

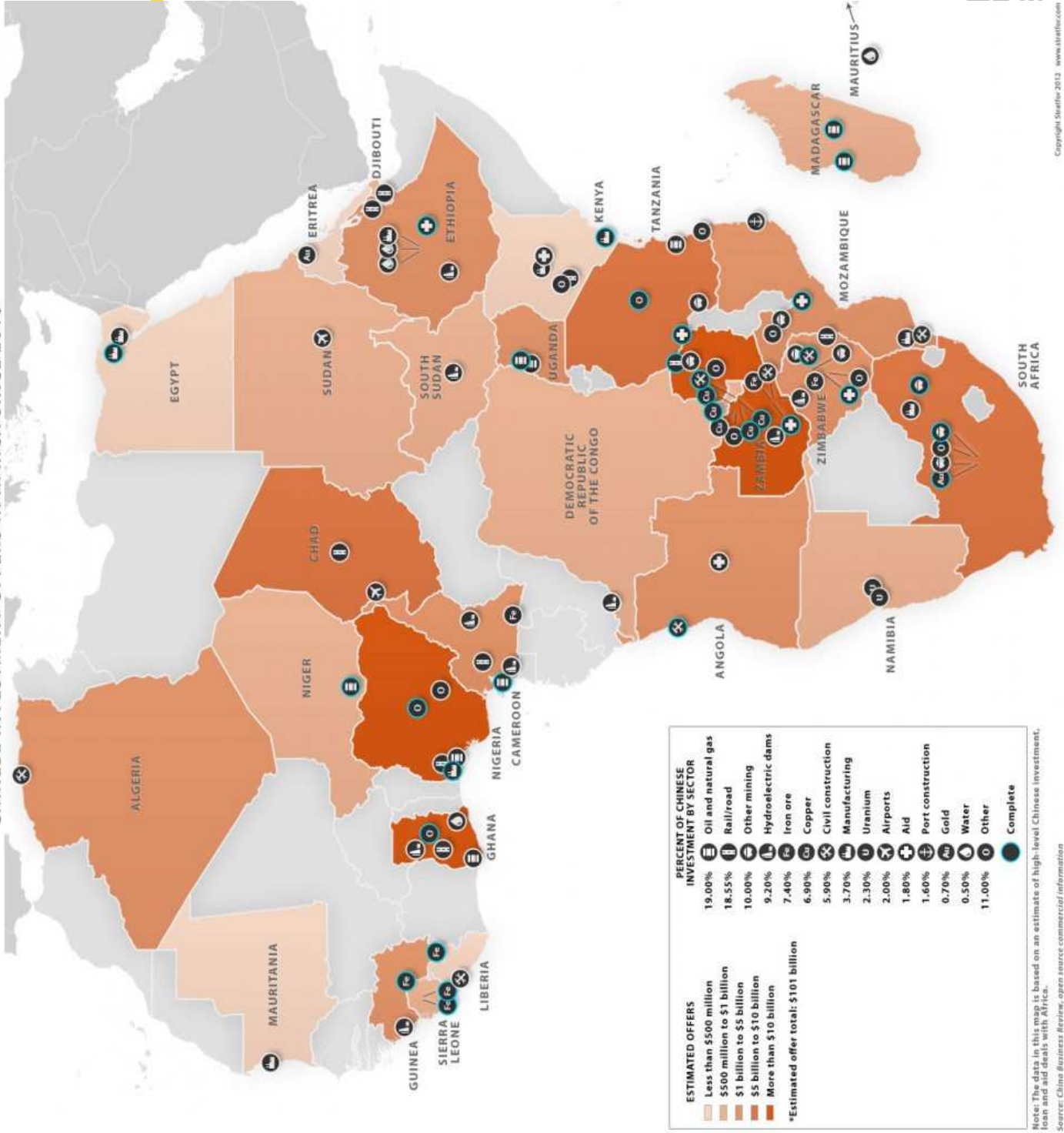
*Ethics Institute
of South Africa*

Africans' Perceptions of Chinese Business in Africa

Prof Deon Rossouw
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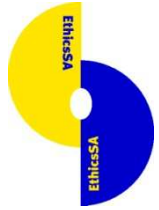
CHINESE INVESTMENT OFFERS IN AFRICA SINCE 2010



ESTIMATED OFFERS	
Lightest orange	Less than \$500 million
Light orange	\$500 million to \$1 billion
Medium orange	\$1 billion to \$5 billion
Dark orange	\$5 billion to \$10 billion
Darkest orange	More than \$10 billion
*Estimated offer total: \$101 billion	

