

## [China, seeking resources, bring deep pockets to africa](#)

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KOUDJIWAI, Chad: The small plane flew in low over a scorched, peppercorn scrubland, following a broad, muddy river that was all elbows on its run to the southeast.

The first hint of humanity came with the appearance of an immense grid for seismic testing, laboriously traced through the brush. Finally, a lonely, hulking steel drilling platform popped into view.

Chad is as geographically isolated as places come in Africa. It is also among the continent's poorest and least stable countries, the scene of recurrent civil wars and foreign invasions since it gained independence from France in 1960.

None of that has put off the Chinese, though. In January, they bought the rights to a vast exploration zone that surrounds this rural village, making the baked wilderness here, without roads, electricity or telephones, the latest frontier for their thirsty oil industry and increasingly global ambitions.

The same is happening in one African country after another. In large oil-exporting countries like Angola and Nigeria, China is building or fixing railroads, and landing giant exploration contracts in Congo and Guinea.

In mineral-rich countries that had been all but abandoned by foreign investors because of unrest and corruption, Chinese companies are reviving output of cobalt and bauxite. China has even become the new mover and shaker in agricultural countries like Ivory Coast, once the crown jewel in France's postcolonial African empire, where Chinese companies are building a new capital, in Yamoussoukro, paid for by Chinese loans.

Surging Chinese interest in this continent has helped bring about what many Africans believe is the most important moment since the end of the cold war, when democracy was spreading in Africa and Western nations spoke of a "peace dividend" that might ease African poverty.

That blush of interest in Africa quickly faded, though, as did several of the new democracies, and Africans and Westerners have regarded each other warily ever since. Westerners complain about chronic corruption and ineffective government, while Africans lament broken promises on aid and a hostile international economic system.

The Chinese have stepped into this picture, coming to struggling countries like Chad with deep pockets, fewer demands on how African governments should behave and an avowed faith in everyone's ability to prosper.

As Beijing's ambassador to this country, Wang Yingwu, said at his residence in Ndjamena, Chad's capital, where the electricity repeatedly failed, "We are exempting Chadian goods from import duties." When the interviewer noted that Chad produced almost nothing besides oil, Wang was undaunted, saying, "If they don't produce things today, they will tomorrow."

To help make that happen, China plans to build the country's first oil refinery, lay new roads, provide irrigation and erect a mobile telephone network, for starters.

With such intensive efforts across the continent, China's trade with Africa topped \$55 billion in 2006, up from less than \$10 million in the 1980s. To achieve this growth, it has bypassed multinational institutions like the World Bank and the International Monetary Fund and flouted many of their lending criteria, including minimum standards of transparency, open bidding for contracts, environmental impact studies and assessments of overall debt and fiscal policies.

In some ways, the new Chinese model of doing business in Africa is a throwback to an earlier era of Western involvement that is now widely seen as disastrous. In that era, borrowing countries typically had to work with companies from the lending nation, limiting competition and giving priority to business over development. Today, China takes things even further, signing long-term deals for rights to natural resources that allow countries otherwise unworthy of credit to repay their debt in oil or mineral output.

"In what manner has Africa progressed, in what sector?" said the Chadian president, Idriss Déby, referring to decades of close ties to the West. "Whatever the good will of Africa's old friends and the old partners in its development, it has not progressed at all."

Still, major doubts hang heavily in the air. Will China's hunger for raw materials enable this continent to take off? Or will Beijing's willingness to spend whatever it needs in Africa, without regard to fiscal prudence, democracy, honest business practices and human rights, produce a replay of booms past, enriching local elites but leaving the continent poorer, its environment despoiled and its natural resources depleted?

### A Test Case for China

There are few better places than Chad to watch for signs of how China's African gambit will pay off. Chad ranks just four places from the bottom on the United Nations scale of human development, yet it is emerging as a critical piece in China's economic push in a broad swath of sub-Saharan Africa, beginning with Sudan and extending in virtually every direction.

