foreign investment, not only for its coastal cities that have already reached a certain level of modernisation, but more for the northern, central and western regions. Such a policy will create jobs and contribute to the development of these inland provinces. With the salary increase, job creation and inward FDI directed to sectors such as services, tertiary industries and manufacturing, the hope is that consumption of Chinese people with rising purchasing power will increase.

**China’s economic reforms-what does it mean for Africa?**

One can be critical of China’s internal development. The fact remains that there is development – and that China’s engagement in Africa has contributed to Africa’s economic growth, even if a lot needs to be done for environmental protection and social issues surrounding China’s investment in Africa. Chinese investment assisted a number of African economies to emerge despite the economic and financial crisis. Africa has not only benefited from China’s outward FDI in various sectors but also has received a lot of “made in China” products in its markets.

China’s economic boom has relied on export of its products, including to Africa. With the fierce competition in the Chinese manufacturing sector, many entrepreneurs have looked for new markets to sell their products. Yet, even if China is ranked as the world’s second largest economy with an average annual growth of 9.9% in the past three decades and foreign exchange reserves of more than US$ 3 trillion, slackness has been noticed and may have impacts not only for China in maintaining its long-term growth but also for China’s partner countries.

In the coming years, China’s growth will slow from 9% a year to between 5% and 6% (World Bank “China 2030” Report). If reforms focusing on consumption-driven economy materialise in China for the coming years, the volume of Chinese Outward Foreign Direct Investment stock to Africa will slump and export volumes might never be like before. China will undoubtedly issue policies to reduce Chinese State-Owned Enterprises and bring them home to contribute to Inward Foreign Direct Investment. China’s priorities will be directed towards other sectors in order to sustain its economy.

**XI Jinping (习近平) and LI Keqiang (李克强) who will “undoubtedly” become China’s President and Premier respectively in 2013, have already endorsed the World Bank’s report. If XI is said to be open to foreign economies and politics, LI is more likely to support a change in economic structure to boost China’s domestic consumption, industrialisation and modernisation and improve healthcare, housing, food and energy security. Beyond this agenda, consider the complex challenges in China including access to credit for small and medium sized enterprises, social and environmental protection improvement, land issues, and a real estate bubble waiting to burst. Just hoping for persistent growth in China will thus not be good enough for African development.**
14 March 2012

The BRICS need to turn to policies instead of politics!

By Sven Grimm,
Director, Centre for Chinese Studies, Stellenbosch University

The annual BRICS (Brazil, Russia, India, China and South Africa) summit is coming up on 28/29 March, this time in India, under the slogan ‘BRICS Partnership for Global Stability, Security and Prosperity’. This list of good things in the world is non-descript. Well, such is summit culture. Discussions can go one way or the other on the respective sizes of the economies and their respective roles in the world. Yet, what is the group’s role and position, a year since their enlargement with South Africa – or asked differently: is there a single understanding and one role that the debate is about?

The ringing words in the title of this summit are illustrative either of huge ambitions – or of a lack of depth to the agenda. It is most likely the latter. The BRICS are clearly not an international organisation and thus have a loosely defined agenda. But the aspiration is more than just another global summit. Public-relations are an important part of the event, so some semantic difficulties will persist while presenting a somewhat coherent agenda. Yet, expectation management is also part of the task and here the group fails.

At the moment, the BRICS are rather following the – somewhat outdated – summit culture of the G8, while, in fact, the emerging powers’ club is not only an event for heads of state. Experts’ rounds are taking place between academics and think tankers from BRICS countries, not least so to prepare the summits. In the best of circumstances, the BRICS are a learning forum (how do you do what we need to do, too?) and, at the least, they are a meeting place to establish contacts between business leaders. Both are useful purposes. The fact that they will (a) not safe the world all by themselves and (b) are not without alternatives does not reduce the value of these rounds. Yet, more – and more structured – dialogue could happen.

If the BRICS want to become more meaningful, they could establish mechanisms that go beyond the ‘fireplace talks’ and get working groups together on issues, not least so: do some peer reviewing of economic performance, energy policies, education and training efforts, policies around food security or other pertinent issues for members. Global international finance and the reform of global financial governance is the other issue that the BRICS usually touch upon. Disappointing thus far is the near total group silence on international development issues.

Convergence and divergence within the group

In an honest assessment, differences are substantial: Brazil and India do not want the Chinese Renminbi as a global reserve currency as long as the government in Beijing still has massive influence on the rate of exchange. With regard to the IMF succession after Dominique Strauss-Kahn, input from the BRICS did not exist. They are also very absent with regard to the World Bank succession for June/July this year.