PERCENT OF CHINESE INVESTMENT BY SECTOR	
Flame icon	19.00% Oil and natural gas
Train icon	18.55% Rail/road
Pickaxe icon	10.00% Other mining
Dam icon	9.20% Hydroelectric dams
Fe icon	7.40% Iron ore
Cu icon	6.90% Copper
Hammer icon	5.90% Civil construction
Factory icon	3.70% Manufacturing
U icon	2.30% Uranium
Plane icon	2.00% Airports
Dollar icon	1.80% Aid
Ship icon	1.60% Port construction
Au icon	0.70% Gold
Water drop icon	0.50% Water
Circle with dot icon	11.00% Other
Solid black circle icon	Complete

Note: The data in this map is based on an estimate of high-level Chinese investment, both aid and grants with Africa.
 Source: China Business Review, open source commercial information



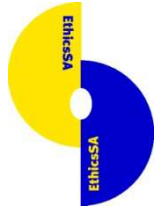
Chinese business in Africa

Positive

- China is Africa's largest trade partner
- Transforming the face of Africa
- Job creation

Negative

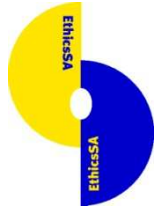
- Exploiting natural resources (new colonialism)
- Unfair labour practices
- Destroy jobs



