Africans’ perception of Chinese Business in Africa: A Survey
August 2014
About EthicsSA

The Ethics Institute of South Africa (EthicsSA) is a non-profit, public-benefit organisation that commenced operations in August 2000. It is governed by a board of directors consisting of prominent persons committed to promoting ethical responsibility.

EthicsSA’s vision is: “Building an ethically responsible society”.

We pursue our vision through thought leadership, training and ethics advisory services. We work with the public and private sectors, with professional bodies, and in partnership with organisations that share our values.

Thought leadership
EthicsSA is committed to stimulate and advance awareness of ethics in South Africa and in other countries on the African continent where we are active. We participate regularly in public debates in the media and contribute to policy formulation in respect of business ethics, corruption prevention and professional ethics.

Services offered
EthicsSA offers a wide array of services related to the management of ethics in organisations and professions. These include:

- **Training**: Public and in-house training programmes on a range of ethics-related themes;
- **Advisory services**: Consulting to public-sector and private-sector organisations and professional associations on matters related to the management of ethics;
- **Assessments**: Assisting organisations with gauging their current state of ethics through a variety of assessment instruments;
- **Certification**: Certifying specific ethics-related services and service providers in order to provide assurance that these services and service providers meet relevant ethics standards;
- **Project management**: Acting as project manager for donor organisations wishing to enhance good governance, corruption prevention, or professional ethics; and
- **Membership services**: Offering subscription membership to individuals and organisations, with a variety of membership benefits.

More information on EthicsSA can be found at www.ethicssa.org.
# Table of contents

About EthicsSA..................................................................................................................2

Executive summary............................................................................................................4

Background to the survey....................................................................................................5

Literature review..................................................................................................................6

  Historical context: Chinese presence in Africa.................................................................6
  Other perception studies of Chinese Business in Africa....................................................7
  Reputation of Chinese Business in Africa.........................................................................8
  Quality of Chinese products and services.......................................................................10
  Social responsibility of Chinese Business in Africa.........................................................11
  Economic responsibility of Chinese Business in Africa...................................................12
  Environmental responsibility of Chinese Business in Africa..........................................12
  Employment practices of Chinese Business in Africa.....................................................13

Methodology and demographics......................................................................................14

Survey findings....................................................................................................................15

  Introduction.....................................................................................................................15
  Reputation of Chinese Business in Africa.......................................................................16
  Quality of Chinese products and services.....................................................................19
  Social responsibility of Chinese Business in Africa......................................................22
  Economic responsibility of Chinese Business in Africa...............................................24
  Environmental responsibility of Chinese Business in Africa.......................................27
  Employment practices of Chinese Business in Africa..................................................28

Conclusion.........................................................................................................................32

Bibliography......................................................................................................................34
Africans’ Perceptions of Chinese Business in Africa: A Survey

Prof GJ Rossouw
Ethics Institute of South Africa
University of Stellenbosch

Dr Sofie Geerts
Ethics Institute of South Africa

Namhla Xinwa
Ethics Institute of South Africa

Executive summary

There are ambivalent views on the presence of Chinese companies in Africa. While some portray China as a benevolent investor and friend of Africa, others accuse China of being a ‘new colonial power’, extracting resources for their own benefit with little return for Africa. In order to gauge what Africans think of the presence of Chinese companies in Africa an online survey was conducted in a number of African countries. Overall, the perceptions of Africans are rather negative. Although there is recognition of some positive impact of Chinese investment and trade in Africa, there is, in particular, considerable concern about the social, environmental, and workplace responsibilities of Chinese businesses in Africa.

Key words: China, Africa, Corporate Social Responsibility, Ethics
Background to the survey

There are ambivalent views on the presence of Chinese companies in Africa. Some portray China as a benevolent investor and friend of Africa. Such commentators focus on unprecedented strides in investment and development in Africa plus the seemingly favourable and equitable partnerships in Sino-African relations. They also claim that Africans generally receive a better deal than what they previously experienced with their former colonial powers (Wu 2012, Li & Rønning 2013, China Daily 2013).

Others accuse China of being a ‘new colonial power’, extracting resources for their own benefit with little return for Africa. There is often adverse media coverage about China’s presence in Africa in the form of media reports on how China exploits Africa for its resources (French 2010, Jacobs 2012, Kaiman 2014). This outlook is supported by macroeconomic data, generating suspicion about the new power that China presently wields. Questions are raised about the Chinese human rights record, labour practices, corrupt business deals, and exploitation of natural resources.

In order to gauge what Africans think of the presence of Chinese companies in Africa an online survey was conducted in a number of African countries. This article presents the findings of this survey. It should be noted that all findings of this survey are perceptions and are therefore not necessarily a reflection of the factual situation – but then we also do know that perceptions constitute realities that inform what people think, say and do.

In the first part of the article the historical context of Chinese presence in Africa will be discussed. This will be followed by a review of other recent perception studies of the Chinese presence in Africa. Thereafter the methodology and findings of the survey will be discussed. Finally some conclusions and recommendations based on the findings of the surveys will be offered.
Literature review

Historical context: Chinese presence in Africa

Although the dominant narrative on the Chinese presence in Africa focuses on the recent investment and development strides, business relations between China and Africa date back over centuries. The first known account of Sino-African relations dates back to 1550 BC (Olivier 2008; Anshan 2005:60). The port of Alexandria in Egypt was a strategic point on the Chinese silk routes (and, later, the Indian spice routes) for accessing markets in North Africa and the Middle East (Guliwe 2009).

Modern Sino-African trade is delineated into three eras. The initial phase was during the Industrial Revolution. Colonial powers utilised Chinese labourers from the 1800s until the 1950s for mining, plantations and railway construction (Adisu, Sun and Sharkley 2010:3). This Chinese presence was supplemented by a small contingent of traders and exporters (Adisu et al. 2010: 3).

The second phase is the post-Second World War era. With the commencement of the Cold War in the 1950s, China competed with the West and other communist nations to align with post-colonial African countries (Guliwe 2009: 11, Adisu et al. 2010:3-4; Kobo 2013). The communist ideals of overthrowing capitalism and equality resonated with emerging African nationalist ideas as well as the communal nature of African society. The first official Chinese bilateral trade agreements were signed with Algeria, Egypt, Guinea, Morocco and Sudan (Barfour and Mubiru 2010). By 1970, China had established diplomatic ties with all independent African countries, barring Libya (Guliwe 2009:17). The first bilateral deals with some element of the non-interference policy date back to the early 1960s (Guliwe 2009:17). These deals were made with newly independent countries Zambia and Tanzania (Guliwe 2009:17). They entailed massive infrastructural projects, interest-free loans and the use of Chinese labour, equipment and resources (Guliwe 2009:17; Louw 2012).

