

The Chinese *Amigo*: Implications for the Development of Equatorial Guinea

Mario Esteban

ABSTRACT In the last five years China has dramatically increased its presence in Africa. Despite its abundant natural resources, the notoriety of its political regime and its close relationship with Beijing, Equatorial Guinea is a glaring omission in the China–Africa literature. This article intends to fulfil that gap by analysing the bilateral relationship between Beijing and Malabo at both the official and the social levels to assess its impact on the development of Equatorial Guinea. As bad governance is the main obstacle for the development of Equatorial Guinea, the article compares the role played by Chinese companies and government in reinforcing Obiang’s authoritarian regime with that played by their Western counterparts. It concludes that Chinese extractive firms play a marginal role in the financial extraversion that strongly links the Obiang regimen with US oil companies. Conversely, the Chinese government offers Obiang more extensive and stable support than Western governments to the extent that most of the undeniable developmental potential of Chinese co-operation is wasted through clientelist networks.

China is emerging in the 21st century as a global power. Beijing has growing interests in the four corners of the world and its voice sounds increasingly loud among the international community.¹ Africa is no exception to this global trend. It is one of the regions where the Chinese presence has intensified most in the last decade, looking for energy and raw material suppliers, as well as markets for its construction companies and its cheap manufactures, and diplomatic allies to heighten its prestige and international influence. Much has been written about this process and many case studies depict in detail the present relationship between China and the different African countries. Despite being “the clearest example of Sino-American competition in Africa” and one of China’s main oil and timber providers on the continent, Equatorial

1 I thank Eduardo Soler and Alicia Campos for their helpful comments and their help with finding contacts for my research. I am also indebted to all the Chinese and Equatoguinean people who kindly discussed issues with me. I thank the Spanish Ministry of Education and Science (I+D project HUM2007-60125) for supporting this research.

Guinea has not yet received the attention it deserves.² This article intends to contribute to that gap and to the general debate on China's role in the development of Africa.

However, it should be underlined that Chinese co-operation with African countries is not homogeneous and therefore its impact on the development of those countries differs too. Consequently, the case study presented here does not aim to provide a comprehensive explanation for China–Africa relations. In order to maximize China's national interest, Chinese foreign policy is very flexible to the rules of the game preferred by its interlocutor. This is the real meaning of the much-trumpeted Chinese principle of “non-interference,” interfering on the side of the ruling group.³ From this perspective, the domestic situation of the partner country greatly determines how Chinese co-operation is conducted and its contribution to the development of this country.

Teodoro Obiang Nguema took power in Equatorial Guinea in 1979 after leading a coup d'état against Francisco Macías Nguema. Obiang heads a single-party state, dominated by the Partido Democrático de Guinea Ecuatorial (PDG). This “criminal state” is consistently included in Freedom House's annual list of the most repressive regimes and was ranked 168 out of 180 countries surveyed in Transparency International's 2007 Corruption Perceptions Index.⁴ The Equatoguinean dictator enjoys such a level of arbitrariness that state radio announced in July 2003 that Obiang “is in permanent contact with The Almighty” and that he “can decide to kill without anyone calling him to account and without going to Hell.”⁵ Obiang himself even declared publicly that he felt compelled to take full control of the national treasury to prevent civil servants from engaging in corrupt practices.⁶ Hence Chinese operations in Equatorial Guinea, a country ruled by a wildly neo-patrimonial and repressive regime, are expected to present a poorer record than its operations in those African countries which have a vigorous civil society and hold regular competitive elections.

In addition to domestic pressure from the partner country, Chinese foreign policy is also responsive to international opinion, since Beijing is aware of the importance of soft power and tries to cultivate an image of a benign and responsible international actor. Unlike the case of Sudan, where strong international pressure has increased Beijing's sensitivity to the unpalatability of the regime, it is argued that the scarce international attention to Chinese activities in Equatorial Guinea makes it easy for Beijing to maintain firm support for the Obiang regime.

2 François Lafargue, “China's presence in Africa,” *China Perspectives*, No. 61 (2005), p. 5.

3 Some examples of the “non-interference” policy in Sudan and Zimbabwe can be found in Fironze Manji and Stephen Marks (eds.), *African Perspective on China in Africa* (Cape Town: Fahamu, 2007) pp. 73, 88–89.

4 Aili Piano and Arch Puddington (eds.), *The Worst of the Worst: The World's Most Repressive Societies 2008* (New York: Freedom House, 2008), pp. 39–42; *Corruption Perception Index 2007, Transparency International*, 26 September 2007.

5 Geoffrey Wood, “Business and politics in a criminal state: the case of Equatorial Guinea,” *African Affairs Security*, Vol. 103, No. 413 (2004), p. 565.

6 Ken Silverstein, “Oil boom enriches African ruler,” *Los Angeles Times*, 20 January 2003.

The importance of the China factor in the development of Equatorial Guinea is compared with the part played by Western actors on the governance of this country. This emphasis on governance is justified, since bad governance is the main obstacle for the development of Equatorial Guinea. Thanks to its hydrocarbon reserves and its small population, Equatorial Guinea enjoyed in 2006 the second highest GDP per capita in the world (\$50,200).⁷ However, because of the Obiang regime, this natural richness is not reflected in the welfare of the bulk of the Equatoguinean population, and that same year the country ranked 120 in the Human Development Report.⁸

Extraversion, gate-keeper state and rentier state theory are used as a theoretical framework to assess the share of responsibility borne by different foreign actors in the maintenance of the Obiang regime. Equatorial Guinea is a classic example of an extraverted state in which economic accumulation and political centralization are largely based on the mobilization of resources derived from dependence on the exterior environment rather than based on the intensive exploitation of those living under a particular system of political domination.⁹ Once oil deposits were discovered in Equatorial Guinea, the Obiang regime became a gate-keeper state, a necessary broker for the oil companies interested in extracting those resources.¹⁰ The massive revenues earned by the Equatoguinean regime thanks to oil exploitation turned the Obiang regime also into a rentier state, insulated from popular and political pressure and with fresh resources to enhance its clientelist networks.¹¹ This article examines the role of different foreign actors in this process of financial, political and military extraversion which reinforced Obiang's grip on power. The first section focuses on extractive industries and the second on official development co-operation. In the first section it is argued that, despite massive Chinese imports of Equatoguinean oil and timber, the contribution of Chinese oil and logging companies to the perpetuation of the Obiang regime is marginal in comparison with firms from other countries, especially with American oil companies. The second section maintains that the Chinese government is more supportive of the Obiang regime through financial, political and military extraversion than its Western counterparts, since Chinese authorities are not hostile to this kind of political regime and do not suffer pressure from domestic civil society on this issue.