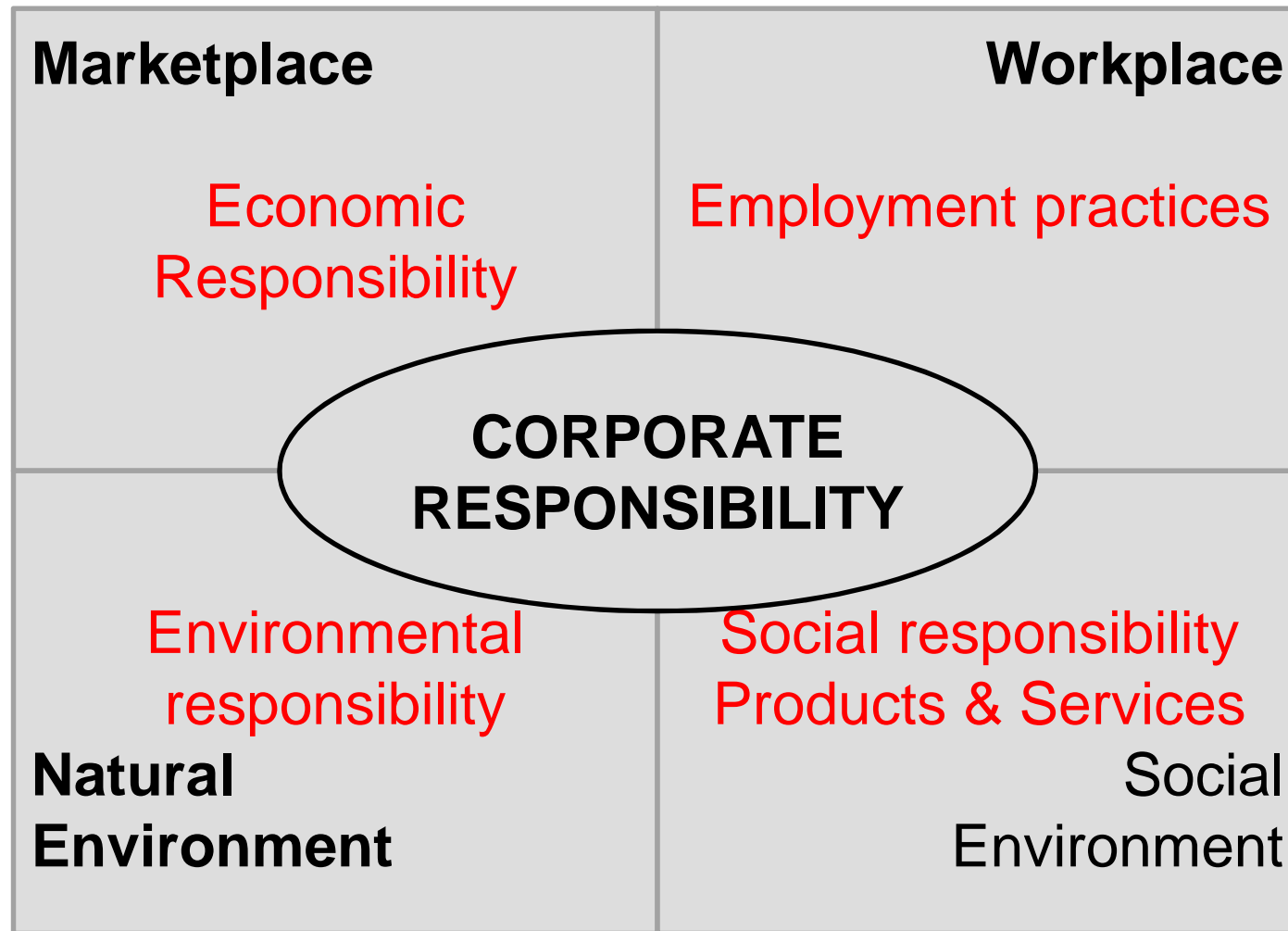
Countries surveyed

Angola	Cameroon
DRC	Ghana
Kenya	Mauritius
Mozambique	Nigeria
Senegal	South Africa
Sudan	Tanzania
Uganda	Zambia

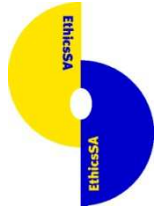
Total respondents: 1,056
(Ken: 204; Nig: 197; SA: 299)



Aspects surveyed



Source: Crane, Matten & Spence, 2008



Quality of products & services

Positive

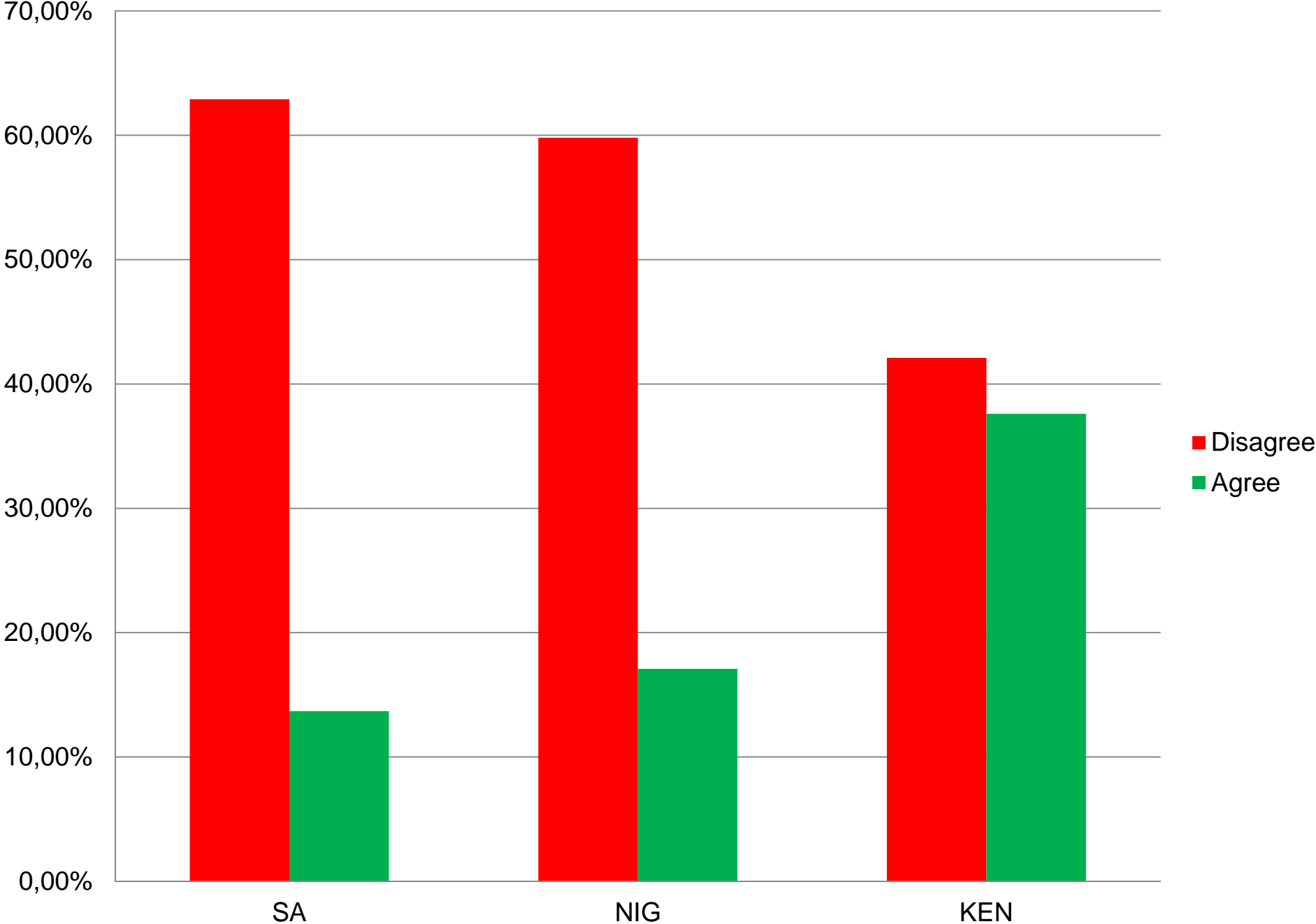
- Cheap, affordable products
- Improved the standard of living of low-end consumers

