China's Investments in Asia:
Issues Concerning Workers' and People's Rights
Overview

Dramatic increase since 2005

- 2005 – started to manufacture products that it imported
- 2008 – filled the gap left by decrease in aid and investment from US, Europe and Japan
Overview

Peaked in 2016

- End of 2016 – Chinese government made policies seeking to curb “irrational” investment
- Downturn from 2017 to present – seen by observers as temporary
- Need to invest. “Go out” policy. Belt and Road Initiative
Overview

China Global Investment Tracker

Editor's note: The value of China's overseas investment and construction combined since 2005 is approaching $2 trillion. In 2018, state-owned enterprise investment and construction reached new heights, drawing increased attention to the number of countries in the Belt and Road Initiative and to the U.S.-China relationship. China’s technology acquisitions and other countries may follow.

The China Global Investment Tracker is the only comprehensive data set covering China’s global investment and construction, which are documented both separately and together. Launched in 2005, the CGIT now includes 7,000 large transactions across energy, transportation, real estate, and other industries, as well as 280 troubled transactions. The full list, with the amount, Chinese parent company, host country, and sector, is available for public use with the proper citation. The tracker is published by the American Enterprise Institute.

The interactive map tracks investments and construction by sector, region, country, and year.


Expand to View Graph

$1941.53B Total


Move the slider to adjust the date range. To see total investments and construction in a given year, highlight the timeline through the beginning of the next year.
Overview

- China Investment 2005-2018 – Global
Same trends in:

- East Asia – $265.92 billion
- West Asia – $275.14 billion
- Arab Middle East and North Africa – $182.2 billion
Overview

Investments can be grouped into two:

- 83.9% of $734 billion spent on construction went to low- and middle-income countries
- 65.6% of FDI outflows went to high-income countries in North America and Europe (2005-2017)
State-owned vs. private enterprises

- Role of private enterprises is growing
- But state-owned enterprises still dominate international investments
- 70% of non-financial outward FDI – state owned enterprises
Issues Concerning Workers' and People's Rights
Hambantota Port, Sri Lanka
Gwadar, Pakistan
Forest City, Malaysia
TBEA power plants, Tajikistan
Kaliwa Dam, Philippines
1. Unsustainable debt
   • Investments often go hand-in-hand with huge amounts of credit.
   • Indebtedness and onerous payments
2. Surrender of national sovereignty

- Wide tracks of land are surrendered to investors.
- Projects create “foreign cities within states.”
- Land is ceded as part of payment for debts.
3. Trade and investment interests over workers' and people's rights

- Infrastructure for trade, investment and “city living” is prioritized over urgent needs like schools and hospitals
4. Lack of transparency and accountability

- Contracts, term of loans are not publicized
- Not subjected to critical analysis
- Causes accusations and suspicion of corruption and bribery
5. Local industries at disadvantage; local employment minimal.

- Chinese enterprises bring their own manpower, materials and equipment
- Infrastructure is designed to serve Chinese and foreign investment and trade
Issues

6. Destruction of the environment

- Infrastructure projects, especially those on energy, destroy big sections of the environment
- Coal plants
- Irony: destruction of forests to build “green cities.”
7. Support for governments accused of human rights violations and corruption

- Investment is support.
- Investment often comes with other forms of political and economic support.
8. Geopolitics to the detriment of workers' and people's rights

- Territorial claims are set aside
- Human-rights violations and corruption are ignored