Although China–Africa relations are still state-centred, civil society is becoming more important because of the increase in the number of Chinese and Africans visiting the other country. For that reason, the third section of this

7 Central Intelligence Unit, *World Factbook 2007*.

8 United Nations Development Program, Human Development Report 2006. *Beyond Scarcity: Power, Poverty and the Global Water Crisis* (New York: Palgrave Macmillan, 2006), p. 285.

9 Jean-François Bayart, *The State in Africa: The Politics of the Belly* (London: Longman, 1993), pp. 35–36.

10 On the gate-keeper state see Frederick Cooper, *Africa since 1945. The Past of the Present* (Cambridge: Cambridge University Press, 2004).

11 On the rentier state see Hazem Beblawi and Giacomo Luciani (eds.), *The Rentier State* (London: Croom Helm, 1987).

article looks at the impact of the fast mounting non-officially sanctioned Chinese presence on the population of Equatorial Guinea.

Oil and Timber Politics: The Marginal Role of Chinese Firms

Because of its rapid economic growth and the depletion of its own natural resources, China is extremely interested in the two main commodities exported by Equatorial Guinea: oil and timber. Although China is the first and second consumer of Equatoguinean oil and timber, the exploitation rights gained by Chinese companies are quite modest when compared with companies from other countries.¹²

The lion's share of Equatoguinean oil, with estimated reserves of 1.1 billion barrels and a production of about 450,000 bbl/d, is in the hands of American oil companies. ExxonMobil leads the consortium that operates Zafiro field, which contains estimated recoverable reserves of over 400 million barrels, and is Equatorial Guinea's largest oil producer with an output of 270,000 bbl/d. The other American oil companies with the highest involvement in Equatorial Guinea are Amerada Hess and Marathon Oil. Amerada Hess pumps around 100,000 bbl/d from Ceiba Okumé fields and Marathon Oil extracts between 65,000 bbl/d and 75,000 bbl/d of condensates from Alba field.¹³

The almost exclusive American control of the concessions for the exploitation of Equatoguinean hydrocarbons worried Obiang, and new partners have been chosen by Malabo to develop this industry. Chinese companies were privileged in the last rounds of concessions because close co-operation with Beijing was assumed to offer benefits to help keep Obiang in power. The Vice-Minister of Mines, Energy and Industry, Gabriel Mbega Obiang, visited China at the end of September 2005 to encourage Chinese companies to invest in the exploration of hydrocarbons in Equatorial Guinea.¹⁴ This led the following year to two agreements with China National Offshore Oil Corporation (CNOOC) and China National Petroleum Corporation (CNPC).

CNOOC signed a five-year production sharing contract for Block S with Equatorial Guinea national oil company Guinea Ecuatorial de Petróleo on 17 February 2006.¹⁵ Block S is an offshore exploration area of approximately 2,287 square kilometres with a variable depth between 30 and 1,500 metres off the south of Equatorial Guinea. According to this contract, CNOOC acts as a technical operator conducting all the technical studies, including the analysis of seismic data and the construction of oil exploration wells. The contract also

12 José M. Marín, "Guinea Ecuatorial: de la política económica a la política de hidrocarburos," *Real Instituto Elcano Working Paper*, No. 14 (2007), p. 21; and Kerstin Canby *et al.*, *Forest Products Trade between China & Africa* (Washington: Forest Trends and Global Timber, 2007), p. 10.

13 Energy Publisher, "Equatorial Guinea: energy profile," *Energy Publisher*, 3 October 2007, <http://www.energypublisher.com/article.asp?id=11370>.

14 Pascal Airault, "Lune de miel Malabo-Pékin," *Jeune Afrique*, 13 November 2005.

15 "China inks oil contract with Equatorial Guinea," *China News*, 19 February 2006.

includes clauses stipulating how to share the eventual production in the case of finding oil.

Three months later, on 15 May 2006, Santa Isabel Petroleum Company, a branch of China National Oil and Gas Exploration and Development Corporation, a subsidiary of CNPC, signed a simplified purchase agreement for Block M with Fruitex.¹⁶ The contract was approved by the government of Equatorial Guinea on 21 July. Block M is located in the Rio Muni basin, covering an area of 2,703 square kilometres. CNPC has a 70 per cent stake in Block M and is implementing the new production sharing contract as the operator. The company is normally an onshore specialist and this is the first time that it has ventured into a deep-water exploration project overseas.

The terms of the production share contracts granted to these Chinese oil companies are a long way from the exceptionally advantageous conditions offered to American companies in the early 1990s when Obiang felt more insecure in power. Neither CNOOC nor CNPC are particularly satisfied with the pace of their business in Equatorial Guinea. They complain about the unwillingness of Guinea Ecuatorial de Petr leo to state clearly the share of the costs and the benefits going to each side and point to this issue as a critical obstacle affecting their activities in the country. In fact, CNPC does not even have a tentative date for beginning the exploitation of Block M and CNOOC began to drill only at the end of 2008. These data question the overestimations presented by different authors on the presence of Chinese oil companies in Equatorial Guinea.¹⁷

Timber is the second major export of Equatorial Guinea, although it only amounts to around 2 per cent of its total export value. The concessions granted to Chinese logging companies have been relatively modest. Sijifo and Sinosa each obtained permits for 50,000 hectares, and Vicwood obtained two concession areas totalling 80,000 hectares.¹⁸ Indeed, the combined production of these Chinese companies only constitutes a small fraction, around one-ninth, of the loggings of Shimmer International, a subsidiary of the Malaysian Rimbunan Hijau and the dominant player in the forestry sector in Equatorial Guinea.¹⁹

Moreover, there is no evidence to suggest that Chinese logging companies operating in such a weak law enforcement country behave in more predatory ways than companies from other countries. American oil companies, not Chinese oil companies, are the firms with both most exploitation rights and

16 "Energetic CNPC has a global blueprint," *Shanghai Daily*, 24 January 2007; and *China National Petroleum Corporation*, <http://www.cnpc.com.cn/eng/cnpcworldwide/africa/EquatorialGuinea/> (4 March 2007).

17 See Chris Alden and Martyn Davies, "A profile of the operation of Chinese multinationals in Africa," *South African Journal of International Affairs*, Vol. 13, No. 1 (2006), p. 95; and Stephanie Kleine and Andrew Small, "China's new dictatorship diplomacy," *Foreign Affairs*, Vol. 87, No. 1 (2007/2008), p. 53.

18 Nigel Sizer and Dominiek Plouvier, *Increased Investment and Trade by Transnational Logging Companies in ACP-countries: Implications for Sustainable Forest Management and Conservation* (Brussels: WWF-Belgium, WRI, WWF-International, 2000), p. 54.