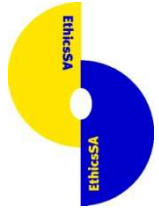
Negative

- Low quality (*Fong Kong* - Hunger Boyz)
- Poor quality of infrastructure

“We have had some bad experiences with Chinese companies. We are going to be looking very carefully at any company that originates from China in providing construction services of any nature.” (Pres. Ian Khama, Botswana)

PRODUCTS & SERVICES





Social responsibility

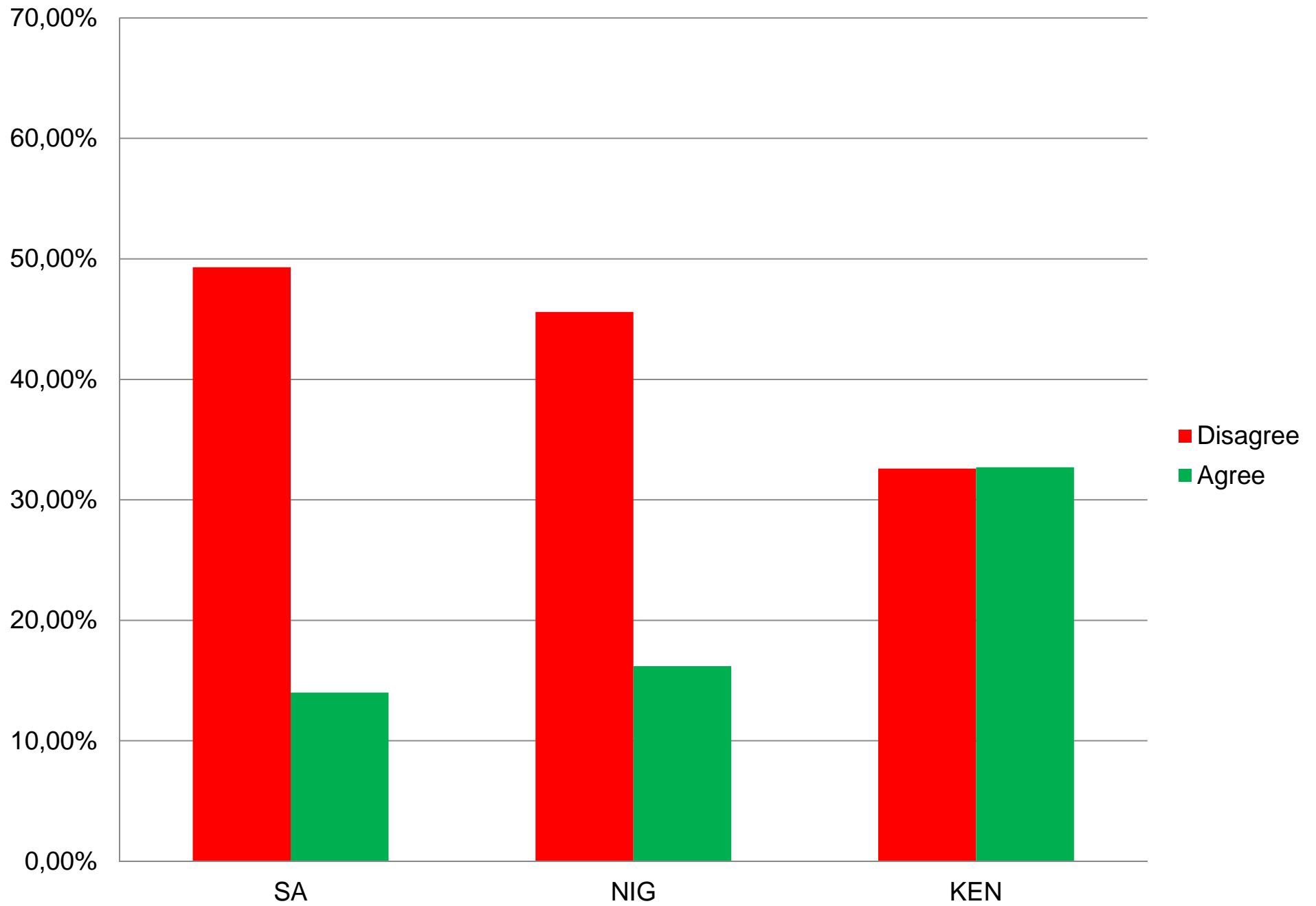
Positive

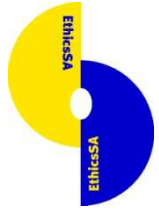
