China's Attitude May Hinder its Quest for Africa's Natural Resources

China's willingness to invest in Africa has brought benefits to both that continent and the Chinese people. But if Chinese leaders do not quickly respond to the growing mass political consciousness in many African countries, all that has been achieved could crash around their ears.

BY RICHARD ROUSSEAU | June 2012

Whether it is by democrats or dictators, China is accustomed to being welcomed with open arms throughout Africa. Recent regime changes, however, have revealed some layers of resentment which could thwart Beijing's attempts to lay their hands on precious resources. The victory of the "rebels" in Libya, ill feelings in Namibia and the recognition of South Sudan' independence could turn upside down long-standing relationships China has forged with Africa, mostly at the expense of Western competitors.

In September 2011 Zambia, a former British colony, changed its leadership, an event that has the potential to derail China's ambitious investment drive. Michael Sata, alias "King Cobra," was sworn in as Zambia's president on September 23, 2011 after an overwhelming electoral victory over incumbent Rupiah Banda. The election result brought to an end the 20-year reign of the Movement for Multi-party Democracy (MMD). The new president, who leads the Patriotic Front party, promised Zambia's poor that he would divvy up the revenue from copper production more efficiently and equally.

The MMD's long reign may have produced a – deceptive – sense of security within the Chinese government: it did not expect the MMD would lose the election. The end of the Cold War has brought African governments a certain degree of stability. African rulers have since often been able to measure their tenures in decades rather than years. Where elections have been held the results have, by and large, favored incumbent leaders. However, if the "Arab Spring" has shown anything to the one-man-rule Middle East and African regimes of today, it is that nothing lasts forever.

The change of political leadership in Zambia, the largest copper producer in Africa, came as a really unpleasant wake up call for China, one of the world's largest consumers of this precious metal. Sata's electoral campaign played heavily on anti-Chinese sentiment, which, given that China is the largest investor in this low-developed country, looked to many observers a quite risky platform. But Sata had a good grasp of his audience and knew only too well how cunning the Chinese can be in seeking to achieve their objectives.

During the 2006 presidential election campaign Sata, who under British colonial rule was a railway worker and trade unionist, once referred to Taiwan as a sovereign state. Beijing then reportedly fumed about what it considered a transgression of diplomatic norms. It even threatened to withdraw from the country should he be elected. The Zambian media even hinted that Beijing may be secretly transferring funds to the MMD'd coffers. A little less confrontational in his September campaign, Sata nevertheless made good use of his anti-China diatribes, and this paid off handsomely in the final vote count.

China's economic relations with Zambia are considerable in terms of the sums of money invested. The communist state has poured in approximately \$2 billion in Zambia. Investment projects are mostly concentrated in the exploitation of copper, a metal China voraciously consumes to supply its ever-expanding infrastructure programs, especially those involving electric cabling.

The MMD regime enthusiastically sought to court Chinese state-owned companies and facilitates their access to Zambia's national wealth. Out of a total of six Chinese Special Economic Zones in Africa, two are located in Zambia. In 2011 Lusaka, the country's capital, became an African financial leader by offering Chinese people the possibility to deposit and withdraw funds denominated in Yuan, China's national currency.

Banda and his predecessors made every effort to lure the Chinese. Ordinary Zambians, however, grew resentful of thousands of low-skilled Chinese entering the country and stealing their jobs. A growing number of Zambia's markets, especially the chicken market in Lusaka, are now under the controloftheChinese.

In addition, in April last year, Zambian prosecutors refused to pursue proceedings against two Chinese foremen who had injured 13 miners by opened fire on a crowd of demonstrators at the Chinese Collum Coal Mine in 2010. This incident touched off a wave of anger throughout Zambia. The suspension of the investigation was expected by many, and only amplified the perception among Zambians that a privileged status has been given to Chinese firms.