19 Forests Monitor, *Sold Down the River: The Need to Control Transnational Forestry Corporations: A European Case Study* (Cambridge: Forests Monitor, 2001), p. 44.

most advantageous exploitation terms in Equatorial Guinea. With regard to forestry, the volume of exported logs per hectare of concessions operated by Chinese firms is roughly the same than that of most other concessions, but those exploited by Shimmer International have a volume five times greater.²⁰

It was American oil companies, not Chinese, which provided Obiang with the financial resources needed to perpetuate his regime in the 1990s. The survival of African post-colonial states has been dependent on expanding revenues, both to pay for their growing functions and apparatus and to lubricate the patrimonial channels assuring their legitimacy. In the 1990s most African regimes suffered from a reduction in their revenue-gathering capacity, which weakened public institutions and reduced the scope of state functions throughout the continent. This process allowed for a greater say by the donor states in the domestic politics of African countries and has been conducive to different degrees of political liberalization.²¹ That was also the case in Equatorial Guinea.

In 1991 the Equatoguinean parliament passed a new constitution establishing a multi-party system and periodic elections and in 1995 the most democratic elections in the history of Equatorial Guinea were held. These reforms were pushed by pressure from Western donors – Spain finished most of its co-operation with the country in 1994 and Washington closed its embassy in Malabo the following year – in a context of economic weakness for the Obiang regime.²² That liberalization process was reverted once the discovery and exploitation of offshore oil deposits in Equatorial Guinea ended the financial dependence of the Obiang regime on its Western donors. Under this new scenario, Obiang began to head a gate-keeper and a rentier state with the collusion of some American oil companies.²³ Once the oil was discovered, Obiang became a necessary broker for the companies interested in the extraction of those resources. In order to secure exploitation rights companies offered support to the Obiang regime, and their actions had a detrimental effect on the governance of Equatorial Guinea. It has been proved that six American oil companies, including Marathon Oil, Exxon Mobil and Amerada Hess, maintained numerous outside business ventures and other financial relationships with Teodoro Obiang and his entourage, in addition to their oil pursuits in the country. These companies made large deposits to personal accounts belonging to Obiang, his family and top government officials in the Riggs Bank, deposits which totalled \$700 million at their peak.²⁴ For example, Exxon Mobil paid Obiang and his wife a total of \$366,000 for leases of land for its business operations; Amerada Hess paid

20 Canby *et al.*, *Forest Products Trade between China & Africa*, p. 24.

21 Crawford Young, “The end of the post-colonial state in Africa? Reflections on changing African political dynamics,” *African Affairs*, Vol. 103, No. 410 (2004), p. 41.

22 Fernando Abaga, *La Ayuda Externa en el Desarrollo de Guinea Ecuatorial* (Madrid: Los Libros de la Catarata, 1997).

23 Jędrzej George Frynas, “The oil boom in Equatorial Guinea,” *African Affairs*, Vol. 103, No. 413 (2004), pp. 527–46.

24 Terence O’Hara, “Riggs Bank agrees to guilty plea and fine,” *Washington Post*, 28 January 2005; and Timothy L. O’Brien, “At Riggs Bank, a tangled path led to scandal,” *New York Times*, 19 July 2004.

government officials and their relatives more than \$2 million for building and office leases; Marathon Oil has paid or agreed to pay Obiang more than \$2 million for land purchased to expand its business operations; and Exxon Mobil and Amerada Hess paid about \$1 million to Sonavi, a private security firm headed by Armengol Ondo Nguema, Obiang's younger brother.²⁵

These oil companies also helped Obiang win political support in the United States and Equatorial Guinea by initiatives such as sponsoring events in both countries praising Obiang and the virtues of his government. In 1998, Mobil made a \$65,000 donation to the Institute for Democratic Strategies, a Virginia-based organization established by the Obiang regime to increase its popularity abroad.²⁶ A spokesman for Marathon Oil confessed that his company contributes \$13,000 monthly to the Embassy of Equatorial Guinea in Washington.²⁷ American oil companies have also funded lobbying campaigns for Teodoro Obiang. Their biggest success so far has been the reopening of the US Embassy in Malabo, which was justified by the claimed need to protect American investments and the rising number of American oil industry employees in Equatorial Guinea.²⁸ Other achievements are the release in September 2005 of the frozen funds belonging to the leading members of the Obiang government at the Riggs Bank and the meeting between Obiang and US Secretary of State, Condoleezza Rice, in Washington on 12 April 2006, when she called him "a good friend."²⁹ Following a similar pattern the government of Spain has made some concessions to Obiang in recent years under pressure from corporations, notably the oil company Repsol-YPF.³⁰

Equally important for Obiang is the fact that Equatorial Guinea now generates over 90 per cent of its resources from the oil industry.³¹ Such financial resources release the state from popular pressure on political accountability and have been used to reinforce Obiang's grip on power through patronage, co-optation and repression.³²

The evidence presented above points to Western oil companies as the main corporate partners for the perpetuation of the Obiang regime, whereas the Chinese

25 Armengol Ondo Nguema was at that time the security chief of Equatorial Guinea and has played a leading role in human rights violations in the country.

26 Ken Silverstein, "Oil firms' rich concessions to tainted African ruler probed," *Los Angeles Times*, 18 December 2004.

27 Ken Silverstein, "Riggs turns up again," *Los Angeles Times*, 22 May 2004.

28 "US says reopened embassy in Guinea mainly to serve expats," *Agence France Presse*, 28 October 2003.

29 "EEUU desbloquea fondos de Guinea Ecuatorial embargados tras el escándalo del Riggs Bank," *Afrol News*, 23 November 2005; Alexander Smoltczyk, "Torture and poverty in Equatorial Guinea," *Der Spiegel*, 28 August 2006.

30 "El petróleo de Obiang," *El País*, 25 June 2006; "Moratinos viaja a Guinea para lograr una mejor relación bilateral," *El País*, 23 October 2006; "Teodoro Obiang llega a España para hacer negocios en medio de fuertes críticas," *El Mundo*, 14 November 2006; Mario Esteban, "Vías de acción de España ante la penetración internacional en Guinea Ecuatorial," *Memorando OPEX*, No. 33 (2007).

31 *Republic of Equatorial Guinea: Selected Issues and Statistical Appendix*, FMI, Country Report No. 06/237, June 2006.

32 Brendan McSherry, "The political economy of oil in Equatorial Guinea," *African Studies Quarterly*, Vol. 8, No. 3 (2006), pp. 23–45.

only played a side role. It is unsurprising for Beijing to hope that Chinese enterprises will gain a greater share in the exploitation of Equatoguinean natural resources, which, besides oil and timber also include underdeveloped reserves of titanium, iron ore, manganese, uranium and alluvial gold, plus great potential for industrial fishing. But the natural richness of Equatorial Guinea is not the only motivation for China's close engagement with Obiang, as the following section will show.