- Philanthropic investments
- Infrastructural development
- Capacity building
- Health & disaster assistance

Negative

- Non-interference policy
 - Arms supply to Sudan despite UN embargo
 - Supporting autocratic leaders
 - Corrupt deals involving politicians

SOCIAL RESPONSIBILITY





Economic responsibility

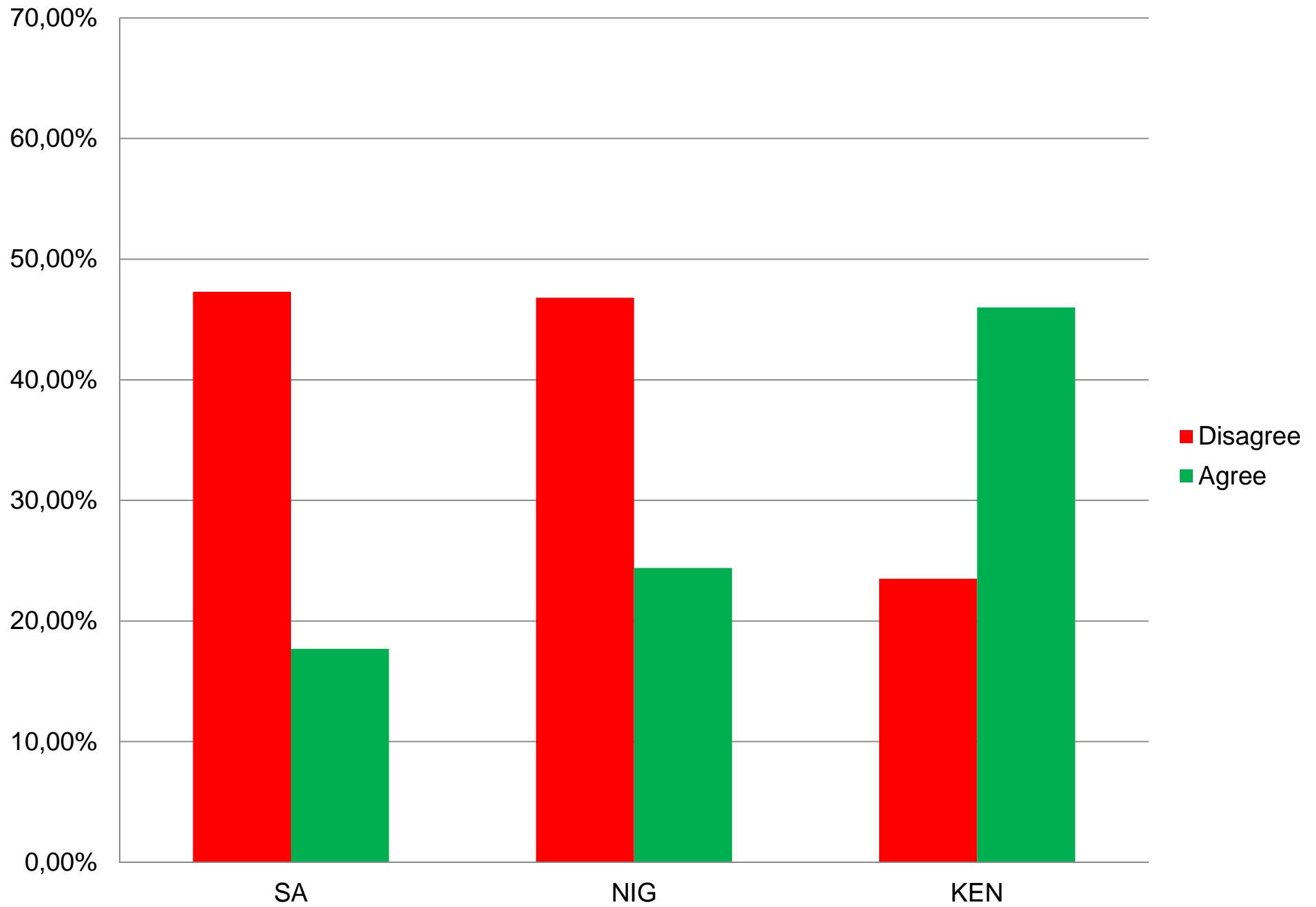
Positive

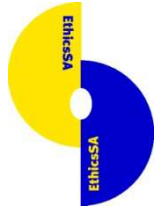
- Supporting Industrial Trade Zones
- Debt cancellation in 35 African countries
- Infrastructure development