Beijing’s approach is more “don’t rock the boat” – a very sensible approach when, in
fact, smooth sailing (to the top of the world economy) is all you aspire to. Chinese interests, it seems, are taken care of by the promotion of high-profile Chinese within existing international organisations. We might still be surprised to see a Chinese chair of the World Bank, as China gains clout without having to make much noise about it (unlike Russia, for instance). A Chinese World Bank President, however, is an issue for the more distant future and other candidates from Brazil or South Africa are not yet in sight. In any case, the BRICS are – for better or worse – not the South-South solidarity steam locomotive that is evoked in Sunday speeches.

A lot of discussion in South Africa was about the decision-making structures, or more specifically, whether South Africa risks being ploughed under by the other, much bigger states. In a mechanism like the BRICS club, that’s a nonsensical question: there are no decisions. Just think of the UN Security Council votes on Libya (South Africa in favour, the other BRICS abstaining) or Syria (South Africa in favour, Russia and China blocking by veto). This diverse behaviour (wherever one sides in the individual votes) is not bad in itself, as the common ground for all five countries is very small.

Consequently, it is topic beyond ‘high politics’ that they should discuss – the BRICS need to get down to earth instead of practicing Sunday speeches. Policies instead of politics, please!

**Possible topics: food, trade, energy, finance**

News coverage reported that an expert round made 18 recommendations to the BRICS leaders in areas such as global governance, food and energy security, intra-BRICS trade, and academic exchanges. All areas are actually areas for debate; and for debate means that the level of agreement on them is limited thus far. We might see this disagreement as a glass half empty. Yet, differences need to be discussed in order to be able to learn from each other. It is through identifying differences and making mistakes that human learning takes place, not through feel-good discussions.

As reported by several sources, the BRICS group is considering the creation of its own bank and an investment fund to stimulate development in the emerging countries. This could mean create a challenge to the IMF from outside. The IMF is far from sacrosanct, but we need to explore the question of who would benefit from that? Debates seem to be more about funding development in emerging economies, read: BRICS countries themselves. Does India want to lend money to China for its economic rise? Or does South Africa? It might make sense, but the small print is important here! The developmental role has not yet been evoked and is actually taking place in other forums (the G20, for instance).

The potential of the BRICS as a political club has to be judged realistically. But even with these modest expectations: the potential of the BRICS is far from having been tapped into.
Air pollution in the big cities in China, especially the capital, Beijing, is a very visible problem. A news report by Reuters illustrated the pollution problem vividly as, “a cocktail of smokestack emissions, vehicle exhaust, dust and aerosols, have at times blanketed Beijing in a pungent, beige shroud for days over the past months.” The exposure to high levels of pollution led to an outcry from angry and frustrated Chinese on the internet, many of them airing their grievances on the social media sites such as the popular Chinese blog site, Weibo. Many of them were complaining that government officials were failing to level with them about the air quality, not being transparent about the levels of pollution. Protesting Chinese also believed that the government was not doing enough to improve the state of the environment. Environmental protection increasingly becomes a (high-level) political issue.

Air pollution in the capital had become so bad that flights had to be cancelled. In early March this year, over 250 arrival and departing flights were cancelled due to the heavy smog in the air as visibility did not exceed 200 metres. Announcements at the airport however made no mention of pollution said media reports. Airport authorities attributed the cancellations and flight delays to the weather conditions, saying that it was the heavy fog that led to flights being cancelled. Besides the health concerns, pollution has reached levels that negatively impact on the economy, as research reports stated, including a high profile report by the World Bank.

Pollution has been a huge problem in China for many years. With the rapid development and industrialisation of the country and urban areas, much of this led to consequences of heightened air pollution levels. In 2008, Beijing was temporarily scrubbed clean for the Summer Olympics. However at present, some years after hosting the Olympics, pollution levels have grown worse and the government has continued to keep silent about the true levels of pollution. According to protesters, media reports and an increasing environmental NGO sector, there has been a lack of transparency regarding environmental information on the part of the Chinese government and this has led to a lack of environmental protection in the country. The different sectors as well as companies that exert the most environmental and health risks in China continue to operate, causing more harm to the Chinese people and the natural environment. Economic growth and environmental standards are apparently regarded as competing goals – and growth comes first in China since the 1980s.

