CHINA’S ECONOMIC INTEREST IN AFRICA

China is present and active in almost all countries of Africa. In 2015, China invested about $35 billion in Africa and so has surpassed Europe and the USA as Africa’s main trading partner. The China-Africa Summit of 2018 further demonstrated the growing importance of China in Africa. During the Summit, President Xi Jinping offered to invest another $60 billion in Africa during the next three years. The indications are that China is about to push the ex-colonial powers out of the African market. How Europe intends to save herself from the impending loss of its African marketplace is yet to be seen.

These are widely known facts. Less known, or less talked about, are the other strategies China is using to gain greater influence over the African media and the military; and to control strategic infrastructure in Africa. The new Chinese Silk Road policy is meant to link not only China and Europe but also some 20 African countries. For example, the $4 billion railway between Mombasa and Nairobi is planned to link eventually five other countries in the region.

While it seems that Africa will profit from improved infrastructure funded by the Chinese, Chinese loans contribute to a debt crisis for many African countries and create a growing dependence on China. Some of the projects are economically not viable and when a country is unable to repay their debts, China tends to pay itself by taking over their mineral resources, the public energy supply, or seaports and airports. Zambia is on the verge of losing its national airport to Chinese creditors. Some countries have seen the danger of accepting such credits and Sierra Leone, for one, has cancelled contracts for the building of a new national airport.

Obviously, the Chinese goal of an increasing military involvement in Africa is to secure its land and sea trade routes. In Djibouti, China has begun constructing a huge military base just next to the American base. It is meant to become a hub of the new Silk Road project. China is also becoming the most important arms supplier and provides military equipment to 22 African countries. Its formation programs for police and army officers strengthen China’s influence in the security sector. In recent years, China has also provided financial and military support to UN Peacekeeping missions in the Democratic Republic of Congo, Mali, Sudan and Southern Sudan. The latest attractive export to Africa could be China’s very efficient electronic surveillance systems, which are able to identify people’s faces. Dictatorial regimes in Africa will willingly embrace this.

In the past, China used to fly in temporary Chinese workers to realise major projects, e.g., the TANZAM railway from Lusaka to Dar-es-Salaam. Nowadays such workers tend to stay in the country and start enterprises or work as craftsmen or even street hawkers. With their cheap Chinese imports, they enter into direct competition with small local traders, which can create tensions. But in the meantime, African business people have learnt themselves to operate worldwide and import their own goods directly from China. There are no reliable statistics about the number of Chinese living in Africa but estimates vary from one to two million. In reverse, some 200,000 Africans are living in China; 80,000 of them are students.
China has for many years invested large sums in buying shares in important media companies to influence communication policies, spread pro-Chinese propaganda and silence critical voices. Chinese-owned media companies, such as the StarTimes Group, run TV programs in 30 countries and project a positive image of the country, its political ideology, culture and language. Following the example of western countries, China runs 48 cultural centres in Africa, second to France with 180 centres. These Confucius Institutes, which are often linked to national universities, offer cultural programs and language courses in Mandarin, attracting a growing number of students.

There seems to be no country economically powerful enough to check China’s onslaught. This monopoly leaves the historically weakened African countries in a very precarious situation. Hence, journalists and civil society in some countries are beginning to question more boldly the long-term aims of China in Africa. Even though the raised voices are yet to get coordinated, the concerns are real; and the fears have historical antecedents in the exploits of Europeans in the African continent.


FROM NAFTA TO USMCA: CANADA, USA AND MEXICO RENEGOTIATE
North American Free Trade Agreement– US, Mexico Canada Agreement

The USMCA, replacing NAFTA, was signed by the leaders of the three member countries last week on 30 November. Mary Boyd and Rosaurora Espinosa, Grail leaders in Canada and Mexico, have each written for the Bulletin some analysis of what the new agreement means for her country. We begin here with Canada while Rosaurora’s article is being translated from Spanish. Her account of how Mexico views the USMCA will appear in the next issue.

What does the USMCA mean for Canada?
Six positive impacts
1. We got rid of the notorious Investor-State Dispute Settlement (ISDS), introduced to the world in 1994 in NAFTA’s Chapter 11. Under this Chapter, corporations had the power to by-pass national courts and sue governments before an international tribunal if they enact laws or regulations that the corporations think detrimental to their investments. Canada was the most sued under the old NAFTA, having paid over $300 million in fines and with lots of pending cases. This is a big victory for Canada and stands as a sign of hope for other trade agreements.

2. Progress was made on labour rights. NAFTA contained an unenforceable side-agreement on labour rights. Under the USMCA labour provisions are in the main agreement in a stand-alone labour chapter and will be enforceable through the state-to-state dispute settlement process in Chapter 31.

3. There are positive gains for Canada’s auto industry. Whereas NAFTA required 62.5% North American content in vehicles, USMCA increases the North American content to 75% by 2023.

4. Canada’s energy sector has won some significant progress. NAFTA’s energy chapter contained a provision referred to as the ‘proportionality clause’ (applied to Canada and the USA but not to Mexico), which required Canada to export a fixed share of our energy production to the USA, even in times of energy shortages in Canada. This clause has been eliminated and a separate energy chapter from NAFTA is removed.

5. The USMCA protects Canada’s culture and cultural industries. strengthening the general ‘cultural exception’ that was in NAFTA and expanding the exception to include digital industries.