The third phase resulted from the exigencies of China’s need to support a substantial population and its competition with other nations. From the 1980s, China foresaw its growth trajectory to be highly dependent on commodities and based increasingly on open economic policies. According to Adisu et al (2010:4), the primary motivations for Chinese investment in Africa are energy security, entrenching export markets for their low–cost products, strengthening their international political positioning by garnering support through South-South relations and investing in agriculture due to growing food insecurity in China (Adisu et al. 2010:4; Kobo 2013, Alden 2006:148-149). In turn, the goodwill garnered by Chinese investment in Africa has contributed to bringing Africa closer to the centre of the global economy (Mcnamee et al. 2012). Louw (2012) reiterates this as China’s current
engagement with Africa should be seen in a context of increasing globalisation where the relationship between Africa and China is voluntarily. In his recent book, examining the morality of China in Africa, Stephen Chan (2012:36) argues that it is a misconception that Africa is very important for China. Currently, China is Africa’s largest trade partner, but this trade only represents 4% of China’s trade worldwide. The majority of this trade is limited to a few countries (Zambia, South Africa, Egypt, Nigeria, Angola) and a few commodities, mostly raw materials like oil, timber and minerals (Mazimhaka 2013:101-103). Chinese investment in Africa is the highest in Zambia, Angola, Nigeria, Kenya and Ghana, and is marginal in comparison with its investment elsewhere. However, China’s presence on the African continent is growing and China is prepared to work in Africa, despite any setbacks, for many years to come (Chan 2012:20).

Other perception studies of Chinese Business in Africa

Despite all the criticism meted out against China in the media, quantitative studies gauging general African perceptions consistently paint a far more positive picture on the ground. These studies are generally conducted by the West or China. The 2013 Pew Global Attitudes Study (an American study conducted in eight countries), found that perceptions of the US amongst Africans were favourable at a median of 73%, whilst China stood at 65% (Pew Research Center, 2013). The 2009 BBC World Service study conducted in three African countries namely Nigeria, Egypt and Ghana (Rebol 2010), found that perceptions about China were positive within the range of 62-75% amongst the three countries. This was the most favourable range amongst the 20 countries surveyed worldwide (Rebol, 2010: 3525). The China Quarterly study, African Perception on China-Africa Links was conducted in nine countries across Africa (China Quarterly 2009:8). This study found favourable perceptions, with 74.2% believing that China’s developmental path was synonymous with their own countries’ growth. Generally, perceptions of China tend to be favourable in most countries, barring Cameroon and Zambia, due to highly publicised, adverse labour, health and safety issues. Nigerian, Egyptian and South African perceptions, albeit favourable, tend to be apprehensive in comparison with those of other nations (China Quarterly 2009).

According to Alden (2006:153-154), African leaders have a positive perception of China. They are often tired of the interference of traditional Western donors or investors, the endless meetings and conditions. With the Chinese, it is easy to negotiate, they do not interfere and put forward conditions. Also, investment from Western countries is not satisfactory, so why then not attracting investment from elsewhere? However, Mazimhaka (2013:89) mentions that, in most perception surveys on the Chinese presence in Africa, the perceptions of Africans are not canvassed. Cao (2013:68) contends that the ultimate test for China’s role in the world and their engagement with Africa is not what the West thinks about these, but what Africans think.
In the remainder of this section we will look at perceptions of China’s business presence in Africa regarding: reputation, quality of Chinese products and services, social responsibility, economic responsibility, environmental responsibility, and employment practices.

**Reputation of Chinese Business in Africa**

Chinese Business in Africa consists of formal and informal sectors. The formal sector comprises both Chinese state-owned enterprises and privately-owned multinational corporations (Jiao and Spring 2008: 57-60). Sino-African relations on this level are among government leaders, diplomats and corporate managers. The business sectors involved are agriculture, commodities (especially oil), construction and telecommunications. The stimulus for Chinese private business is not necessarily global dominance but to capitalise on their technologies and skills in relevant African industries (Jiao and Spring 2008:57-60, Condon 2012).

In the formal sector, Chinese business practices in Africa are governed by the Beijing consensus. The Beijing consensus is China’s international policy which favours non-interference in the sovereignty of a state and equitable business dealings (Adisu et al. 2010: 4; Kobo 2013). The significance of this non-interference policy for trade relations is that it shuns governance mechanisms set by the West, e.g. the Equator Principles, the Extractive Industries Transparency Guidelines, the Kimberly Process etc. (Condon 2012:18). In principle, there is nothing wrong with a non-interference policy since a state should not interfere in the domestic affairs of another sovereign state. By the same token, however, China is often criticised for keeping autocratic leaders in place with this policy – for instance in Sudan, where the Chinese delivered weaponry to the government for fighting its own citizens. Some Chinese would argue in their own defence that there is nothing wrong with dictators as long as the people living under them can develop (Liu 2013:52-54, Askouri 2007:73). And to be fair, the West has also supported autocratic leaders if this was in their strategic interest like Mobutu in the DRC and Moubarak in Egypt (Kobo 2013). In contrast with this, Lemos and Ribeiro (2007:63-73) argue that China does indeed interfere deeply in the domestic affairs of African countries as they facilitate corruption and illegal trade (like logging). They add that the Chinese non-interference policy prevents African leaders from holding the Chinese accountable in respect of social and environmental issues.

In African states where appropriate regulatory measures are in place, the outcome of Chinese investment is often mutually beneficial. For example, the South African government, under the watchful eye of the ruling ANC-affiliated trade unions, as well as civil society and opposition political parties, had warned the Chinese about flooding the South African textile market with cheap Chinese textile exports (China Morning Post 2013). To counter the 50% job losses in the textile industry and the closing of 800 textile factories in
South Africa, China agreed to a quota for its textile import into South Africa, and exported equipment and provided skills training in order to shore up the South African textile industry (China Morning Post 2013; Gadzala and Hanusch 2010; Kobo 2013). In addition, other African countries are becoming more assertive in their dealings with China. One of the Sinopec affiliates recently lost a rights claim bid against the Gabonese government worth more than US$1 billion (China Morning Post 2013). As the dynamics of the states in Africa move from autocratic to more democratic, China needs to adjust its policies accordingly (China Morning Post 2013). African leaders are not as blind to public sentiment as reported. They are slowly addressing the needs of the public as governments become more democratic, the population more educated, and social media, civil society organisations and local media more vociferous.

