

BRIEFINGS

MALAWI/TAIWAN/CHINA

WHAT THE DOCTOR ORDERED

The corruption trial of Malawi's former President **Bakili Muluzi** at the Blantyre High Court exposes the lack of transparency and good governance in Taiwan's aid to African countries. Bakili Muluzi, 69, stands accused of misappropriating US\$12 million in aid from international donors. Part of that sum, according to Malawi's Anti-Corruption Bureau (ACB), originates from the Taiwanese government; the rest came mainly from Libya and Morocco. Muluzi, a Muslim, maintained a tight relationship with Colonel **Moammar el Gadaffi**, who is also said to have given him more than \$200,000. Justice **MacLean Kamwambe** adjourned the trial on 17 March, due to concern about Muluzi's health, and it is slated to resume in May. Muluzi's defence team is now challenging the implementation of the *Corrupt Practices Act*, claiming that it is being applied retroactively.

The biggest difference between Malawi's current President, **Bingu wa Mutharika**, and his predecessor in diplomatic terms is loyalty to China. During his ten years and two terms as President (1994-2004), Muluzi cultivated ties with Taiwan, and it was only after Mutharika's election that China took precedence, rapidly becoming Malawi's biggest foreign investor.

Even when China was gaining ground in Africa in the late 1990s, Muluzi lobbied for Taiwan's representatives to be allowed to attend world summits. In 2002, he told the World Summit on Sustainable Development in Johannesburg that Taiwan deserved international recognition. Muluzi continued the policies of Malawi's first President, **Hastings Kamuzu Banda**, a medical doctor who refused to recognise China's communist regime. Muluzi's relationship with Taiwan went beyond diplomacy. In 1999, a Taiwanese university awarded him an honorary doctorate degree; since then, Muluzi prefers to be addressed as 'Doctor'.

Soon after President Mutharika took power in 2004, his government made overtures to China. To dissuade him from that course, the Taipei government invited the new President and members of his cabinet to Taiwan. Upon his return, Mutharika told journalists that Taiwan had given Malawi money, and he was showing it: 'But if some were also given such money whenever they visited Taiwan, ask them where the money was going. With me I have made my declaration.'

ACB Director **Alexius Nampota** says that under Muluzi the diplomatic dividends were diverted from development projects into personal bank accounts. Former Ambassador to **Japan John Chikago** is a witness for the prosecution. He turned state's evidence after the ACB accused him of advising Muluzi to misappropriate funds. In 2008, Muluzi's lawyer, **Fahad Assani**, argued that the funds concerned were not public, but were privately raised for an electoral campaign. He added that some of the money had been given by Muluzi to Mutharika.

Despite Muluzi's support and endorsement, Mutharika was one of the first to accuse his predecessor. After trying to change the constitution in 2002 so that he could stand for a third term in office, Muluzi stood down. He had, however, planned to allow Mutharika only a term, so that he could return in the 2009 elections. In 2008, only a few days after Muluzi had declared his candidacy, the ACB announced he would be tried for corruption.

Diplomatic relations with Taiwan ended in 2007. Mutharika later demanded that Taiwanese officials testify against Muluzi. After they refused, all Taiwanese were told to leave the country. Libyan officials were also asked to testify. They also refused – and closed their embassy. In 2008, Muluzi asked Taipei for campaign funds, although opponents say he had met Chinese officials earlier in secret. Neither government gave him anything. ●

ZAMBIA/CHINA

ONE LAW FOR ZAMBIANS, ANOTHER FOR CHINESE

Michael Sata of the opposition Patriotic Front says: 'Under Rupiah, there are two laws: one for Chinese and one for other investors.' He was reacting to news that Zambia's Director of Public Prosecution had dropped the charges of attempted murder against **Xiao Lishan** and **Wu Jihua**. They are the Chinese managers who on 15 October 2010 shot and injured 13 miners protesting about working conditions at the Collum Coal Mine in Sinazongwe, southern Zambia (AAC Vol 3 No 12). The dropping of the case along with more strikes on the restive Copperbelt is raising tensions ahead of national elections due later this year. The governing Movement for Multiparty Democracy (MMD) has only weak support in Southern Province and the Copperbelt.

Civil society groups, opposition parties, the mining unions and the Zambian branch of Transparency International all denounced the decision and the buying of the silence of the witnesses. They claim there was enough evidence for a successful criminal prosecution and warn the move will damage confidence in Zambia's judicial system and confirm popular perceptions that Chinese investors are above the law.

The decision follows January's agreement by the Chinese owners of Collum Mine of a compensation package of 375 million kwacha (US\$79,000) for the victims; those miners with the most serious injuries will receive 45 mn. kwacha. The charges could have led to 15 years in gaol for Xiao Lishan and Wu Jihua but were dropped due to lack of witnesses, according to sources close to the case. The two were arrested in January after failing to appear in court and then released.

Four days after the government dropped the charges, **Li Qiangmin**, China's Ambassador to Zambia, declared at the MMD National Convention that the Communist Party of China was happy with growth of democracy within the MMD. According to sources within the ruling party, the CPC has offered to produce all the MMD *chitenge* (fabric) for the 2011 polls 'free of charge'.

Both the Patriotic Front and the United Party for National Development found the *nolle prosequi* unsurprising since they consider that President Rupiah Banda's MMD is too cosy with China. The UPND, the strongest party in the south and which last month pulled out of its troubled alliance with PF for the 2011 polls, will exploit the issue with demonstrations against the MMD.

Sinazongwe's local chief says that Chinese 'power' can only be stopped by government. 'Even if the Chinese murdered everyone, the locals remaining will still go back to the Chinese,' because there are no other jobs in the area. 'The problem is that while Western mine investors create direct relationships with communities in which they operate, Chinese [investors] want to have a direct relationship with State House,' an investment analyst in Lusaka told *Africa-Asia Confidential*. Whenever a problem about wages or working conditions arises, it is quickly hushed up. Southern Province Minister **Elijah Muchima** brokered wage talks at Collum in December 2010 but workers say they still lack simple safety gear like protective footwear. Collum had been open for seven years, but none of the miners even had employment contracts. Locals complained in February that the mine dumps effluent in the Sikalamba River.

The unrest is spreading. More than a dozen workers who damaged property at China Nonferrous Metals Africa's Chambishi Mine in February during a pay dispute were sacked and face charges for the damage and for riotous behaviour. Elsewhere, more than 600 workers at the Chambishi Copper Smelter, owned by China Nonferrous Metals and the Yunnan Copper Group, went on strike on 25 March. They were back at work on 5 April after the management promised wage-increases and a re-evaluation of its policies. Yet another Chinese mining company may be operating soon in Zambia, if Minmetals Resources' \$6.5 billion unsolicited bid for Canada's Equinox Minerals is approved. ●