Chinese Multinationals in Africa: Expanding ‘Yellow River Capitalism’ and Its Implications

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Talking Points

• Expansion of ‘Yellow River Capitalism’ to Africa

• Characteristics of Chinese MNCs

• Economic, political, social and managerial implications

• Question and discussion
The Growth of Trade Between Africa and China, 1996-2008

[Graph showing the growth of trade in billion US dollars from 1996 to 2008.]

Source: Goldstein et al. 2006 (1991-2003; data after 2003-2006 was added by me from various sources, 2007 data from MOFCOM)
Increasing Number of Chinese Enterprises in Africa

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Characteristics of Chinese MNCs in Africa

- types of ownership
- sector distribution
- internationalisation strategy
- staffing approach
Economic implication

• growth v. sustainability
• modelling China: is it suitable?
• happy consumers + happy tourists = happy jobs?
• ‘Dutch disease’ and diversified economies
Political implication

- Washing consensus v. Beijing consensus
- 'de-valued' democracy v. deliberate dictatorship
- international community v. national power
- post-colonialism v. new colonialism
Social implication

- tension between poor and rich
- relationship between Chinese and African locals
- corruption practices
- poor labour practices, CSR and environment
Managerial implication

- learning by doing int’ business management
- challenge to IHRM theoretical paradigms
- creation of new global workforce
- knowledge transfer – reverse diffusion