Within the informal sector, equitable business practices and win-win outcomes do not necessarily apply. According to a study by the Brenthurst Foundation, more than 1 million Chinese immigrant traders are living in Africa. Illegal means are often used to import goods (Mcnamee et al. 2012:27). Most Chinese traders living in Africa are poor with low levels of education (Mcnamee et al. 2012: 15-17). They work long hours and return to China within a few years once they have made enough capital to buy a house (Mcnamee et al. 2012: 15-17). Subsequently, they are replaced by another set of Chinese immigrants (Joris 2013:248). Chinese traders have penetrated cities, villages, townships and informal settlements and often offer products at a lower price than their African counterparts. Hence, competition is rife among African and Chinese traders, and African traders are very unhappy about price wars with the Chinese (Mcnamee et al. 2012). They complain that Chinese traders have an unfair advantage due to their ‘way of living’ (working hard, long hours, no family to attend to) and due to low production costs in China, which lead to the low prices of Chinese imports. Chinese traders tend to regard this as a misconception as they feel that they are willing to forgo short-term profits in order to ensure that their businesses remain operational (Mcnamee et al, 2012). The Chinese traders tend to not mingle with the local population and often show little solidarity with other traders, Chinese as well as African (Joris 2013:143).

Another recurring complaint, which could undermine the development of an African industrial sector, relates to the flooding of African markets with inferior and/or cheap Chinese products (Mcnamee et al. 2012; Alden 2006:156-157). Joris argues that these cheap Chinese products contribute to undermining the development of Africa as it prohibits the development of a real African manufacturing sector, which could create considerable jobs and wealth (Joris 2013:104, Karumbidza 2007:99, Kobo 2013). However, Liang (2013) counters this by pointing out that 51% of Chinese imports into Africa is machinery and transportation equipment, which is necessary to develop an industrial sector for Africa. Also Kobo (2013) argues that Chinese imports could contribute to the development of Africa.
According to the most recent Chinese White Paper on Chinese-Africa Economic and Trade Co-operation (currently under review) China has made concerted efforts to ensure viable, mutually beneficial trade agreements, such as regulation in 2010 that served to control the quality of Chinese products being exported to Africa (Information Office of the State Council 2013). Another mechanism to ensure better trade regulation was the Special Plan on Trade with Africa which serves to facilitate African exports to China by the slashing of trade tariffs (Information Office of the State Council, 2013). The thirty least developed countries in Africa have already had trade tariff barriers removed for 60% of their export products (Information Office of the State Council, 2013). According to the Office of the State Council (2013), China will also assist African states in improving their customs controls.

Quality of Chinese products and services

There is a consistent theme in perceptions of the quality of Chinese brands: Chinese products are perceived as low quality (Gadzala and Hanusch 2010). This was even encapsulated in the South African kwaito hit by Hunger Boyz – “Fong Kong”. The song was released in 1999 and the term is still so prevalent that it has transcended to different variations in local dialects within Southern Africa (Conway-Smith 2012). However, the diversification of low-cost quality products in clothing and technology has improved the standard of living among the low-end consumers of Africa (McNamee et al. 2012). From December 2011 to March 2012, the Chinese government implemented export measures to counter the negative perceptions of inferior Chinese brand reputations, including prior-to-shipment quality examinations for industrial products that were to be exported to Africa (Chinese Information on State Council 2013).

Poor execution and quality of infrastructure projects in Africa completed by the Chinese are often criticised. Low quality is caused, at least in part, by the fact that large Chinese companies that are awarded contracts outsource different tasks to smaller Chinese companies, who in turn subcontract further to even smaller companies. This cyclical system, whereby each subcontractor profits from the initial amount received, can result in the company doing the actual work earning little and performing poorly in the execution of the contract. This means the amount paid, for example, by an African government to a large Chinese company for building a road will be a fraction of what is actually spent on the road (Joris 2013:117). Another contributing factor is political changes and the prevalence of graft within African governments. When new officials or politicians move into office, additional royalty payments are sometimes demanded. Hence, Chinese companies pay out more than one commission, which might affect the overall investment put into an infrastructural project (Joris 2013:119).

Overall, the quality of Chinese products and services is perceived as low. An African, in the book by Lieve Joris in which the relationship between Africans and Chinese is examined,
says that “when a European gives you something it is real, not second or third hand like with the Chinese” (Joris 2013:132).

**Social responsibility of Chinese business in Africa**

The Western approach to aid is for foreign affairs departments to funnel funds through their aid institutions such as DFID, USAID, GIZ\(^1\) etc. The Chinese approach is to channel financial aid through the Chinese Development Bank placed under the Chinese government’s commercial wing (Condon 2012). The Chinese model is explicitly about enhancing commercial interests with little or no governance impositions. The Forum on China-African Cooperation (FOCAC) of 2006 recapped that China’s social development agenda focuses on tangible developments and cooperation as opposed to donor and aid impositions (Agboum, 2013).

In addition to the Chinese government’s development initiatives in Africa, there are philanthropic investments, ranging from infrastructural development, capacity building and cultural exchange to health and disaster management (Information on State Council 2013). The Chinese government and companies (both state and private) work well together to achieve aid goals. For example, according to the Chinese Information on State Council’s (2013) report, China has built 27 hospitals, sent 43 medical teams to 42 countries, and treated 5.57 million people in Africa since 2010. China offered $8 million worth of humanitarian aid to Egypt and Tunisia in 2011 to mitigate the Libyan refugee crisis (Information on State Council, 2013) and provided $64 million in emergency aid to the Horn of Africa in the period 2010-2012 when the area was hit by severe drought (Information on State Council 2013, Aljazeera 2013). China has also eradicated $10 billion worth of debt from African countries without putting conditions in terms of ‘good governance’ (Adisu et al. 2010; Kobo 2013).

