

Free Trade, Fair Trade, and Sustainable Trade: The Case of Resource Extraction  
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**The China Factor in African Ethics and Human Rights**  
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My announced topic is the China Factor and Global Ethics. I specialize in Africa, not the world, and will confine my remarks to that continent. I suspect, however, there are lessons from China's policies in Africa for the rest of the developing world.

By focusing on this narrow aspect of the Chinese-African relationship, my remarks will give an excessively negative view of broader China-Africa relations. It is important to understand that China today enjoys a generally good reputation in Africa in nearly all aspects of its interaction, including trade and investment. It may be, however, that China gets higher marks from African governments than from the African public. There is just not enough reliable data to judge the attitude of the public towards China.

African states find relations with China attractive because there is no colonial baggage. In some cases, especially in southern Africa, there are close Chinese ties going back to solidarity with national liberation movements. The Africans perceive China as a developing country, albeit one with a seat on the UN Security Council, which seeks to build south-south relationships. For its part, China sees itself as a global power and leader of the developing world. For both political and economic reasons, it wants to cultivate good relations with the 53 nations in Africa. In several African countries, close links to China is a way to minimize Western and, especially, American hegemony.

African elites argue that the Chinese generally treat them as equals. They point out that the Chinese are investing in areas like infrastructure, the key to Africa's future, a sector that tends to be avoided by Western aid and investment. Africans appreciate this and also note the Chinese are careful where they invest. Many African governments perceive China as a welcome counterpoint to the US in particular and the West in general, especially when the latter criticize African human rights practices and the pace of democratization in Africa. From the Western perspective, China's record on ethics and human rights and the way they play out in Africa constitute a highly negative influence. Most African governments, however, are neither troubled by China's human rights record nor its human rights policy towards Africa.

Those African countries with the worst human rights records welcome Chinese non-involvement in their affairs and even seek Chinese support in the UN Security Council and UN Human Rights Council, where China and thirteen African countries are

members. The support cuts both ways. Most African countries on the Human Rights Council are equally reluctant to criticize China's human rights record.

In fact, at the recently concluded Forum on China-Africa Cooperation in Beijing, the two sides welcomed the establishment of the new UN Human Rights Council and resolved "to enhance cooperation in the Council and make concerted efforts to ensure that the Council respects the historical, cultural and religious background of all countries and regions and is committed to advancing dialogue among different civilizations, cultures and religions. The Council should place equal emphasis on both civil and political rights and economic, social and cultural rights, with priority given to the right to development. It should handle human rights issues properly and work to eliminate the double standard and the practice of politicizing human rights issues."

This joint declaration was a pretty clear marker that China and Africa have a different view of human rights than the one practiced or at least preached in the West. The point here is that Westerners, me included, look at the China-Africa relationship through the optic of Western ethical and human rights values. Many Africans do not share these values in precisely the same way and, therefore, evaluate relations with China differently. If the West fails to take these different perceptions into account, it will never deal effectively with the challenges posed by China in Africa.

Westerners might conclude that the Chinese wish to remove human rights as either a tool of diplomacy or as an issue on the foreign policy agenda. That would be a misunderstanding of Chinese policy. Human rights are an integral part of Chinese diplomacy. They just wish to refocus the issue. Drawing on Confucian principles, China emphasizes the family and society's collective interests over the interests of the individual. China is less concerned about individual civil and political liberties and more concerned with collective human rights and their impact on economic matters. China's stated goal is a society free from want and one that eventually achieves moderate prosperity. This approach provides China with an alternative human rights theory to the one encouraged by the West.

China and Africa also tend to place a high priority on the doctrine of sovereignty. China translates this principle into almost unconditional support for a state's existing political order. This helps explain why China avoids conditionality, with the important exception of insisting on the acceptance of the One China policy, in its relations with African countries. China also operates on a state centric basis with an emphasis on government to government ties. It is not yet fully comfortable with the role of nongovernmental organizations in the policy process.

Relating these values to trade and investment, many in the West perceive the African response to China's approach as anathema. But it is equally important to see it from the African perspective. For example, Sierra Leone's ambassador to China recently summed up the position of many Africans on China's role in Africa when he noted that the Chinese are doing more than the G-8 to make poverty history. If a G-8 country proposes a project for Sierra Leone, there is an environmental assessment and evaluation

of the human rights and governance situation. The Chinese just come and do it. The ambassador added that “I’m not saying that it’s right, just that Chinese investments are succeeding because they don’t set high benchmarks.” Sudan’s energy minister commented similarly: “With the Chinese, we don’t feel any interference in our Sudanese traditions, beliefs or politics or behaviors. Business is business.”