Negative

- Politicians benefit at expense of population
- Job losses due to Chinese imports
- Exclusion of local workforce

ECONOMIC RESPONSIBILITY





Environmental responsibility

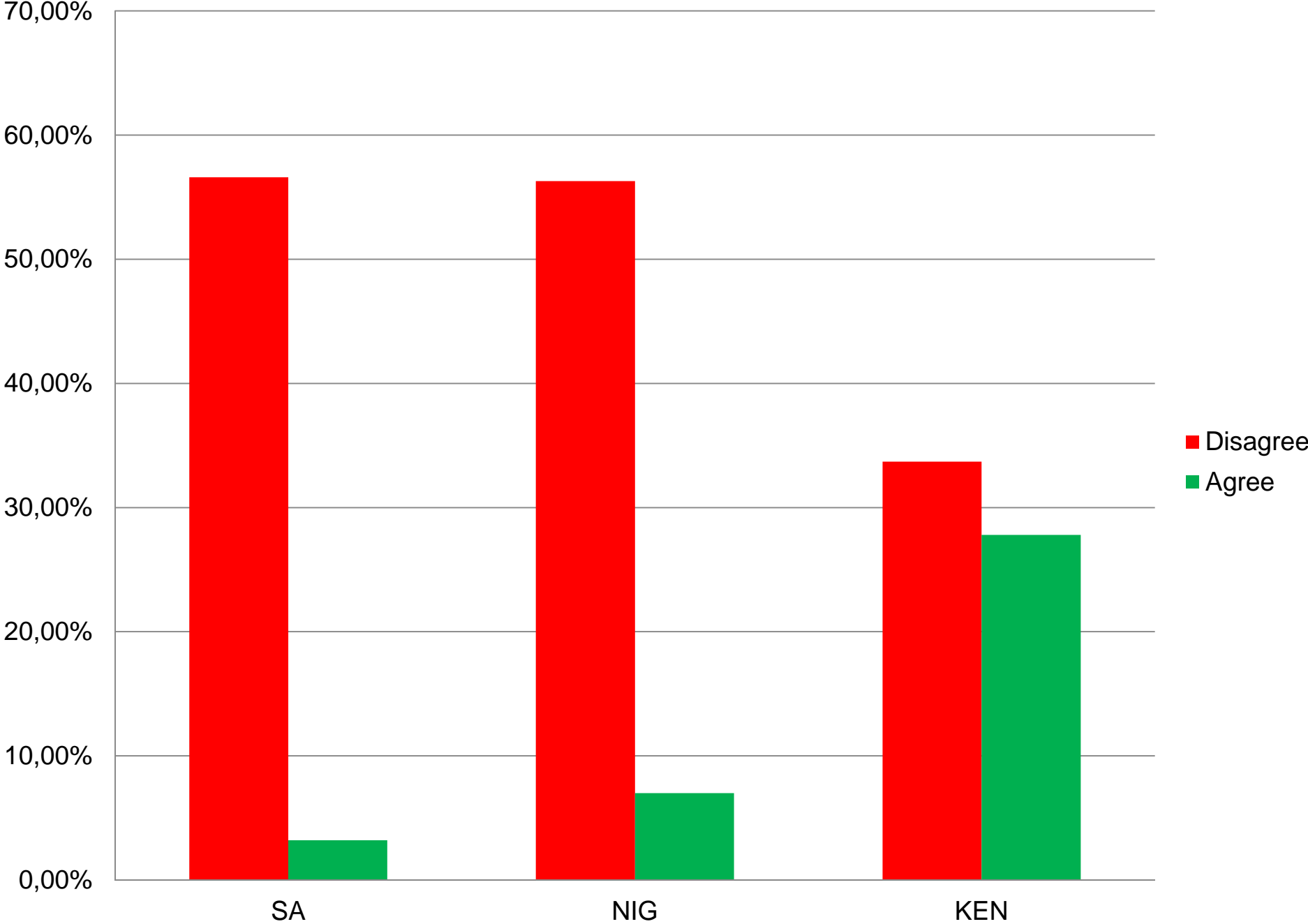
Positive

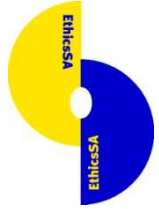
- Pollution control
- Clean energy
- Environmental impact assessments