Several sources (Adisu et al 2010, Condon 2012, Economist 2011, Joris 2013, Kobo 2013) point out that Africans are generally pleased with China’s efficiency. If the Chinese say they will do something, they will do it, quickly and efficiently, without severe conditions. The working relationship between the Chinese government and Chinese companies is also very efficient, in contrast with the strained relations that Western governments often have with their corporations.

The greatest concern about China on the social responsibility front is the application of the non-interference policy with dictatorial regimes such as Sudan, Zimbabwe and Angola. Africa is the continent with the most leaders who have been in power for more than two

---

\(^1\) Abbreviations of foreign-aid institutions: DFID stands for ‘Department for International Development’, from the United Kingdom; USAID stands for ‘United States Agency for International Development’; and GIZ stands for ‘German Society for International Cooperation’.
terms. For example, despite Zimbabwe being sanctioned by the West due to the farm grabs from white owners, China entered into bilateral agreements between state apparatuses for telecommunications and energy. Agricultural partnerships entailed formerly white-owned farms being given to Chinese farmers (Jiao and Spring 2008). Also, China is accused of protecting the government of Sudan from facing charges of genocide and war crimes. In spite of an UN embargo, China supplied $100 million worth of warplanes and guns to Sudan (Condon 2012). This is believed to have been vital to the ethnic cleansing and purge of black Sudanese people. In Angola, which has been China’s largest oil partner in Africa since 2004, at the very time that the International Monetary Fund was entrenching transparency conditions on loans to Angola, China swooped in with the non-interference policy to acquire oil rights (Condon 2012).

**Economic responsibility of Chinese Business in Africa**

Economic development is a necessary condition for poverty alleviation on the African continent. China is supporting industrial trade zones in Zambia, Mauritius, Nigeria, Egypt and Ethiopia, creating 6,000 jobs with $600 million in foreign direct investment. China has cancelled 312 debts from 35 African countries from 2000 until 2009 (Mobius 2011, 2013). According to the Chinese Information on State Council’s (2013) report on China-Africa Cooperation, China has trained 23,718 officials in 54 countries in the period 2010-2012. Capacity-building initiatives were in the agricultural, medical, economic and public sectors. In 2011, China engaged the Economic Community of West African States (ECOWAS) as well as the East African Community (EAC) and signed Framework Agreements on Economic and Trade Cooperation with each (Information Office of State Council 2013). China is a member state of the major development banks in Africa including the African Development Bank, the West African Development Bank, and the Eastern and Southern African Trade and Development Bank (Information Office of State Council 2013).

Yet, China’s interests are seemingly vested in African leaders rather than African citizens. This often prevents ordinary citizens from enjoying the economic benefits of China’s business presence in Africa. Africa’s per capita incomes remain low while income inequalities are ever increasing: For example, China’s largest oil partner, Angola, has a government budget of $69 billion, yet 70% of the Angolan population still lives under $2 a day (Dolan 2013).

**Environmental responsibility of Chinese Business in Africa**

China is often accused of neglecting environmental standards and laws when extracting minerals or building infrastructure (Liu 2013:53). For example, Chinese companies are implicated in instances of illegal logging, fishing and mining activities, but, in addition, environmental standards are not always taken into consideration (Lemos and Ribeiro
2007:63-70). However, with the inception of the Forum on China-Africa Cooperation (FOCAC) in 2000, the resultant action plan included an environmental agenda (Grimm 2013). This environmental agenda encompassed pollution control, biodiversity conservation, protection of forests and fisheries, and wildlife management, but it was never put into action (Grimm 2013). By 2009, FOCAC had developed environmental mechanisms, but these did not address biodiversity (Grimm 2013).

According to the Chinese Information on State Council (2013), China has made vast investments into better energy management in Africa. China has introduced over 100 clean energy projects including biogas, hydropower, solar and wind power generation as well as donating energy efficient electric products, such as lamps and air conditioners across 12 African countries. Environmental impact assessments are also a precondition for large infrastructural projects (Grimm 2013).

A study by Conservation International on the nature of Chinese extractive mining in Africa found that in countries where environmental regulatory measures were not in place, Chinese firms merely applied the Chinese guidelines to which they were used. This implies that the responsibility resides with the relevant African governments to set and implement adequate environmental policies (Scott 2013). However, this is where the problem often lies, as African governments might not have the capacity or the political will to do so.

### Employment practices of Chinese Business in Africa

With the promise of more Chinese investment in Africa came an expectation of more employment opportunities being created for Africans. While the former has been achieved there is scant evidence of the latter. Criticism of poor Chinese labour practices in Africa is well documented in the media and these infringements tend to be directed at the Chinese formal business sector. The range of common complaints include the employment of low-skilled Chinese workers instead of training or employing Africans, health and safety infringements on work sites, and poor remuneration below minimum wage rates (Hong Kong Liaison office). The increase of Chinese labourers in Africa has led to protests in countries such as Kenya, Angola, and Cameroon in the last two years, according to the Kenyan paper Media Nation (Mureithi 2013; Alden 2006:157-158). The most prominent story about such infringements is the shootings of African labourers by Chinese management at a mining plant in Chambishi, Zambia (Adisu et al. 2010).

Chinese companies often have a low regard for labour unions and workers’ rights. The Chinese seemingly do not do this because they disrespect African workers’ rights, but because they are not used to labour rights and unions in their own country (Chan 2013). This implies that Chinese companies need to acquaint themselves better with Africa and its
customs (like strong unions) and respect these, rather than applying Chinese standards in Africa.

Chinese traders are, according to the Brenthurst Foundation study on Chinese traders in Africa, significant employers of Africans contrary to popular belief (Mcnamee et al. 2012). The study found that on average eight local workers are employed per store in Lesotho, with up to two workers per store in South Africa (Mcnamee et al. 2012). Chinese traders tend to isolate themselves from the communities in which they operate, which further fuels negative conceptions of employment practices due to their lack of cultural exposure (Mcnamee et al. 2012).

Methodology and demographics

In order to gauge the perceptions of Africans about the Chinese business presence in Africa, an online questionnaire was designed that focused on the following aspects:

- Reputation of Chinese Business in Africa (consisting of six questions);
- Quality of Chinese products and services (consisting of four questions);
- Social responsibility of Chinese Business in Africa (consisting of five questions);
- Economic responsibility of Chinese Business in Africa (consisting of two questions);
- Environmental responsibility of Chinese Business in Africa (consisting of three questions); and
- Labour practices of Chinese Business in Africa (consisting of eleven questions).