What is Behind Chinese Development Co-operation?

Earlier Chinese co-operation was discontinued after the coup d'état against Macias, but was re-established in 1985. Two dates mark a significant increase in bilateral co-operation: August 1996, when the first meeting of the mixed commission for economy and trade co-operation was held in Equatorial Guinea, and August 2006, when the Equatoguinean Ministry of Finance and Budget and the president of the China General Chamber of Commerce signed a co-operation agreement.³³ China committed then to build 2,000 kilometres of roads, 10,000 social houses, a hydroelectric plant with an installed power of 120 MW in Djiblo and six telecommunications centres, and to develop the electric network of Bioko Island and the mainland and the water supply network of several cities. Some facilities are already finished, such as the new Central Office of Equatoguinean Television, inaugurated on 2 January 2007 by Li Zhaoxing.³⁴ Other key projects by Chinese construction enterprises are the new headquarters of Guinea Ecuatorial de Petróleo, the Presidency building, the Parliament, the Treasury, the Ministry of Labour, the new Bata stadium, Mongomo stadium and the Vocational Formation Centre Nana Mangué.

The Equatoguinean authorities consistently praise the high value for money offered by Chinese public construction companies, as well as their speed, so the growing number of bids won by the Chinese is no surprise. After comparing the building of Malabo stadium by the French Bouygues Construction and Bata stadium by the Chinese COBEC, an Equatoguinean official even revealed to me that Malabo grants projects to European construction companies for political reasons, although the Chinese are much more competitive. In a different interview, two foreign architects hired by the Equatoguinean government to oversee quality control in different construction sites in Bioko Island agreed with that judgement, saying that Chinese construction projects offer best value for money in Equatorial Guinea. Despite all the concerns that have been raised about the transparency of the procurement of construction tenders in Africa, these findings, plus the increasing share of constructing projects financed by

33 "La cooperación China," *ASODEGUE*, 22 August 2006, <http://www.asodegue.org/agosto2206.htm> (14 February 2007).

34 "El gobierno Ecuatoguineano ha inaugurado hoy la nueva sede de la televisión de Guinea Ecuatorial construida por la empresa China Dalian," *Guinea Ecuatorial.com*, 2 January 2007, <http://espanol.guinea-equatorial.com/printfriendly.asp?docID=337> (14 February 2007).

multilateral agencies which are won by Chinese construction firms, suggest that Chinese companies are extraordinarily competitive and do not depend on political privileges to gain projects.³⁵

The nature of the Chinese co-operation with the Obiang regime has been similar to that enjoyed previously by Macias, and besides construction and infrastructure includes health, education and defence in exchange for commodities – cocoa then and oil now. For example, Beijing has sent over 20 medical teams to Equatorial Guinea in the last 35 years and Chinese doctors work at Malabo Regional Hospital and Bata Regional Hospital.³⁶ In addition, the Chinese government grants eight five-year undergraduate scholarships and four postgraduate scholarships per annum for Equatoguinean students. At the moment there are 71 recipients of these scholarships in China, most of them pursuing technical studies.³⁷ This kind of development aid through financing technical expertise lacking in Equatorial Guinea could be a valuable legacy for a future democratic government, which will benefit greatly from these infrastructures and capabilities for developing the country.

However, for the majority of the people of Equatorial Guinea, Chinese aid does not contribute to improve their living conditions. The first of the eight principles of Chinese aid for foreign countries stresses that foreign assistance must serve not only the host country but China's own development, since China is a developing country itself.³⁸ Beijing has therefore resorted to development aid to strengthen links with the Obiang regime, in order to secure supplies of oil and timber as well as to promote Chinese companies in sectors such as construction and infrastructure. In November 2006, the Export-Import Bank of China extended a \$2,000 million loan to Malabo. This credit will be repaid in oil and is to be spent mainly on Chinese products and projects contracted to Chinese companies. Thanks to this deal, Beijing gets the oil, Chinese companies and workers get the money and Equatorial Guinea gets some facilities and fancy buildings. In other words, there is no benefit to local labour and the nature of many of the Chinese projects does not fit the needs of the local population.

The growing presence of Chinese companies in Equatorial Guinea – such as China Dalian International, the China Roads and Bridges Corporation, Gezhouba, Senohydro, the Heilongjiang East Co., Huawei, Zhongxin and

35 Chuan Chen, Pi-Chu Chui *et al.*, "An empirical analysis of Chinese construction firms' entry into Africa," The Chinese Research Institute of Construction Management 2007 International Symposium on Advancement of Construction Management and Real Estate, 8–13 August 2007, Sydney, p. 458. This is not to deny that Chinese state-owned construction firms are helped by their government in ways unavailable to their foreign competitors, such as access to cheap capital through state-owned banks.

36 "La cooperación China."

37 Interview with Narciso Ntugu Abeso, Ambassador of Equatorial Guinea in China, Beijing, 9 January 2008.

38 Those eight principles were first released by Zhou Enlai during a tour to ten African countries from 13 December 1963 to 5 February 1964; see "Premier Zhou Enlai's three tours of Asian and African countries," *Ministry of Foreign Affairs of the People's Republic of China*, <http://www.fmprc.gov.cn/eng/ziliao/3602/3604/t18001.htm> (8 October 2008).

CENEC, among others – does not bring new job opportunities for the local population, but instead a stunning increase in the number of Chinese workers to over 3,000 in February 2008. Unlike those from other countries, Chinese companies, especially construction firms, bring the bulk of their labour force including non-skilled labour from their country of origin. The share of local workforce for Chinese construction firms in Equatorial Guinea is particularly low even for Chinese standards in Africa, identified by other studies as between 5 and 15 per cent.³⁹ This could be explained by a lack of local skills, as in Angola. This practice is deeply resented by the local population, who cannot “cash in” on the oil boom, and blatantly breaks the local law which stipulates that foreign nationals must not constitute over 10 per cent of employees.⁴⁰ Even when they hire locals, Chinese companies, especially construction companies, are censured for providing worse working conditions than their Western counterparts, such as lower salaries, longer working hours and no skill development.

Chinese firms also import massive amounts of materials, equipment and technology to develop their construction and infrastructure projects. However, unlike in other African countries, there is only negligible Equatoguinean production of these items and so Chinese imports do not compete with local providers. Hence little concern is raised about this, in contrast to the controversy about labour.