In early March this year, it was reported that the Beijing local authorities planned to monitor fine particle pollution of PM 2.5 (pollutant) on 30 main roads. Authorities promised to disclose the results regularly in 2012. This came after it was decided tough monitoring rules would be established in the major polluting cities. Chinese authorities have set tougher rules to combat air pollution by ordering all major cities to monitor tiny particles that do serious damage to health. The Chinese media have reported that this change has come about due to online campaigners as well as the disclosure of levels of pollution by the US embassy in Beijing. The Americans have
taken their own measurements based on US standards and have made them known daily on social media outlets. Under pressure from associations and the population, the city of Beijing, has agreed to be more transparent.

Transparency of information on the environment as well as openness about pollution levels is clearly necessary in China. It has been recognised however that two thirds of cities in China are beyond the limits of air pollution. This should be a hefty eye-opener for the Chinese authorities as it could lead to further complications and consequences, on both the economic and the political level. The authorities have to begin to take serious action, not only with improving the situation and lowering pollution levels but also being open and transparent about the reality of the situation as well as the health risks in the country. As Hong Kong City University researcher Li Wanxin points out, “granting and enforcing public right to environmental information will help build the social infrastructure necessary for green growth,” thus noting that environmental information transparency could lead to more Chinese being aware of the need for environmental protection and would thus work towards building a ‘greener’ environment and China.

The openness is coming with risks for authorities, clearly. It has been noted that the pollution problem is a long-term challenge for the authorities and it will take years to address the problem as well as remedy it. Polluting sectors and factories need to be shut down if they are not adhering to environmental standards – and we can expect workers to protest against job losses. Yet, stricter rules and control of how much pollutants can go into the air needs to be sorted. Silence on issues as clearly visible as air pollution in cities is even riskier – and it seems that at least parts of the Chinese leadership begin to understand the challenge.
In early March 2012, China was challenged in the World Trade Organisation (WTO) by the US, Japan and the European Union on its exports restrictions on rare earth minerals. Rare earths are used in a range of products, not least so in the so-called ‘green technologies’ such as energy-saving light bulbs or windmills. What are the dynamics in this sector – and where are opportunities for South Africa? A new CCS discussion paper (also published as a SAIIA occasional paper) provides background on the industry.

The paper examines international responses to China’s monopoly, the advancements in South African REE extraction, and the associated environmental concerns the industry creates.

The author is a PhD student in politics at the University of Bristol. His doctoral research concerns the impact of the rise of China on the global developmental political economy, centring on extractive industries in Africa and Latin America. This paper is a parallel publication with the South African Institute of International Affairs (SAIIA).

CCS discussion papers should contribute to the academic debate on China’s global rise and the consequences thereof for African development. We do therefore explicitly invite scholars from Africa, China, or elsewhere, to use this format for advanced papers that are ready for an initial publication, not least to obtain input from other colleagues in the field. Discussion papers should thus be seen as work in progress, exposed to (and ideally stimulating) policy-relevant discussion based on academic standards.

The Discussion Paper (1/2012) can be accessed via the CCS website (www.sun.ac.za/ccs).
**Recent Events at the CCS**

**‘Shaanxi’ paper cut exhibition in Stellenbosch – 9 March 2012**

An Exhibition of Chinese ‘Shaanxi’ paper cutting was opened in Stellenbosch by Mr YIN Yali, Councillor at the Embassy and Professor XIE Zuoxu, Director of the Confucius Institute at Stellenbosch University, on 9 March 2012. The event was organised by the Chinese Embassy in Pretoria, and held at P.J. Oliver Art Centre in Stellenbosch. Chinese Paper cutting, which is used for decoration during weddings, ceremonies and cultural festivals, has been listed by UNESCO on the World Cultural Heritage directory.

**New staff at the CCS**

The CCS is has recruited a new research analyst and welcomes a new post-doctoral fellow.

**Yejoo Kim** has joined the CCS staff with the beginning of this month. She is a PhD candidate at Stellenbosch University. Her research interests include; emerging relations between Asian investors and Africa, and labour relations in conjunction with Chinese engagement in Africa. Yejoo, who is a Korean citizen, will be strengthening the economic work strand of the CCS as a research analyst. She is already presenting herself to our readers with a piece on Korean cooperation in this edition of *African East-Asian Affairs | The China Monitor*.

**Ross Anthony** joins the CCS as a Research Fellow. He has recently returned to South Africa and is in the final stages of his PhD in Social Anthropology, carried out at the University of Cambridge. His focus has been on the far western region of China’s Xinjiang Uyghur Autonomous Region. Ross will be working on security issues relating to China-Africa affairs, with a particular emphasis on Chinese understandings and precautions regarding the securitization of Chinese investments in Africa.