The survey was conducted in 15 Sub-Saharan African countries, selected on the basis of them having a large presence of Chinese companies. A second criterion was to ensure a geographical spread of the 15 countries as well as a language spread. Hence, countries were chosen from Southern Africa, East Africa, Central Africa and West Africa incorporating the three main language groups in these regions, namely, English, French and Portuguese.

The online questionnaire could be completed by citizens of the 15 selected countries, either online or in hard copy. Invitations to participate in the survey were extended to contacts of the Ethics Institute of South Africa (EthicsSA) and of Globethics.net in the respective countries. Several attempts were also made to invite participation by the general public in the survey through the media. For this purpose, press releases were issued to the media in the respective countries. These media releases were in the relevant language of the participating countries, namely, in English, French or Portuguese.

The initial objective was to achieve a representative sample for each of the participating countries. However, reliance on only the networks of EthicsSA and Globethics.net in the
participating countries and on the media to encourage participation were insufficient to attract the required response. There were inadequate resources available to conduct face-to-face interviews. Thus, the data collected was not representative of the populations of the participating countries. The only countries that produced sizable samples were South Africa (299 respondents), Nigeria (197 respondents) and Kenya (204 respondents). The low response rate can partly be attributed to the online format of the questionnaire. In many African countries, internet access still remains a luxury rather than the norm.

For the purpose of this article, it was decided to only focus on the responses received from participants from South Africa, Nigeria and Kenya – for the reason mentioned above. The data collected from these three countries was both analysed as a whole as well as for each country individually in order to make comparative analyses amongst the three countries.

The findings on each of the aspects included in the survey will also be reported in a similar manner: First, the findings for the entire sample will be reported, and thereafter the comparative findings for each of the three countries will be reported.

**Survey findings**

**Introduction**

This section reports on the findings of the survey. These findings will be discussed according to the following categories:

- Demographical profile of participants
- Reputation of Chinese Business in Africa;
- Quality of Chinese products and services:
  - Social responsibility;
  - Economic responsibility;
  - Environmental responsibility; and
- Employment practices.

**Demographic profile**

Regarding the demographics of respondents, 56.3% were male and 43.7% female. The majority of respondents (60.2%) were between 25 and 45 years of age, 24.2% being between 45 and 55 years, 8.8% being older than 55, and 6.9% being between 18 and 25. There are some differences between the three countries, namely in Kenya, 14.6% of respondents are younger than 25 while in Nigeria and South Africa only 6% and 2.3%
respectively were younger than 25. Notably in South Africa, 50.7% of the respondents are older than 45 years, while in Kenya only 22.9% of respondents are older than 45 and in Nigeria only 16.9%.

Of all respondents, 53.9% have a post-graduate qualification and 27% a first degree. The level of education of the respondents is much higher in Nigeria (74.5% post-graduate degree and 24% first degree) than in Kenya (39.1% post-graduate and 41.5% first degree) and South Africa (50.3% post-graduate and 19% first degree). Hence, the majority of respondents have tertiary education.

56.3% of respondents work in the private sector, 21.1% in the public sector, 7.1% for an NGO and the remaining 15.5% in another sector. In terms of geographical location, 29.2% of respondents live in Kenya, 28.35% in Nigeria and 42.45% in South Africa. Only 2.7% of respondents work for a Chinese company.

The following colour legend will be used in the graphs:

<table>
<thead>
<tr>
<th>Response option</th>
<th>Colour code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>Blue</td>
</tr>
<tr>
<td>Agree</td>
<td>Navy</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>Light grey</td>
</tr>
<tr>
<td>Disagree</td>
<td>Grey</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>Yellow</td>
</tr>
</tbody>
</table>

**Figure 2: Response colour codes**

**Reputation of Chinese Business in Africa**

The scores for the six items in this category indicate that the perception of the reputation of Chinese Business in Nigeria, Kenya and South Africa is more negative than positive. In total, 42.4% of responses were negative. It is however significant that the perception of the reputation of Chinese companies is not overwhelmingly negative since 35.3% of respondents have a favourable perception of Chinese companies in their respective countries. Figure 3 (below) indicates that in total, 56% of respondents in the three abovementioned countries disagree or strongly disagree with the statement that Chinese companies have a good reputation in my country, while 19% agrees and 4% strongly agrees. Respondents also seem to know Chinese brands quite well as 20% strongly agree and 51% agree with the statement ‘I know at least three Chinese brands’. This is substantial and indicates that Chinese products and services are well-known in Nigeria, Kenya and South Africa. Considering the question whether China has a positive impact on the development of their respective countries, 38% agree and 11% strongly agree. But when asked if Africans have personally benefited from Chinese business, most disagree (24%) or strongly disagree (29%). The above findings largely correspond with the literature review in terms of the reputation of Chinese Business as there are mixed opinions about the way the Chinese do
business, for example the non-interference policy which African leaders like, but which also prevents Chinese from being kept accountable for their social and environmental impact. The competition with Chinese in terms of trade is perceived negatively as well.

In respect of the reliability of Chinese companies, 40% of respondents disagree with the statement that Chinese companies are reliable in my country, with 17% strongly disagreeing and 23% disagreeing. It is noteworthy that in total 33% of respondents agree with this statement, with 28% agreeing and 5% agreeing strongly, which indicates that a substantial number of respondents thinks that Chinese companies are reliable.

The majority of respondents either strongly disagree (33%) or disagree (32%) with the statement that China and their country are equal business partners, which is in direct contrast with what China says. There is an unequal relationship in terms of negotiating capacity: the Chinese have more expertise about Africa, understand English and French, and have a large investment capacity. Africans have little knowledge of the Chinese but are more than willing to have them invest given the Chinese non-interference policy in African domestic affairs and the perceived efficiency of Chinese in general.

![Figure 3: Reputation of Chinese Business in Africa: Combined results for South Africa, Nigeria and Kenya](image_url)

Findings for South Africa, Nigeria and Kenya

The respective perceptions of the reputation of Chinese Business in South Africa, Nigeria and Kenya for all six items of this category are as follows: 56% of Kenyans are positive about China’s reputation, compared to 33.1% of Nigerians and 22.4% of South Africans. This
means that South Africans are the most negative. It is striking that Kenyans do have a much more positive perception of Chinese Business in Africa, in terms of both the overall score for this category and individual statements (see Figure 4 below). In response to the statement that China has a good reputation in my country, 49% of Kenyans agree compared to only 15% of Nigerians and 11% of South Africans. No data is available that could explain why this is the case.