It is important to keep China’s trade and investment in Africa in perspective. Africa constitutes only about three percent of China’s global trade. On the other hand, China buys ten percent of sub-Saharan Africa’s exports and Africa provides China 32 percent of its oil imports. China is now Africa’s third largest trading partner after the US and France. Trade between Africa and China reached \$40 billion in 2005 and is projected to rise to \$100 billion by 2010. In 2005 China purchased about 770,000 barrels of oil per day (bpd) from Africa while the US imported more than three times that amount--2.4 million bpd. China’s direct investment in Africa has grown to \$6.7 billion. Although increasing rapidly, this figure is still modest compared with Western investment and it is concentrated heavily in the oil sector.

Organizations like Amnesty International and Human Rights Watch have been especially critical of strong Chinese support for countries like Sudan and Zimbabwe, which have serious human rights problems. China has significant oil investments in Sudan and political involvement that goes back to the 1970s. It has a personal connection with President Mugabe of Zimbabwe that dates back to the liberation period and it has established recent mineral interests.

China has sold significant quantities of arms, including military aircraft and helicopters, to Sudan in recent decades. This equipment helped fuel the civil war in the South and now plays a role in Darfur where crimes against humanity are taking place. China’s investment in Sudan’s oil industry is extensive and China relies on Sudan for about six percent of its imported oil. Now that the civil war in the South has ended and China is even contributing several hundred troops to the UN peacekeeping force there, the focus of criticism has shifted to China’s support for Sudan while crimes continue in Darfur. According to UN investigators, most of the small arms fuelling the conflict in Darfur are Chinese although it is not clear how they arrived there. One UN expert said he had no evidence that China was defying the arms embargo by supplying arms directly to Darfur, but suspected they had come from Khartoum.

Many in the West condemn China for blocking any significant action against Sudan as a result of the crisis in Darfur. While it is clear that China has carried a lot of water for Sudan in the UN, it has allowed watered down resolutions against Sudan to move through the Security Council and may have been more helpful behind the scenes than is generally acknowledged. Chinese President Hu Jintao said last month that the Darfur issue is at a critical stage and China understands Sudan’s concerns about Western desires to send UN peacekeepers there. While sympathetic to Sudan’s objections, however, Hu nudged Sudan towards a diplomatic accommodation. China has supported financially the African Union peacekeeping force in Darfur. Hu added he hopes Sudan will maintain dialogue with all parties in the conflict, adjust its position, and improve the

humanitarian situation in the region. It is too early to tell how significant this apparent shift is in China's position on Darfur.

The Mugabe government in Zimbabwe has actively courted China since 2000, when it lost most Western support. Its seizure of white-owned farms, suppression of political and press freedom, harassment of the judiciary, and manipulation of elections resulted in punitive measures by Western governments against Zimbabwe's leaders. Mugabe turned increasingly to Beijing for help with trade, investment, arms, education, and tourism. China has long been a significant supplier of arms to Zimbabwe and now ignores the US and European embargoes on the country. Zimbabwe owns more than half the world's supply of platinum. China is interested in the platinum and has invested significant sums in Zimbabwe's economy. It probably sees Zimbabwe as a way to develop stronger ties throughout the Southern African Development Community.

Zambia, the world's eleventh largest copper producer, offers a recent example where China stumbled over a domestic political issue. A major player in Zambia's copper industry, China gained a reputation of paying low wages and ignoring the safety of Zambian workers in Chinese operated mines. During presidential elections this fall the major challenger, Michael Sata, opposed the sitting president, Levy Mwanawasa, who sought reelection. Sata made a major campaign issue of the Chinese role in the economy and even suggested that, if elected, he might recognize Taiwan. The Chinese ambassador to Zambia responded that China might sever relations with Zambia if Sata became president and recognized Taiwan. Sata did well at the polls, but Mwanawasa won reelection; the crisis in Zambian-Chinese relations ended. The episode illustrated, however, the sensitivity of the Taiwan issue and Zambian unhappiness at the grass roots level over some Chinese business practices. An influx of Chinese traders added to the resentment. At the same time, many Zambians acknowledge the benefits they receive from cheaper Chinese goods.

Lack of Chinese concern for Africa's environment has come under fire, especially in the case of the timber industry. China is the largest importer of forest products in the world. Most of the log exports from Africa originate in West and Central Africa; China purchased 42 percent of the exports from this region in 2003. In the case of Gabon, which supplies most of China's log imports, as much as 70 percent of the exports to China were illegal. This means there was little attention given to sound environmental practices during the production process. China also purchased significant amounts of illegal timber from Equatorial Guinea, Cameroon, and Mozambique. China was once a major purchaser of "conflict timber" from countries like Liberia and the Democratic Republic of the Congo. According to Amnesty International, China supplied arms to the Charles Taylor government in Liberia when it was under a UN arms embargo. China denies the allegation.

