

INTERNATIONAL
Herald Tribune

Chinese cash hurts some Africans

By Lydia Polgreen and Howard W. French

Monday, August 20, 2007

KABWE, Zambia: The courtyard in front of the Zambia China Mulungushi Textiles factory is so quiet, even at midday, that the fluttering of the ragged Chinese and Zambian flags is the only sound hanging in the air.

The factory used to roar. Since the day it opened more than 20 years ago, the vast compound shuddered to the whir of rollers and the clatter of mechanical weaving machines spooling out millions of yards of brightly colored African cloth.

Today, only the cotton gin still runs, with the company's Chinese managers buying raw cotton for export to China's humming textile industry. Nobody can say when or even if the factory here will reopen.

"We are back where we started," Wilfred Collins Wonani, who leads the Chamber of Commerce here, said, sighing at the loss of one of the city's biggest employers. "Sending raw materials out, bringing cheap manufactured goods in. This isn't progress. It is colonialism."

Chinese officials and their African allies like to call their growing relationship a win-win proposition, a rising tide that lifts all boats in China's ever-widening sea of influence. This year, China pledged \$20 billion to finance trade and infrastructure across the continent over the next three years. In Zambia alone, China plans to invest \$800 million in the next few years.

From South Africa's manganese mines to Niger's uranium pits, from Sudan's oil fields to Congo's cobalt mines, China's hunger for resources has been a shot in the arm, increasing revenue and helping push some of the poorest countries on earth further up the ladder of development.

But China is also exporting huge volumes of finished, manufactured goods to those same countries, from T-shirts to flashlights, radios to socks, hampering Africa's ability to make its own products and develop healthy, diverse economies.

"Most of our countries have been independent for 35 to 50 years," said Moeletsi Mbeki, a South African entrepreneur and a political analyst. "Yet they have failed to develop manufacturing for a variety of reasons, and for the Chinese that's a huge opportunity. We are a very important market for China."

On the one hand, Chinese imports give Africans access to goods and amenities that developed countries take for granted but most people here could not have dreamed of affording just a few years ago: cellular telephones, televisions, washing machines, refrigerators, computers. And cheaper prices on more basic items, like clothing, light bulbs and shoes, mean people have more money in their pockets.

"There is no doubt China has been good for Zambia," said Felix Mutati, Zambia's minister of finance. "Why should we have a bad attitude toward the Chinese when they are doing all the right things? They are bringing investment, world-class technology, jobs, value addition. What more can you ask for?"

But across Africa, and especially in the relatively robust economies of southern Africa, there are clear winners and losers. Textile mills and other factories here in Zambia have suffered and even closed as cheap Chinese goods flood the world market, eliminating jobs in a country where less than half the

Donate now at
 USAfreedomcorps.gov

Ad Council Tsunami Donations - [CLICK HERE](#)

adult population has formal employment. And the Chinese investment in copper mining here has left a trail of heartbreak and recrimination after one of the worst industrial accidents in Zambian history: a blast at a Chinese-owned explosives factory in Chambishi in 2005 that killed 46 people, most of them in their 20s.

"Who is winning? The Chinese are, for sure," said Michael Sata, a Zambian opposition politician who campaigned in last year's presidential election on an anti-China platform. He lost, but with a surprisingly strong showing, and his party, the Patriotic Front, won many seats in local and parliamentary elections in the capital and the Zambian industrial heartland, where China has made its biggest investments.

"Their interest is exploiting us, just like everyone who came before," Sata said. "They have simply come to take the place of the West as the new colonizers of Africa."

Officials at the Chinese Embassy in Lusaka did not respond to repeated requests to discuss the country's role in Zambia. But Chinese diplomats across Africa and top officials in Beijing have emphasized the money and opportunity they bring. In Zambia, for example, government officials say that the Chinese are bringing dozens of workers to China for training and that their investments will create thousands of high-wage jobs.

Measured in some ways, Zambia's economy is booming. Copper prices have soared from 75 cents a pound in January 2003 to more than \$3 a pound this year, driven in large part by Chinese demand. That demand has pushed Zambia's long-dormant copper mines into record production.

China's state-owned Nonferrous Metals Corp. purchased rights to develop a mine in Chambishi, in the heart of the copper belt, in 1998, and plans to build an export processing zone that will bring as many as 60,000 jobs, according to government officials.

But China's entry into the World Trade Organization in 2001 has given it access to markets across the globe, wiping out thousands of jobs in countries with fledgling manufacturing sectors like Zambia and South Africa.

Despite relatively low wages in many countries, African manufacturers find it very hard to compete, arguing that China's currency policies undervalue the yuan and give Chinese exporters a huge advantage. Many industries in China also benefited at times from subsidies and free or low-cost government financing, making their costs lower.