Chinese brands are well-known in the three countries: 76% of Kenyans knows at least three Chinese brands, 81% of Nigerians and 60% of South Africans.

Also in respect of reliability of Chinese companies, Kenyans are much more positive than Nigerians and South Africans. In terms of China having a positive impact on the development of the country, likewise Kenyans are the most positive (77%). Nigerians also have a fairly positive perception (46%), which is almost identical with the overall perception of China having a positive impact on the development of the country (47.0%). Interestingly, South Africans are much less positive, with only 29% agreeing. Most respondents disagree with the statement that China and their country are equal business partners. Kenyans are most optimistic in this regard (25% agree), followed by Nigerians (18%) and South Africans (14%).
Quality of Chinese products and services

Findings for all countries

Looking at all four items in this category, it is clear that there is overall disagreement with the statement that Chinese products and services are of good quality (56% disagree and 21.7% agree). Figure 5 (below) indicates that 66% of respondents disagree or strongly disagree with the statement that Chinese products and services are of high quality. Fifty-one percent disagree or strongly disagree with the statement that Chinese products and services are good value for money. This correlates with the literature review which indicates that Chinese products are often perceived to be of low quality. On the negative side the life duration of Chinese products is often short and hence, these products have to be replaced rather soon. On the positive side, however, many products become accessible for a large number of poor people that cannot afford more expensive products, hence improving their quality of life.
More respondents (18% strongly agree and 25% agree) are happy with the infrastructural projects that the Chinese have completed in their country, while 34% are unhappy with these infrastructural projects and the remainder (24%) are undecided. Figure 5 (below) also indicates that the majority of respondents strongly disagree (46%) or disagree (34%) with the statement that Chinese products push domestic products out of the market. In the literature review, it is indicated that many scholars see Chinese imports as a threat for African products, however this finding contradicts that view. This could be explained by the fact that there is little manufacturing of products in Africa so there is no serious competition from Chinese products with domestic products possible. However, the import of cheap Chinese manufactured products might inhibit the development of an African manufacturing sector in the future.

(Note that the ‘R’ in figure 5 below before the statement that Chinese products push domestic products out of the market means that the score for this item is reversed.)

<table>
<thead>
<tr>
<th>[R] Chinese products push domestic products out of the market</th>
<th>47%</th>
<th>32%</th>
<th>10%</th>
<th>7%</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am happy with the infrastructural projects that the Chinese have completed in my country</td>
<td>16%</td>
<td>16%</td>
<td>21%</td>
<td>29%</td>
</tr>
<tr>
<td>Chinese companies offer products and services of high quality</td>
<td>36%</td>
<td>32%</td>
<td>20%</td>
<td>9%</td>
</tr>
<tr>
<td>Chinese products and services are good value for money</td>
<td>24%</td>
<td>28%</td>
<td>23%</td>
<td>20%</td>
</tr>
</tbody>
</table>

**Figure 5: Quality of Chinese products and services: Combined results for South Africa, Nigeria and Kenya**

**Findings for South Africa, Nigeria and Kenya**

Figure 6 (below) indicates that, when considering all four items in this category together, South Africans and Nigerians are more negative about the quality of Chinese products and services – only 17.1% of Nigerians and 13.7% of South Africans are positive about the quality of Chinese products and services, whilst 37.6% of Kenyans are. Responses to the statement that Chinese products are of high quality, indicate that only 8.8% of South Africans and 10.6% of Nigerians agree. The majority consider Chinese products and services to be of a
rather low quality. Kenyans are more optimistic, with 21.7% agreeing that Chinese products and services are of high quality. However, more respondents from these three countries agree that Chinese products and services are good value for money. 29.7% of Kenyans, 26.4% of South Africans and 21.2% of Nigerians agree. The product quality might be low, but they are also cheap.

Just as in the case of the combined findings, South Africans, Nigerians and Kenyans, do not fear that Chinese products push domestic products out of the market. Only 9.8% of South Africans, 9.5% of Nigerians and 11.2% of Kenyans fear that Chinese products might push domestic ones out of the market.

In terms of the infrastructural projects that the Chinese built, there are notable and significant differences between South Africa, Nigeria and Kenya, as indicated in Figure 7 (below). In South Africa, only 10.1% are happy with these infrastructural projects, compared to 27.1% of Nigerians. Kenyans however, are very happy with Chinese infrastructural projects, with 87.8% agreeing. This is a huge difference and there are no data available explaining why this would be the case. It could be because South Africa has a large and very good construction sector which might make South Africans believe that companies in the construction sector deliver good quality products that are better than those of the Chinese. By comparison, the domestic construction sector in Nigeria and Kenya is much smaller.
Social responsibility of Chinese Business in Africa

Findings for all countries

A review of all the five items in this category indicates that there is an overall disagreement with the statement that Chinese companies are socially responsible in the three countries (43.4% disagree and 20.1% agree). Figure 8 (below) indicates that the majority of respondents do not agree with the statements that Chinese companies take care of society/the community when making decisions (38% strongly disagree and 31% disagree) or that Chinese engage with communities when establishing operations (35% strongly disagree and 30% disagree). Responses to the statement that Chinese companies make donations to communities and charities suggest somewhat more optimism; however, a sizable 30% strongly disagree and 26% disagree with this statement. These findings indicate that Africans are concerned about the social responsibility of Chinese companies in Africa. The little information in this regard that was found in the literature review indicates that Chinese do not engage well with local communities.

In terms of the statement that Chinese companies have respect for African culture and values, a large percentage of respondents disagree (29% strongly disagree and 19% disagree). However, 22% indicate that they do believe Chinese firms respect African culture and values. This finding indicates that a lot still needs to be done regarding mutual cultural understanding between Africans and Chinese. The finding does not however indicate that Chinese business do not want to respect African culture and values. It might rather be a case that they are not aware of them, and hence, do not always realise that they are not respecting African culture and values. But also Africans should learn about Chinese culture and values to better understand Chinese people and their cultural norms.