Besides providing few working opportunities and skill transfers to the local population or business opportunities to local companies, Chinese co-operation does not always enhance the living conditions of the Equatoguinean people. Concepts like ethical or socially responsible investment, not to mention social investment, are absent. Beijing lends the money but does not care about how it is spent, as long as it is repaid in petrol. The Equatoguinean authorities, for their part, are generally more concerned about grabbing their portion of the pie and showing off than about improving the standard of living of the population. Neither education nor health is a priority for the regime. No wonder the Human Development Index ranks Equatorial Guinea 159 according to life expectancy at birth and 137 according to education enrolment ratio.⁴¹ Even the Minister of Education shares this diagnosis and is always complaining about the low profile of his portfolio. This priority order is also reflected in many of the projects carried out by Chinese construction firms, particularly in Malabo II, which is conceived as a showcase for the development of the country. Most of the Equatoguinean people do not enjoy basic services such as running water, electricity and rubbish clearance, but modern stadiums, beach boulevards and multi-storey buildings are being constructed around the country. The destination of Chinese oil-backed credits shows the same pattern. Unlike their

39 Lucy Corkin, Christopher Burke *et al.*, *China's Interest and Activity in Africa's Construction and Infrastructure Sectors* (Stellenbosch: Centre for Chinese Studies, 2006), p. 69.

40 Cokenve, “Los extranjeros en Guinea crecen demasiado y controlan ya el país,” *Guinea Ecuatorial.net*, 26 March 2007, <http://www.guinea-ecuatorial.net/ms/main.asp?cd=ni5207> (5 May September 2007).

41 United Nations Development Program, *Human Development Index 2007/2008*, http://hdrstats.undp.org/countries/country_fact_sheets/cty_fs_GNQ.html.

Angolese counterparts, the Equatoguinean authorities have not spent part of the Chinese loans on the health sector.⁴²

Moreover, due to the repressive and nepotistic character of the Obiang regime, some of the potential benefits of the Chinese co-operation are turned not only into private gains for the authorities, but also into human tragedies for the common population. For example, Chinese construction companies have obtained licences to build 10,000 houses in Equatorial Guinea. According to the official media, these are social houses funded by the government to be offered at subsidized prices to the common people.⁴³ However, they are in fact luxury houses being distributed among cronies of the Obiang regime or sold to affluent buyers.⁴⁴ Moreover, these housing projects are part of a wider urban regeneration programme being developed in areas previously cleared by forced evictions. During those evictions, which have already affected over 1,000 families, intimidation and the use of physical violence are frequent and no proper compensation, resettlement or legal redress have been provided for the displaced families.⁴⁵

Chinese authorities only show concern about corruption when it affects China. When the level of corruption suffered by Chinese actors makes their operations unprofitable or unsustainable, China has the incentive and the will to promote anti-corruption measures, as in Zimbabwe. However, when corruption helps the promotion of Chinese interests at a reasonable cost, Chinese officials are willing to use it in their competition with democracies, as in Equatorial Guinea.⁴⁶ Chinese aid in this country is often channelled through murky means such as the PDG party machinery instead of the government. For example, administration of the scholarships to study in China passed in 2005 from the Chinese embassy to the PDG. Obiang's party shares the grants among supporters or sells them to the highest bidders.⁴⁷ In addition, the first lady also has private economic links with China. She has led several commercial missions of Equatoguinean women to China, owns a number of shops which sell Chinese products in different parts of the country, possesses a construction enterprise,

42 Lucy Corkin, "China's interest in Angola's construction and infrastructure sectors," in Dorothy-Grace Guerrero and Fironze Manji (eds.), *China's New Role in Africa and the South* (Cape Town: Fahamu, 2007), p. 162.

43 "El populoso barrio de Campo Yaundé de Malabo contará de aquí al año 2009 de modernísimos edificios para 400 viviendas sociales," *Guinea Ecuatorial.com*, 1 February 2007, <http://espanol.guinea-equatorial.com/news.asp?docID=338> (20 September 2007).

44 "Comunicado tras la reunión del consejo nacional de CPDS," *Convergencia Social para la Democracia*, 29 June 2007, http://www.cpbs-gq.org/comunicados2007/noticia070729.html#adjudicacion_viviendas (20 September 2007); "Hojas informativas: Malabo 2," *ASODEGUE*, 8 June 2006, <http://www.asodegue.org/junio0806.htm> (20 September 2007).

45 "Guinea Ecuatorial los desalojos forzosos violan los Derechos Humanos," *Amnesty International*, 1 June 2007, <http://web.amnesty.org/library/Index/ESLAFR240092007?open&of=ESL-2AF> (20 September 2007); and "Guinea Ecuatorial: 300 familias desalojadas y sin techo," *Amnesty International*, 23 August 2007, <http://web.amnesty.org/library/Index/ESLAFR240062006?open&of=ESL-2F2> (20 September 2007).

46 In this context, Chinese officials have described Western governments' reticence to engage in corrupt practices to promote their interests as "a weakness which can be exploited by China."

47 This was confirmed by different former recipients of the scholarship.

ABC, which employs many Chinese workers, and owns a private clinic in Malabo staffed by Chinese doctors.

Moreover, unlike Western governments, China explicitly gives aid to the PDG through the International Liaison Department of the CCP and its embassy in Malabo. Since its foundation in 1989 the PDG has received Chinese aid regularly, and especially before elections. This assistance consists of items such as computers, printers, motorcycles, stationery and even the press used to print *La Voz del Pueblo*, the official newspaper of the PDG. Most of the Chinese aid to the PDG is openly exposed by the authorities as proof of their international prestige, although, paradoxically, the 1991 Party Law prevents Equatoguinean parties from receiving any foreign contribution. Beijing also blatantly helps Obiang to improve his tools of social control in other ways. All the Equatoguinean media are state owned with the aim of reinforcing state control over society, and China assists the regime to maintain this control by training local journalists both locally and in China.⁴⁸ It also provides heavy weapons and training to the Equatoguinean army, sending instructors to the Musola military academy, whose premises are also being enhanced by China Dalian.

This kind of collaboration clearly alters the balance of power between state and society in Equatorial Guinea. Equatoguinean civil society knows it cannot rely on China. For example, opposition parties are never invited by the Chinese embassy to attend the China National Day party, not even *Convergencia para la Democracia Social* (CPDS) a social democrat opposition party and the only one, besides the PDG, which holds seats in parliament. When grave human rights violations occur in Equatorial Guinea, opposition parties send letters to all foreign legations denouncing them. The embassies of all major powers except China reply to these letters. Obiang values this open support with its implication of Chinese backing should the human rights situation in Equatorial Guinea reaches the United Nations Security Council. If the time comes, Obiang expects the Chinese delegation to shield him from United Nations sanctions just as it did with his good friend Robert Mugabe in July 2008. Even the common people of Equatorial Guinea are aware of these privileged political links between Obiang and Beijing and it is frequent to hear comments like “Obiang uses Chinese witchcraft to keep in power” and “Obiang goes to China to renew his powers.”