6. The USMCA strengthens Canada’s indigenous peoples’ rights. Chapter 22 has a very clear general exception for indigenous
It states ‘Nothing in this Agreement shall preclude a party from adopting or maintaining a measure it deems necessary to fulfil its legal obligations to indigenous peoples.’

**Seven negative effects**

1. The USMCA fails to eliminate USA tariffs imposed on Canadian steel, aluminium and forestry products and on Canada’s softwood lumber exports, and may impose tariffs on Canada’s uranium exports. (Canada is the second largest producer of uranium in the world and the USA is its biggest customer). Why has the USMCA maintained these destructive tariffs?

2. Canada made concessions in its supply-managed agricultural industries which opens its market to more USA dairy, eggs and poultry products. Trump made this one of the main bargaining chips during the more than 12 months of negotiations. Canada is one of the last countries in the world to have a supply management system which gives farmers quotas on the amount of milk, eggs and poultry they can produce. They receive a guaranteed price and do not dump surpluses on other countries. USA milk contains the bovine growth hormone (BGH), a genetically modified hormone injected into cows to make them produce more milk. The BGH has been banned in Canada because of its link to serious health concerns. This milk will now come into Canada. This is a very unpopular concession with both Canadian farmers and consumers.

3. The USMCA extends data and patent protections for pharmaceuticals. This will keep drug prices higher for longer, increase profits for the pharmaceutical companies, postpone the entry into the market of generic drugs, thus making effective drugs unaffordable for many.

4. The USMCA does little to address climate change and could still leave our water vulnerable to corporate interests who want to buy and sell it. The agreement has some progressive steps such as transferring climate change from a weak and unenforceable side agreement to the main agreement as a stand-alone-chapter enforceable through the state-to-state dispute settlement process.

5. The USMCA gives the USA influence over future Canadian trade deals. There is an unusual provision that requires each member country to notify the other countries three months in advance if it intends to negotiate a free trade agreement with a ‘non-market’ country. This raises questions of sovereignty. The WTO classifies some countries, eg, China, as a ‘non-market economy’.

6. The USMCA raises Canada’s duty-free limits for online shopping but this provision doesn’t apply to Canada post deliveries. This could undermine Canada post’s parcel delivery service.

7. The USMCA still must be signed, ratified and implemented by each country, so it must be seen as a work in progress until all this happens in the coming months. As it stands, many provisions will be phased in over years. For example, there is a transition period of three years before the ISDS process comes to an end. This will surely encourage corporations to launch an increased number of claims against governments during this time, which will be processed under NAFTA rules. Furthermore, cases initiated during this 3-year period will proceed until concluded and the judgments fully enforced, even beyond the 3-year period. This seems an unnecessary and harmful concession to foreign corporate investors.

What is clear is that the USMCA is still based on a flawed trade model that protects corporate interests over people and the environment.

SOCIAL PROTEST AND CORPORATE IMPUNITY IN PERU

An international public sign-on letter has been circulating among civil society organisations July-September 2018, addressed to the Peruvian Supreme Court of Justice, the Peruvian government and mining corporations operating in Peru. It expresses solidarity with the Aymara communities of Southern Peru, who have organised to defend their natural wealth, their territory, their water and the health of their people against the various mining projects established in the region.

This is what has happened. In 2011, communities from the district of Puno protested against the Santa Ana mine, owned by Canadian mining corporation, Bear Creek. They called for the project to be cancelled, because it risked contamination of the water. They also condemned the illegality of the project because it trampled on the special rights of the indigenous people: to territory, to consultation, to identity and to autonomy. Clearly the corporation had acted in bad faith. The communities’ protest resulted in fierce repression by the Peruvian State and criminal proceedings against the main spokesperson, Walter Aduviri, who then faced 7 years in prison and a fine of 2 million Soles (approx. US$600,000, the equivalent of the minimum wage of 2500 workers in Peru).

Aduviri went into hiding; his defence counsel appealed; the Supreme Court of Justice in Peru upheld his appeal in October and has sent the case back to the region for settlement. Aduviri’s only ‘crime’ was to act as spokesperson for his indigenous people who were denied their lawful rights. His arrest demonstrates a deeply racist attitude. We know that his case is not an isolated one; it forms part of a pro-mining agenda in Peru and beyond.

Another way the Peruvian government collaborates with mining corporations is to declare ‘States of Emergency’ in mining zones. These States of Emergency suspend the most fundamental constitutional rights of the population and bring political repression, criminalisation and general stigmatisation of social organisations and communities. As in Peru, so across the continent, multinationals enter territories with the sole purpose of converting community resources into ‘financialised’ resources, leaving communities and ecosystems destroyed in their wake. Where there is resistance, the state systematically represses, imprisons and even creates the conditions for the assassination of defenders.

These facts reveal once again - and more urgently - the need to mobilise globally to put in place an internationally binding legal framework that holds transnational corporations accountable for their actions around the world, bringing to an end the impunity that keeps them and their narrow interests safe.


World military spending has now risen to over $1.2 trillion. This incredible sum represents 2.5 per cent of global GDP (gross domestic product). Even if 1 percent of it were redirected towards development, the world would be much closer to achieving the Millennium Development Goals. Ban Ki-moon.

A culture that does not grasp the vital interplay between morality and power, which mistakes management techniques for wisdom, which fails to understand that the measure of a civilization is its compassion not its speed or ability to consume, condemns itself to death. Chris Hedges, ‘Empire of Illusion’.