Negative

- Neglecting environmental standards in mining, construction, fishing, agriculture
- Comply with lowest standard (or lack of standards) instead of best practice

ENVIRONMENTAL RESPONSIBILITY





Employment practices

Positive

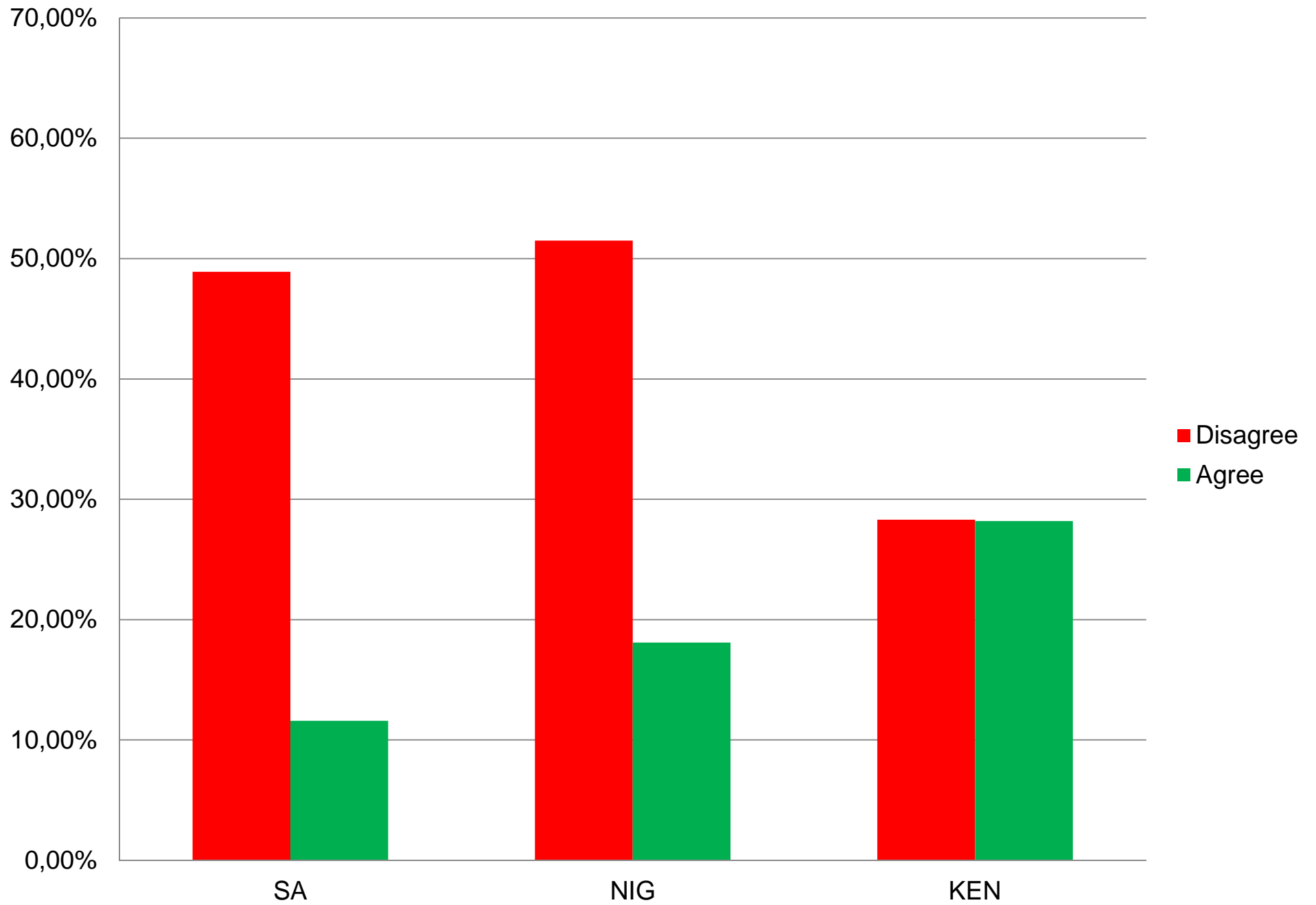
High expectations of employment

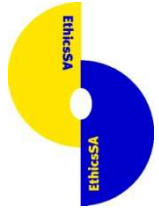
Created jobs

Negative

- Health & safety infringements
- Remuneration below minimum wage
- Shooting of African labourers, Zambia

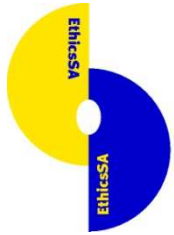
EMPLOYMENT





Conclusions

- African governments to determine rules of engagement
- Chinese government to provide policy and guidance
- Chinese companies to ensure responsible business practices
- Ongoing Africa-China engagement
- And the informal sector?