It is true that Beijing is not unique in placing national interest in front of human rights when dealing with Malabo.⁴⁹ Besides the examples at the end of the previous section, there are other well-documented concessions made to the Obiang regime by the main Western partners of Equatorial Guinea – the United States, Spain and France – in order to promote their interests in the

48 This was confirmed by an official of the Ministry of Information, Culture and Tourism in Malabo in February 2008.

49 For a crude contraposition between an irresponsible China and a modelic West in Africa see Princeton N. Lyman, J. Stephen Morrison *et al.*, *More Than Humanism: A Strategic US Approach Toward Africa* (New York: Council of Foreign Relations, 2006) <http://www.cfr.org/publication/9302> (20 December 2007).

country.⁵⁰ In this light, censoring China's human rights stance whilst selectively ignoring continued Western support for assorted dictators and corrupt regimes across Africa lacks coherence.⁵¹ But equating Western and Chinese official co-operation with Malabo would be inaccurate. Obiang himself is quite aware of the differences and has commented on them openly. Western countries increasingly link their co-operation projects in the developing world to good governance and anticorruption initiatives. This is an obvious obstacle to collaboration between them and Malabo, and makes Obiang regard them as inconvenient partners for their "demands, such as democracy, human rights, transparency, and globalization ... which could not be fulfilled by the developing countries."⁵² At the same time he has consistently praised Chinese co-operation for "lacking any political interference and any diplomatic compensation" and he even labelled China "the main partner for developing together Equatorial Guinea."⁵³ The Equatoguinean political opposition also notice the differences between Western and Chinese co-operation with Malabo: both CPDS and Acción Popular de Guinea Ecuatorial denounce Beijing's political and material support for the Obiang regime as an obstacle for democracy and good governance in their country.

In countries like the United States and Spain, making diplomatic concessions to and engaging in business with such a repressive and corrupt regime as that headed by Obiang badly affect the popularity of the authorities. This greatly reduces the scope for bilateral co-operation and explains the low profile given by the Bush and the Zapatero administrations to their relationships with Malabo. For example, when President Bush had breakfast with Obiang in 2002 the White House refused to release any photograph of the meeting.⁵⁴ Contrary to normal practices at this kind of event, the US Department of State made no official comments on the reopening of the US embassy in Malabo in order to avoid any focus on the issue.⁵⁵ Along the same lines, Madrid only conferred a working visit status to Obiang's last visit to Spain in November 2006 and prevented him from addressing the media.⁵⁶ Even more embarrassing for both Moncloa and Obiang was the veto imposed by Spain's lower house over a scheduled visit of the Equatoguinean president to its headquarters for signing its Honoured Guests' Book.⁵⁷ Popular pressure

50 Nicholas Shaxson, *Poisoned Wells: The Dirty Politics of African Oil* (London: Palgrave, 2007); Edward Burke, "Obiang y los límites del realismo energético," *Foreign Policy Edición Española*, No. 28 (2008) <http://www.fp-es.org/obiang-y-los-limites-del-realismo-energetico> (11 August 2008).

51 Shaun Breslin and Ian Taylor, "Explaining the rise of 'human rights' in analysis of Sino-African relations," *Review of African Political Economy*, Vol. 29, No. 1 (2008), pp. 53, 68–69.

52 "Obiang Nguema destaca que China coopera con África sin condiciones y sin exigir respeto a los Derechos Humanos," *Libertad Digital*, 5 November 2006.

53 François Soudan, "Le mystérieux M. Obiang," *Jeune Afrique*, 8 October 2006; Pascal Airault, "Lune de miel Malabo-Pékin," *Jeune Afrique*, 13 November 2005.

54 Alexander Smoltczyk, "Torture and poverty in Equatorial Guinea," *Der Spiegel*, 28 August 2006.

55 "US reopens embassy in Equatorial Guinea," *Afrol News*, 16 October 2003.

56 Peru Egurbide, "El gobierno otorga un perfil bajo a la visita del presidente de Guinea," *El País*, 15 November 2006.

57 Luis Ayllon, "El «veto» del congreso a Obiang deriva en otro patinazo del gobierno en política exterior," *ABC*, 16 November 2006.

in Spain against Obiang mounted after the 4 May 2008 farce elections, and both King Juan Carlos I and President Zapatero refused to meet him during his planned visit to the International Expo Zaragoza 2008. As a consequence the Equatoguinean president decided to cancel his visit to Spain.⁵⁸

Besides restrictions imposed by civil society on Western governments, Western governments also impose strict regulations on local companies in their dealings with authoritarian and corrupt regimes. For instance, under the Foreign Corrupt Practices Act, American companies can do business with government officials but are not allowed to provide anything of value to anyone who can misuse a position of power to help them obtain or retain business. Under this regulation, six American oil companies were investigated by the Securities and Exchange Commission for their business ties with the Obiang regime.⁵⁹ In addition, the Riggs Bank paid the largest-ever money-laundering fine, \$16 million, under the Bank Secrecy Act to end a criminal probe into allegations of money laundering in their transactions with Equatoguinean officials and former Chilean dictator Augusto Pinochet.⁶⁰ This case was a huge embarrassment not only for the American companies implicated but also for Obiang, since the US Senate report provided a strikingly accurate view of his patrimonial practices. In contrast, Beijing neither punishes Chinese companies for that kind of behaviour nor makes public the details of their transactions with foreign governments. This is one of the reasons Obiang prefers to do business with Beijing.

In addition, Obiang cannot count on the help of Western countries like Spain and the United States, where civil society is mobilized against his regime, to reinforce his mechanisms of social control in the same way he can count on China. For example, both the Clinton and the George W. Bush administrations put many obstacles in the way of the operations in Equatorial Guinea of Military Professional Resources Incorporated, an American private military contractor.⁶¹ In 1998 this company applied for a licence from the State Department to work in Equatorial Guinea, but the request was rejected because of Equatorial Guinea's history of human rights violations. Four years later the company submitted a proposal to revamp the armed and police forces of Equatorial Guinea, but was granted a licence by the State Department in May 2002 to train only the coast guard for fear that US-trained forces would be used against government opponents.