Beyond that, there are major infrastructure problems in Africa, where industry struggles with inadequate roads and railways, unreliable electricity and water supplies.

"So who do you blame?" said Martyn Davies, director of the Center for Chinese Studies at Stellenbosch University in South Africa. "You can't blame China for being too competitive. China is doing what every other emerging market is doing."

The textile and clothing industry, one of the engines China used to fuel its own economic expansion in the 1980s, has been particularly hard hit in Africa. For decades, African countries exported large quantities of clothes and textiles to developed countries under a trade agreement designed to protect European and U.S. markets from competition from China and others, while encouraging exports from the world's poorest nations. But the trade provision, the Multi Fibre Agreement, expired in January 2005, putting these countries in direct export competition with China.

Africa found itself once again on the losing end of globalization. If copper is Zambia's bread and butter, manufacturing should have been its main meal just as many economies across the globe have progressed from producers of raw materials to low-tech manufacturing and beyond, a well-trodden path to development.

Zimba, a 40-year-old quality control worker at the plant here who asked to be identified only by her commonplace last name because she feared losing her termination benefits, first got a job at the factory in 1989, after moving to Kabwe from the depressed eastern region of the country with her brother.

She earned a small salary and had free health care and a pension, as well as a three-room house in the workers' compound. But since she lost her job, her family's standard of living has plummeted. The water was turned off, and Zimba does not know where she will get next semester's tuition for her 20-year-old daughter's trade school. "We will see what God brings me," Zimba said.

For Zimba, the transition from salaried work to selling goods for pocket change in the market is a

devastating setback to a grim fate she thought she had escaped - her mother was widowed when Zimba was 15 and reduced to selling in the market as well. "I am right back where I started," Zimba said.

As for the Chinese, she bitterly refers to them as "briefcase investors."

"They just fill their briefcases with our wealth and leave," she said.

Such anti-Chinese sentiment has been brewing here for several years. When China's president, Hu Jintao, visited Zambia this year he got the usual red-carpet treatment from his host, President Levy Mwanawasa, but the reception from many ordinary Zambians was nasty. A trip to the site of China's big new investment, Chambishi, was scuttled because of fears of unrest.

The circumstances of the industrial disaster there are still not entirely understood. The mine had been run by the government for decades and had limped along while copper prices slumped in the 1980s. When Nonferrous Metals Corp. bought the rights to develop the mine in 1998, the locals cheered, hoping for new jobs.

In 2003, Keegan Chibuye got one as a mechanic at the mine, a job he was grateful to have in a country where even skilled men like himself struggled to find work. Chibuye's sister, 27-year-old Vennie, also found work under the Chinese, as a computer specialist at an explosives factory on the mine's grounds.

Chibuye was the eldest of seven, and her parents had sent her to Britain at great expense, to a technical college in Darbyshire, where she got a diploma in information technology. Another brother, Mwape, got a job as a casual worker in the explosives factory, for a little more than \$1 a day, to save money for college.

Keegan Chibuye said he had concerns about the way the Chinese managers were running the mine almost from the beginning. "They were careless," he said. "Safety was not their priority. Everything was about productivity, no matter what."

On April 20, 2005, Keegan Chibuye heard an ear-splitting boom that would shatter his world - a huge blast at the explosives factory.

There was almost nothing left of Vennie and Mwabe left to bury. Virtually all the bodies had been incinerated. Only fragments were buried at the graveyard built by the Chinese owners - a finger, an ear, a bit of scalp. As the 46 headstones in the clearing just off the main road testify, most of the workers were young, born after 1980.

Officials of the company that runs the mine did not respond to repeated telephone requests for an interview to talk about working conditions and safety at the mine. But at the Chinese workers' compound in Chambishi, Han Yaping, who identified himself as the company's human resources manager, said the company hoped to help Zambia develop. "China works here in cooperation with Zambia," Han said. "It is friendship."

Asked why the wages at the mine were lower than those paid by other companies, Han said Zambian workers had limited skills and no experience with technology. By way of example, he said, a Chinese worker trying to remove a screw would use a screwdriver. "But a Zambian worker," he continued with a chuckle, "he use his finger."

Notes:



ADVERTISER LINKS

Demo PostGuard for Free

Sentinare Postguard Email Filter Requires no software installation
www.sentinare.com

Computer Running Slow?

Free Registry Cleaner Software Scan, Repair & Speed Up your PC!
FreeDownload.FixMyPCpro.com

Free Chat

Browse photos of Millions of Users View profiles & meet new friends
entirelytrue.com

Online Forms Block Spam

New web service blocks spam with secure online forms.
www.FormRouter.com



Copyright © 2007 The International Herald Tribune | www.iht.com