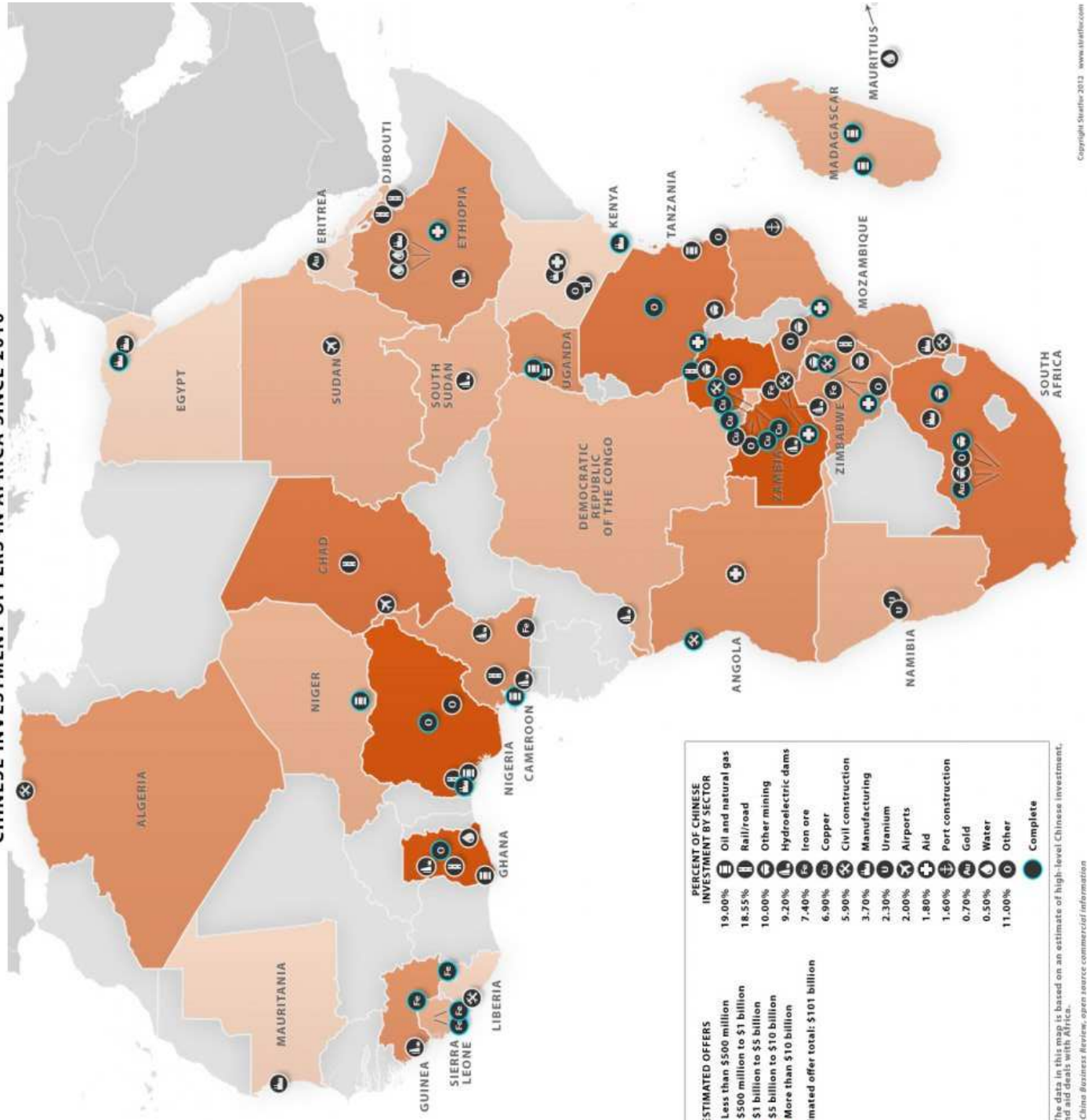
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Uranium	2.30%
Airports	2.00%
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Port construction	1.60%
Gold	0.70%
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