Overall, respondents would be happy to have Chinese people as their friends, with 11% strongly agreeing, 37% agreeing and 34% being undecided. Only 18% (11% strongly disagree and 7% disagree) do not desire friendships with Chinese. This is an indication that
Africans are relatively open towards cultivating relationships of friendship with people from other countries and cultures, and having Chinese as their friends.

Findings for South Africa, Nigeria and Kenya

In all three countries, respondents disagree that Chinese companies are socially responsible (32.6% of Kenyans, 45.6% of Nigerians and 49.3% of South Africans). Figure 9 (below) indicates that in response to the statement that Chinese companies take care of the society/community when making decisions, only 5% of South Africans, 6% of Nigerians and 21% of Kenyans agree. The same trend can be seen in responses to the statement that Chinese companies engage with the surrounding communities when they establish operations in my country, where only 6.3% of South Africans, 13.6% of Nigerians and 32.5% of Kenyans agree. This means that the majority of respondents react in the negative to these two statements and are hence concerned about the social responsibility of Chinese companies. In terms of Chinese companies making donations to local communities, respondents are somewhat more positive (7.7% of South Africans, 7.5% of Nigerians and 20.5% of Kenyans agree), but most are nevertheless negative. Once again, respondents from Kenya are markedly more positive than those from Nigeria and South Africa.

Considering responses to the statement that Chinese companies respect African culture and values, 30.9% of Kenyans agree, compared to 18.5% of Nigerians and 9.3% of South Africans. Once again, South Africans are much more negative than Kenyans and Nigerians.
There is no clear reason why South Africans are more negative than the others. A possible explanation could be that Chinese informal businesses have been operating in South Africa and have penetrated deep into rural areas. Many shops in rural areas in South Africa are run by Chinese who tend not to engage with the locals. These shops also offer products at lower prices than other local shops.

Kenyans, Nigerians and South Africans are open to having Chinese individuals as friends. 58.5% of Kenyans agree, compared to 35.5% of Nigerians and 41.9% of South Africans.

![Figure 9: Social responsibility of Chinese companies: Comparison between South Africa, Nigeria and Kenya](Image)

**Economic responsibility of Chinese Business in Africa**

*Findings for all countries*

When looking at responses to the statement that *the investment of Chinese companies is contributing to the development of my country*, 8% strongly agree and 41% agree. 19% are unsure, 16% disagrees and 16% strongly disagree, as indicated in Figure 10 (below). Most respondents in the three countries view Chinese investment in Africa as positive.

In respect of corruption, most respondents believe that *Chinese companies are involved in corruption when doing business in their country* (61%). Only 13% of respondents believe that Chinese companies are not involved in corruption while 26% are unsure. These findings...
correspond with information in the literature review, which indicates that the Chinese sometimes facilitate illegal business activities (like logging and fishing), bribing of African officials, and are involved in anti-competitive business practices. The high number of Africans believing that Chinese companies are involved in corruption is of serious concern and Chinese companies should urgently address this issue. According to Transparency International’s Corruption Perception Index, even though China has a low corruption perception score (40 out of 100), and its ranking is better than most African countries, it still indicates that corruption in China is rife. Chinese companies in Africa bring potentially corrupt practices with them when they invest in Africa, not even being aware that certain actions are actually corrupt.

![Figure 10: Economic responsibility of Chinese companies: Combined results for South Africa, Nigeria and Kenya](image)

Findings for South Africa, Nigeria and Kenya

Figure 11 (below) indicates that the responses of South Africans to the statement that Chinese companies’ investment is contributing to the development of their country are rather negative, with only 32% of South Africans agreeing with this statement. Nigerians (45%), and especially Kenyans (75%), are much more positive. The reason why South Africans are more negative than Nigerians and Kenyans is not clear. It could be that South Africans see the Chinese as a threat to their domestic manufacturing sector (in the textile industry many South African companies had to close their doors since they could no longer compete with the Chinese), or that they tend, generally speaking, to be more xenophobic than other Africans.
Figure 11: Investment of Chinese companies contributing to development: Comparison between South Africa, Nigeria and Kenya

Figure 12 (below) indicates that only 8% of South Africans and 8% of Nigerians agree that Chinese companies are not involved in corruption. However, 23% of Kenyans agree with the statement that Chinese companies are not involved in corruption. Kenyans therefore believe that Chinese companies are less corrupt than South Africans and Nigerians do.

Figure 12: Chinese companies not involved in corruption: South Africa, Nigeria and Kenya
Environmental responsibility of Chinese Business in Africa

Findings for all countries

Considering the three items in this category, there is an overall disagreement with the statement that Chinese companies are environmentally responsible (49.8% disagree and 11.4% agree). This is in line with the literature review, and it is therefore necessary that Chinese companies respect environmental standards and rectify damages done to the environment in Africa. Figure 13 (below) indicates that respondents disagree (25%) or strongly disagree (38%) with the statement that Chinese companies take care of the environment when taking business decisions. Respondents also disagree (25%) and strongly disagree (33%) with the statement that Chinese companies follow applicable environmental laws. There is little agreement with the statement that Chinese businesses rectify damages they have caused to the environment, 35% strongly disagreeing and 27% disagreeing. Again, this is in line with the literature review which also indicates that Chinese companies are often accused of not respecting environmental standards. This is not surprising, since environmental standards in China itself are not always respected by Chinese companies, which has, among others, caused huge pollution in numerous Chinese cities. In addition, due to the lack of environmental laws and standards and the enforcement thereof in many African countries, Chinese firms just do what they are used to at home. However, it is up to African governments to ensure that applicable environmental laws and standards are in place and are adhered to, also by Chinese companies. However, this does not mean that Chinese companies, or companies in general, should not initiate responsible conduct in respect of the environment irrespective of external regulation.

Figure 13: Environmental responsibility of Chinese companies in Africa: combined results South Africa, Nigeria and Kenya
Findings for South Africa, Nigeria and Kenya

South Africans (56.6%) and Nigerians (56.3%) are more negative than the overall result for this category (49.8%), i.e., disbelieving that Chinese companies are environmentally responsible. Figure 14 (below) further indicates that only 3.2% of South Africans and 7% of Nigerians agree that *Chinese companies take care of the environment* compared to 33.7% of Kenyans. In response to the statement that *Chinese companies follow applicable environmental laws*, only 6% of South Africans and 11% of Nigerians agree, while 40% of Kenyans do. Moreover, only 3% of South Africans and 7% of Nigerians agree that *Chinese companies rectify damages they have caused* compared to 27% of Kenyans. Again, Kenyans are much more positive than South Africans and Nigerians about Chinese business practices since fewer of them disagree, which means that a substantially greater percentage of Kenyans believe that Chinese companies are environmentally responsible.