Even when these democratic governments agree to enhance their co-operation with the Obiang regime, this co-operation is unstable, since, unlike in China, this kind of engagement with repressive regimes is politically contentious. This point

58 Miguel González, "Obiang suspende su visita a España tras no darle cita el Rey ni Zapatero," *El País*, 22 July 2008.

59 Ken Silverstein, "Oil firms' rich concessions to tainted African ruler probed," *Washington Post*, 18 December 2004.

60 O'Hara, "Riggs Bank agrees to guilty plea and fine."

61 Sunday Dare, "The curious bonds of oil diplomacy," *Public Integrity*, 6 November 2002. <http://projects.publicintegrity.org/bow/report.aspx?aid=151> (5 August 2008).

is illustrated by the Bush administration decisions to begin a military training programme in Equatorial Guinea and to allow the US Agency for International Development to develop activities in the country in 2006. Those decisions were actively opposed by some American politicians. One of the most vocal detractors was Joe Biden, then chairman of the US Senate Committee on Foreign Relations, who addressed a complaining letter to George W. Bush on 19 May 2006 asking him to revoke the two measures.⁶² Once a new administration takes office the continuity of these measures will be strongly compromised. Obiang compares negatively these ups and downs to the solid support provided to the Equatoguinean authorities by China since the establishment of diplomatic relations on 15 October 1970: “China is a friend of Equatorial Guinea since the independence, before the oil, when there were many difficulties. True friends are identified under those circumstances. Before the oil, China had fulfilled many accomplishments in our country and now is also committed to its development after the oil. China never changed its attitude.”⁶³

Moreover, Obiang is aware that, unlike China, which is a solid ally of his regime, his main Western partners would like to see a different political regime established in Equatorial Guinea. Although this kind of African repressive regime can enjoy beneficial working relations with Western governments, thanks to the use of trickery, the authoritarian elites are aware of Western hostility and fear potential intervention in support of their political opponents.⁶⁴ Obiang’s concerns materialized in March 2004 when a coup d’état attempt carried out by mercenaries and mainly organized by British based financiers was aborted.⁶⁵ The plotters planned to proclaim Severo Moto, a political exile in Spain who heads a self-proclaimed government-in-exile, as the new president of Equatorial Guinea. Severo Moto was very close to then Spanish President Jose Maria Aznar and several of the main actors of the plot have signalled the involvement of the American, Spanish and British governments.⁶⁶ Obiang himself and high-ranking officials of his government have openly accused Washington, Madrid and London of supporting the coup plot.⁶⁷

In conclusion, the Obiang regime engages in economic (massive loans, debt releases, presence of public enterprises) political (material support for the PDG, reinforcement of mechanism of social control, international visibility), and

62 The full text of this letter can be accessed in <http://allafrica.com/stories/200605190861.html>.

63 *Libertad Digital*, 5 November 2006.

64 Jean-François Bayart, “Africa in the world: a history of extraversion,” *African Affairs*, Vol. 99, No. 395 (2000), p. 259.

65 The best account of this failed coup can be found in Adam Roberts, *The Wonga Coup: Guns, Thugs and a Ruthless Determination to Create Mayhem in an Oil-Rich Corner of Africa* (London: Profile Books, 2006).

66 David Leigh *et al.*, “Pentagon link to Guinea coup plot,” *The Guardian*, 27 September 2004; Will Ross, “Mann signs in in Equatorial Guinea coup trial,” *BBC News*, 7 July 2008.

67 Fiona Govan, “Britain ‘knew about Simon Mann coup plot’,” *Daily Telegraph*, 17 June 2008; Luis Ayllon, “Guinea acusa a España en la ONU de apoyar el golpe de Estado contra Obiang,” *ABC*, 24 September 2004; “Obiang: ‘el espionaje español conocía el intento de golpe’,” *La Razón*, 22 July 2004.

military (training and weapons sales) extraversion practices with the Chinese government to a greater extent than with Western governments. In other words, the economic, political and military co-operation provided by the Chinese government to the Obiang regime is greater than that granted by the Western governments and therefore more critical for the maintenance of the current regime. Local political actors, both the incumbent authorities and the opposition, are aware of this situation and therefore the former are particularly favourable to Chinese co-operation, whereas the latter are particularly disapproving.

Non-Officially Endorsed Immigration

In the first 35 years of the history of Equatorial Guinea, only a handful of Chinese settled in the country. In sharp contrast, between 2,000 and 4,000 Chinese citizens have migrated to Equatorial Guinea in the last two years, putting the issue of Chinese immigration in the forefront of local politics.⁶⁸ It is not unusual to find Equatoguinean people who think this is a “silent invasion” sponsored by the Chinese government to alleviate China’s overpopulation problem. Many locals fear that, as Equatorial Guinea is such a small and scarcely populated country, a sustained flow of Chinese immigrants could lead to a substantial change in its demographic composition.

This immigration boom has been assisted by Equatorial Guinea’s lax immigration policy towards China and by the growing bilateral official co-operation.⁶⁹ Increasing official co-operation has meant, first, that Chinese multinational construction companies and their employees demand products and services in the local market, offering business opportunities which are easily taken by Chinese nationals. And second, many Chinese immigrants arrive in Equatorial Guinea with the Chinese multinationals and then encourage relatives and friends to migrate as well.

Taken together, the employees of the Chinese multinationals and the Chinese immigrants total well over 5,000 Chinese people in Equatorial Guinea. This makes the Chinese community the second most numerous among non-African communities in the country. Only the Americans are more abundant, but their interaction with the locals is lower, since their economic presence is concentrated in the hydrocarbons sector and they live in private compounds far from Equatoguinean towns. Unlike the Americans, the Chinese immigrants live among the Equatoguinean people and have constant economic interaction with them in different ways, such as providing products and services for them, working for them, renting business premises and accommodation from them, employing

68 These figures are based on the estimations made by the Home Office of Equatorial Guinea and the Chinese embassy in Malabo. None of them has accurate data on the number of Chinese immigrants established in Equatorial Guinea, but both sources make similar approximations.

69 It must be also taken into account that this Chinese immigration wave has taken place within a broader immigration flow towards Equatorial Guinea, triggered by the discovery and exploitation of its hydrocarbon reserves.

them, and so on. This makes it especially relevant to study the relationship between the Chinese immigrants and the local population.⁷⁰

The health sector is probably the area of highest interaction between Chinese immigrants and the locals. Almost every Equatoguinean family has received the services of a Chinese doctor either through official co-operation in public hospitals or in private Chinese clinics. The latter have mushroomed in recent years, since many Chinese immigrants have taken advantage of both the lamentable situation of the national health system and the excellent reputation enjoyed by Chinese doctors in Equatorial Guinea. The chronic lack of doctors, exceptionally after regular office hours and at affordable prices, has provided a breeding ground for the 24-hour Chinese clinics and their flexible pricing policy.