The environmental concern should not end, however, with China's role in the timber trade. At least one-half of all timber imports into China are processed and then exported as finished products. The US is the largest market for China's finished forest

products, mainly hardwoods for furniture and hardwood plywood. There is no process in place to guarantee that only legal timber is being exported from China to the US.

There are other environmental concerns over Chinese trade and investment practices. Environmentalists have accused the Chinese oil company Sinopec of desecrating a national park in Ghana. There are worries that Chinese companies will follow poor environmental practices as they become active in the Niger Delta. To be fair, however, some Western companies operating now in the Niger Delta have fallen far short of following good environmental practices and take actions that would not be permitted in their own countries. According to one account, Chinese investment in extractive industries is actually environmentally sound. While India reportedly operated Zambian copper mines on an asset stripping basis, China ended the practice after it took control of the mines.

Perhaps the most controversial Chinese trading policy in Africa concerns textiles. The World Trade Organization's 1974 Multi-Fibre Agreement (MFA) protected producers in the world's biggest markets such as the US from the more efficient producers emerging in Asia. The MFA limited the amount of textiles other countries could export to these markets. The limits affected primarily countries like China and India. Passage of the US Africa Growth and Opportunity Act (AGOA) in 2000 permitted less developed countries in Africa to export textiles duty free to the US. Lesotho, Kenya, Nigeria, Ghana, Mauritius, Zambia, Madagascar, Tanzania, Malawi, Namibia, Swaziland, and South Africa took advantage of this legislation by opening new textile plants that relied mainly on Asian, especially Chinese, investors. The MFA expired in 2005 and Asian companies, including the Chinese, pulled much of their investment in textiles out of Africa.

The Chinese textile industry is far more competitive than the one operated in Africa. What some Africans call the "Chinese tsunami" recently hit the African textile industry. Many African textile factories closed, resulting in the loss of an estimated 250,000 jobs and 37 percent of Africa's textile capacity. The African response was angry and aimed largely at the Asian, especially Chinese, textile producers. The Chinese are even counterfeiting and exporting traditional African fabric designs at lower cost than the Africans can manage. This situation underscores the lack of competitiveness in African industry. By one account, Chinese productivity in textiles is six times higher than the African average. (There is also a problem with the counterfeiting of medicines in China and their sale in Africa.)

The textile situation angered powerful African trade unions and some governments. Faced with collapse, for example, the South African clothing and textile industries and labor movement asked the government for protection against cheap Chinese imports. China understands the negative reaction and has taken steps to mitigate this particular problem and the trade surplus it has with most African countries. China negotiated trade agreements with 28 African states under which 190 goods can be exported to China duty free, but these are mostly unprocessed natural resources. At the recently concluded Forum on China-Africa Cooperation, China agreed to increase the

preferential zero-tariff treatment to 490 items. This falls far short, however, of the 6,000 products that receive duty free admission into the US under AGOA.

There are other Chinese business and labor practices that raise questions from a Western and perhaps African perspective. Chinese companies have sometimes allowed poor labor practices, unusually low wages, and poor standards of corporate governance to prevail. China has a generally better record on dealing with corruption than is the case in most African countries, but this is still an area to watch. The World Bank and IMF have expressed concern that Chinese financial support to countries like Kenya, Chad, and Angola has reduced their leverage in implementing economic policy reform and instituting comprehensive anti-corruption strategies. There are concerns about the ability to take a Chinese company to court when it is believed to have engaged in illegal practices. Finally, at the grassroots level there seems to be growing anti-Chinese sentiment when large numbers of Chinese are employed on Chinese projects and as Chinese traders move increasingly into the African market. There are, for example, an estimated 30,000 Chinese migrants in Zambia and as many as 300,000 in South Africa.

China properly has a reputation for paying greater attention to long-term strategy than is the case in the West and perhaps especially in the US. Its approach towards Africa is clearly a long-term one. But the issue of human rights may be one of those areas where it is not thinking as long-term as it should, at least if one accepts the validity of the Western concept of human rights. Civil society is more developed in most African countries than it is in China. Although both China and Africa have a greater tendency to emphasize the centrality of the family and community, there is increasing concern in Africa about the need for individual freedoms and rights.

Successful business also depends over the long-term on good governance. If China ignores this aspect of the relationship, it may well jeopardize its investment in Africa. The West does not have a monopoly on what constitutes good governance and acceptable human rights practices, but it has a great deal to offer on these points. If China follows too narrow an interpretation of what constitutes acceptable governance and human rights, it risks alienating itself from many Africans. A final challenge for China is the deep spirituality—Christianity, Islam, and indigenous religions—of Africans. There is no spiritual component to the Chinese presence in Africa. It remains to be seen how this will impact the long-term nature of the China-Africa relationship.