Despite advanced prospecting by French and other Western firms dating back to the 1970s, Chad's oil had never been tapped. The nation was simply too unstable and the price of oil too low to justify investing much here. The oil that had been found was of low quality, and there was no practical way to get it out.

That changed in 2000, when the World Bank agreed to help finance a \$4.2 billion, 665-mile pipeline connecting Chad to Cameroon on the condition that oil revenues be used to fight poverty.

Chad's revenues quickly outstripped expectations, but have not gone into quelling its immense poverty. Mismanagement and fraud have beset the World Bank plan from the start.

Beyond that, Chadian rebels with bases in Sudan have been trying to depose Déby, so he pressed the World Bank to relax its rules on how to spend the country's oil money. A compromise was reached, and he went on a military spending spree, buying guns, aircraft and armored vehicles for his troops, along with a fleet of armored Humvees that stop traffic as they zoom about Ndjamena's dusty, potholed streets.

Seeking an even freer hand with the country's oil bonanza, Déby's government also hinted that it could find other partners willing to invest in Chad, especially with the price of oil so high.

Then, in 2006, Chad ended a relationship with Taiwan and recognized mainland China, and the floodgates opened. China bought the rights to several oil exploration zones in the country from a Canadian company and has gone from bit player to center stage in Chad's affairs, confident that it can wring smart profits from the most inhospitable conditions.

"The Canadians and the Americans are only interested in really big finds," said a veteran Western oil production engineer who works under contract here for the China National Petroleum Company, the CNPC "Anything else they think is not worth their time. The Chinese have a different approach. They are happy with the smaller finds, just lots of them. "They seem to have a different time frame, too," the engineer added. "They plan to be here for a while."

Indeed, the Chinese dream in this region consists of making finds here and there, using the World Bank financed pipeline to transport the oil and eventually building new pipelines to connect with a Chinese-built grid in Sudan.

This vision requires not only finding more oil, but establishing peace between Chad and Sudan. Darfur, the chaotic western Sudanese region where at least 200,000 people have died and 2.5 million been displaced in a government-backed counterinsurgency campaign, lies next to China's exploration zones. Human rights groups maintain that Chinese weapons have played a major role in the carnage in Darfur.

Beijing's recent diplomatic activity in the region may be explained by these Chinese oil interests as much as by American pressure on China to help stop the killing in Darfur.

"It used to be that when we had problems with our neighbor sending mercenaries to invade us that none of our complaints before the United Nations would pass, because China blocked them," said President Déby. Since breaking relations with Taiwan and opening the door to Chinese investment, he added, "we have been able to raise our concerns without taboo."

One topic that neither side was willing to say much about was the World Bank's foundering efforts to ensure that petroleum revenues were well spent here. "I know the current pipeline is part of a project involving the World Bank and Esso," said Dou Lirong, the general manager of CNPC International in Chad, calling the authority over revenues "a very complicated" matter. "I don't know too much about it," Dou continued, "but I've read a little bit on the Web."

In fact, the very idea of the World Bank project is anathema to China's deeply held noninterference policy, which has for decades governed China's foreign policy and development. Underlying both is a kind of golden rule — China considers other countries meddling in its affairs unacceptable, and it assumes its friends feel the same way.

Cao Zhongming, deputy director of the Department of African Affairs, in the Chinese Foreign Ministry said: "China won't interfere with Chad's internal affairs. As a policy, that doesn't change.

If CNPC, World Bank and Chad reach an agreement, it's between them." But, he added, if Chad does not accept the World Bank arrangement, "neither CNPC or the Chinese government would impose it."

"The Chinese government," he said, "won't enforce something that Chad thinks interferes with their internal affairs."

To China's new African allies, this notion is a breath of fresh air. After years of hewing to the latest fads in international development doled out by the World Bank, the International Monetary Fund, Western donors and the United Nations, African governments have grown weary of the strings attached to foreign aid.

Thérèse Mekombe, vice chairwoman of the committee that monitors Chad's oil money to make sure it is used properly, expressed surprise about the Chinese executive's uncertainty about how oil revenues would be handled. Brandishing a copy of the law, she said all of the country's oil earnings fell under the control of the World Bank arrangement. "The Chinese need to understand that they cannot arrive in a country and just impose their way of thinking," Mekombe said.