Unfortunately, however, most of the dozens of Chinese clinics opened in the last few years do not keep to the same standards as their predecessors. Their most frequent deficiencies are unqualified staff and an inability to communicate with the locals, as well as the usual cases of over-prescription, since the drugs are sold by the clinics.⁷¹ Moreover, some Chinese clinics perform illegal abortions in deplorable conditions which have led to the death of several women. The health authorities of Equatorial Guinea are aware of this situation but they lack the determination to face it, because of the close links between the Chinese government and Obiang. In words of the Minister of Health: "The issue of the Chinese clinics must be touched with gloves, with white gloves."⁷²

Some rumours are also circulating about Chinese convict labour. Part of the local population thinks that Chinese public companies in Bioko Island are staffed by particularly dangerous criminals who have been assigned there to stop them escaping. This spreading of negative stereotypes about the Chinese community is encouraged by two factors: the lack of interaction between the Chinese workers in Chinese multinational companies and the Equatoguineans, and the language barrier that hinders communication.

In contrast, the flood of Chinese products and the opening of numerous Chinese shops – mainly devoted to clothes, toys, furniture, kitchen supplies, ironmongery, stationery, photocopying, repairing household appliances and photography – has not generated as much concern as in other African countries. The Equatoguinean people have generally accepted this Chinese penetration of the informal sector better than their neighbours. There are three factors which explain this. First, there is no local industry to be stifled by Chinese goods. Second, a significant share of the informal trade of Equatorial Guinea was already in the hands of foreigners, mainly Nigerians, Cameroonians, Malians,

70 There are no surveys to analyse the views of the Equatoguinean people on the Chinese presence in their country, so most of the evidence employed in this section is extracted from the interviews I conducted during field research in Equatorial Guinea and also in Spain.

71 All these deficiencies were confirmed by my visits to many of these clinics and interviews with their staff and customers.

72 This was revealed to me in January 2008 by one of the high ranking officials who attended the closed meeting where the minister made this statement.

Senegalese and Lebanese. Third, many of the Equatoguineans engaged in informal trade deal with European products. In other words, as the chairman of the most important Equatoguinean logistics company explained: “The biggest losers of the rising Chinese trade in Equatorial Guinea are merchants from other central African countries, whose goods could not compete in price with the Chinese and in quality with the Europeans.”⁷³

Indeed, most Equatoguinean people have a very positive view of Chinese shops as they have made affordable many articles that were beyond their budget before. Although they know that Chinese products may not match the quality of those imported from other countries, they care more about their very low price and about enjoying the pleasure of buying. More well-off Equatoguineans do not fancy Chinese products that much. In addition, the fact that, besides the Chinese, there are also Equatoguinean traders in the local market selling merchandise that they have previously bought in China is a sign of the acceptance of Chinese products.

Nevertheless, there is still some friction between Chinese immigrants and locals engaged in the informal sector. This tension arises among locals involved in the sectors where the Chinese are becoming predominant, such as photocopying, photography and furniture, or displaced from their premises by Chinese willing to pay higher rents. One of the local merchants displaced in Bata by Chinese businesses bitterly expressed his despair: “It is so frustrating. I cannot even hit them, because, unlike us, the Chinese are extremely calm.”⁷⁴ Equatoguinean businessmen also recurrently protest that, unlike other foreigners, the Chinese do not spend money in their shops but only in the Chinese businesses. These views cast doubt on the idea that Chinese expatriates have a better reputation in Africa and contribute more to African development since they accept harder living conditions than Western expatriates.⁷⁵

This does not mean that all the local entrepreneurs have a negative image of the Chinese presence in their country. On the contrary, many Equatoguinean businessmen actively profit from it. For example the Equatoguinean landlords are delighted with their Chinese tenants, since they not only pay higher rents but also pay in advance and regularly. Some Equatoguinean entrepreneurs employ Chinese labour with very positive results in different activities such as agriculture, construction and health care. On the other hand, the arrival of Chinese immigrants to fill non-skilled positions is especially criticized by the less privileged sectors of the Equatoguinean society, who wonder what kind of job is left for them.

At the moment, there are over 100 Chinese farmers working for Equatoguinean landowners in Bioko Island and continental Equatorial Guinea. Most of them live in quite poor conditions in the middle of the jungle and get

73 Malabo, February 2008.

74 Bata, February, 2008.

75 Barry Sautman and Yan Hairong, “Friends and interests: China’s distinctive links with Africa,” in Guerrero and Manji, *China’s New Role in Africa and the South*, pp. 106–08.

very little pay or no salary at all, just a share of the harvest. Instead of selling their share of the harvest in the local markets, most Chinese farmers sell it to the Chinese companies which provide food for their own workers. By doing this they get a decent income and are able to save. This recent phenomenon is expected to increase in the short term, since the activity of Chinese companies in Equatorial Guinea is growing and all the Equatoguinean landowners and the Chinese farmers I interviewed were satisfied with the situation. As one landowner who has three Chinese farmers working for him said: "If I could have seven or eight Chinese farmers more working for me I could live like a mandarin."⁷⁶ Many of them already have plans to hire more Chinese, and many Chinese farmers have plans to bring relatives or friends to work with them in Equatorial Guinea.

On the other hand, Chinese businesses offer very few job opportunities to locals. Apart from Chinese compatriots, they tend to employ people from other central African countries who demand lower salaries. Chinese clinics are one exception to this pattern, since they prefer to hire locals who can communicate with their patients.

To sum up, apart from the Chinese multinationals and immigrants, the local politically and economically privileged classes are the main beneficiaries of the growing Chinese presence in Equatorial Guinea. Most of the local population has mixed feelings towards the Chinese, and a small group of informal businessmen and the main opposition parties are strongly critical of Chinese immigration and Chinese official co-operation respectively.

Conclusions

With regard to the balance between its resources and its population, Equatorial Guinea is more like an Arab emirate than a sub-Saharan country. Obiang's corrupt and repressive regime is to blame for the gap between the natural richness of the country and the poverty suffered by the population. When assessing the influence of China in the development of Equatorial Guinea, the role of Chinese enterprises and authorities in the governance of this country must be highlighted.

Chinese firms only play a marginal role in the financial extraversion that strongly links the Obiang regimen with American oil companies. With regard to the Chinese government, although it is not the only partner that facilitates the perpetuation of the Obiang regime, Beijing offers Obiang more extensive and stable support than Western governments, which are checked by civil society and democratic institutions in their dealings with non-democratic and corrupt regimes. Under these circumstances, most of the undeniable developmental potential of Chinese co-operation is wasted through the clientelist networks that support the Obiang regime. This trend is likely to continue in the future, because Chinese operations in Equatorial Guinea are not under scrutiny from Chinese, Equatoguinean or international civil society.

76 Malabo, February 2008.