![Figure 14: Environmental responsibility of Chinese companies: Comparison between South Africa, Nigeria and Kenya](image)

**Employment practices of Chinese Business in Africa**

*Findings for all countries*

Considering the eleven items in this category, there is an overall disagreement with the statement that Chinese companies adhere to good employment practices (43.7% disagree and 18.3% agree). This is in line with the literature review. Figure 15 (below) indicates that the majority of respondents agree with the statement that *Chinese companies create employment opportunities for Africans* (13% strongly agree and 46% agree). However, when asked if *Chinese companies respect their African staff* there is much less agreement – only 3% strongly agree and 11% agree. There is even less agreement with the statement that
Chinese companies provide decent work conditions to their staff (1% strongly agree and 10% agree), or the statement that they are concerned about the health and safety of their employees, with only 1% strongly agreeing and 10% agreeing. Responding to the statement that Chinese companies respect basic workers’ rights, only 1% strongly agree while 13% agree. To summarise, respondents welcome the employment opportunities that are created by Chinese investment in their countries, but they are very much concerned about Chinese companies respecting workers’ rights. This implies that Chinese companies need to acquaint themselves better with African labour norms, laws and institutions (like strong unions) in order to foster mutual respect, rather than merely transferring Chinese practices to Africa.

In response to the statement that Chinese companies only use Chinese citizens as employees, 15% strongly agree and 38% agree. In response to the statement that People working for Chinese companies get better paid, only 6% agree and 1% strongly agree, while 25% are undecided, 29% disagree and 39% strongly disagree. This probably means that people working for Chinese companies do not necessarily get better paid than people working for non-Chinese companies. In regard to the statement that people working for Chinese companies get extra benefits, only 6% agree. In terms of the statement that people working for Chinese companies receive good training, 1% strongly agree and 16% agree, while 32% are undecided, 24% disagree and 27% strongly disagree. Regarding the statement that there is no glass-ceiling for promotion for African employees working for Chinese companies in my country only 2% strongly agree and 8% agree, 36% of respondents are undecided, while 24% disagree and 29% strongly disagree. This means that the majority of respondents do not believe there is no glass-ceiling for promotion for African employees working for Chinese companies.
Findings for South Africa, Nigeria and Kenya

Findings from South Africa, Kenya and Nigeria are presented in Figure 16 (below). Kenyans and Nigerians agree that Chinese companies create employment opportunities for people in their country (72% and 70%, respectively). South Africans agree much less with this statement (42%). Kenyans (28%) agree more than South Africans (9%) and Nigerians (7%) that Chinese companies treat their African staff with respect. Kenyans (24%) also agree more than South Africans (5%) and Nigerians (5%) that Chinese companies provide decent working conditions to their employees. And Kenyans (26%) agree more than South Africans (5%) and Nigerians (5%) that Chinese companies are concerned about the health and safety of their employees. Moreover, Kenyans (33%) agree more than South Africans (6%) and Nigerians (6%) that Chinese companies have regard for health and safety conditions of their employees. Chinese companies are considered to provide decent working conditions more than South Africans (5%) and Nigerians (5%) agree that Chinese companies respect the basic rights of workers. People working for Chinese companies in my country get better paid. People working for Chinese companies in my country get extra benefits. Chinese companies in my country give their employees good training. There is no glass-ceiling for promotion in Chinese companies in my country.
The overall percentages for the three countries thus indicate that most respondents disagree with positive statements about Chinese employment practices. There is a perception that Chinese companies do not treat their African staff with respect, do not provide decent working conditions, have little regard for health and safety conditions of their employees, and have little regard for basic workers’ rights.

Figure 16: Employment practices of Chinese companies in Africa: Comparison between South Africa, Nigeria and Kenya
Conclusions

It is no mystery why Chinese companies are investing in Africa: there are economic opportunities for China in Africa. This is also the case for American, European, Indian and other companies and the Chinese have as much right as companies from other countries to invest in Africa.

However, the manner in which Chinese and any other companies invest in Africa is of importance. Besides contributing to the economic development of African countries, companies should take responsibility for their economic, environmental, social and workplace impact, even if legislation is absent or inadequate, compliance poor, or law enforcement weak in African countries. The findings in this article indicate that there is an overall negative African perception of Chinese investment in Africa, except for the economic impact of Chinese trade and investment. Africans do see the benefit of Chinese investment, but they are concerned about the environmental and social responsibility of China, the quality of Chinese products, their possible involvement in corruption and illegal activities, and their employment practices. Often these perceptions are based on realities, but they may also result from rumours, or be fuelled by the media. However, wherever the negative perceptions come from, they should be addressed in the interest of both Africans and Chinese companies.

In order to address this situation, a number of recommendations should be taken into account. Firstly, Chinese companies need to be aware of their economic, workplace, social and environmental responsibilities when investing in Africa. Africans approve of Chinese trade and investment in the sense that it contributes to the development of their countries. However, Africans are concerned about the economic, workplace, social and environmental impact of Chinese investment.

Secondly, Chinese companies and Africans should engage to understand one another and discuss the issues raised in this article in order to ensure mutually beneficial solutions.

Thirdly, it is to a large extent up to Africa to gain from its relations with China. African leaders should be responsible and ethical when entering into business and investment deals with China (and, of course, all other countries). They should also ensure that there are strong institutions in Africa that can determine the terms of engagement and make sure that Chinese companies are held to such terms. They should ensure that African citizens reap the benefits of foreign trade and investment, whether Chinese or not.

In conclusion, responsible business conduct by Chinese in Africa depends on both Chinese and Africans. Chinese businesses in Africa need to practice economic, workplace, social and
environmental responsibility. But Africans need to be clear about their expectations regarding the economic, workplace, social and environmental responsibility of investors and business partners. In the end, Africans need to decide about their own future and with whom they engage. They need to ensure that these engagements are beneficial to Africa. China has every right to be in Africa, and if they do not take the many opportunities present in Africa, others will.
Bibliography