#### A 'Win-Win' Business Plan

Chinese officials almost invariably describe their relationship with African countries as a win-win — based on mutual respect, aimed at joint prosperity and free of the overtones of exploitation and paternalism that critics worldwide say have governed much of the West's postcolonial relationship with Africa.

China plans to build a petroleum refinery and a cement factory in Chad, both desperately needed in a landlocked country forced to import basic goods. Indeed, lowering gas and cement prices, which are among the highest in Africa, could do more to reduce poverty than the efforts of the World Bank and other donors combined, Dou suggested. "We can make a contribution to Chad," he said.

Asked for an example of what win-win relationships look like, Dou offered what might seem an unlikely choice: Sudan. In its capital, Khartoum, he said, signs of China's impact are everywhere.

"If you go to Sudan, you see paved roads," he said. In the past, "the cars in Sudan had no turn signals, they point directions by hand. Now there are many good cars."

Asked whether the oil money was really benefiting the Sudanese people, not just their rulers, Dou replied: "It is difficult for me to say. I am an engineer."

To some critics, the answer is clear. "China's no-strings-attached approach is problematic, particularly if its effect, if not its intent, is to undermine others' efforts to change situations on the ground," said Kenneth Roth, executive director of Human Rights Watch. "Often what is happening," he added, "is underwriting of repression."

#### Few Benefits for the People

Even with binding arrangements governing the use of oil revenues, Chad's people have largely missed out.

In the Mayo-Kébbi region, where much of China's feverish oil exploration is happening, the city of Bongor hardly looks like the capital of the booming oil region it is set to become. Along its tree-fringed main avenue, the briskest business is preparing the city's signature dish — a chicken so scrawny it can be grilled whole in a few minutes.

At the lone hospital, a moldering colonial-era structure, a handful of workers tended to dozens of patients suffering from the classic ailments of poverty: hunger, diarrhea, malaria, tuberculosis, AIDS, pneumonia. Civil servants were on strike, seeking to force the government, which according to World Bank estimates will collect \$1.2 billion in oil money this year, to increase their meager salaries.

Pauline Maratangou, a 53-year-old midwife, did show up to work, and it was a good thing. Half a dozen pregnant women with bellies fit to burst patiently awaited her services.

"Vas-y, vas-y, vas-y!" she cooed, urging an 18-year-old mother to push. The maternity ward had only a padded bench for deliveries and no stirrups. The floors and walls were caked with dirt — the orderlies were on strike. Maratangou worked with quick, efficient motions, pouring iodine over the crown of the baby's head as it emerged, trying to keep mother and child free of infection.

At last a little boy popped out, his head slightly misshapen, like a peanut shell.

"Ah, he's a handsome boy," she said, holding him aloft, feet first, waiting for his first bellowing cries. There was only time to snip his umbilical cord, weigh him — five and a half pounds, not too bad for this part of the world — and swaddle him in rags before the next mother, also 18, was ready to hop on the table still slick with afterbirth slime.

The grim conditions help explain why Chad has among the highest maternal and infant mortality rates in the world. One of every five children will die before age 5.

"We hear that our country has oil, but we see no evidence of it here," said Maratangou, the midwife.

Officials in Bongor say money from Chinese investments could fix schools and hospitals, or provide jobs and new roads. Under Chadian law, 5 percent of the oil revenue is supposed to go back to the community where the oil was drilled.

"We have very high hopes," said Khalifa Malloum, the secretary general of Bongor's regional government. "If the West does not want to invest in us, let the Chinese come. We welcome them. They don't tell us what to do and they bring development. They are good partners."

But Limassou Saleh, a community organizer in Bongor, said he was deeply skeptical. "Chad is maybe the most corrupt country in the world," Saleh said. "We have a long history of human rights violations, of lack of transparency, of exploitation. China has a reputation for corruption. They are one of the worst human rights abusers. They have no record of transparency. What would we want with a country like that? Only to make our own problems worse."