

Winners and Losers

Objective:

- To explore the costs and benefits of Multinational investment in Africa with respect to local people, national governments, shareholders and consumers.

You will need:

- Copies of the discussion cards cut into individual cards - one set of cards per discussion group.
- One copy per discussion group of the Winners and Losers chart

Time: Approximately 30 minutes

Instructions:

- Split the participants into discussion groups of three or four. Give each group a set of cards and ask them the question **'What could be the effects of Multinational investment in Africa?'**
- Ask them to decide which of the effects given on the cards they think are the most important (they might want to rank them in order of importance, or just choose two they think are important and two they don't).
- When everyone is happy with their choices ask each group to report back to the whole class.
- Then ask the question: **'Would everyone benefit equally from Multinational investment?'**
- Hand out a chart and pens to each discussion group and ask them to fill it in with people, groups, sections of society who benefit from Multinational investment, in the 'Winners' column, and those who don't benefit so much, in the 'Losers' column.
- When the discussion groups have filled in their chart ask each group to report back to the whole class. You could perhaps make a large chart with the responses from all discussion groups.

Discussion:

- The Commission for Africa identified that poverty will not be reduced unless African countries have strong economic growth and are able to encourage investment.

Questions:

 - How could African countries attract investment?
 - What would they need to do?
 (Responses should be guided towards the need to develop the infrastructure of African countries)
- The Commission for Africa raised questions about how the benefits of economic growth are distributed and managed.

Questions:

 - How could African countries ensure that the poorest groups, young people and women, benefit from donor and Multinational investment?
 - How could African countries ensure that any economic growth is sustainable?
 - How could African countries ensure the environment is safeguarded and that they address the risks of climate change?



(Responses should be guided towards investment in education, agricultural production, the development of service industries and the enforcement of health and safety and environmental protection legislation)

Discussion Cards

<p>Capital Investment</p> <p>Multinationals could provide the money required for industrial development.</p>	<p>Expatriate Workers</p> <p>Multinationals may employ key workers from outside Africa.</p>
<p>Training and Skills</p> <p>Multinationals could provide training for workers and help develop their skills.</p>	<p>Repatriation of Profits</p> <p>Multinationals may not invest the profits they make in Africa.</p>
<p>Employment</p> <p>Multinationals could provide employment for African people.</p>	<p>Health and Safety</p> <p>Multinationals may take advantage of weaker Health and Safety regulations in Africa.</p>
<p>Government Income</p> <p>African governments may be able to increase their income through personal and corporate taxation.</p>	<p>Cheaper Goods</p> <p>Multinationals could sell their products on the world market at a cheaper price.</p>
<p>Stimulate Growth</p> <p>Industrial developments could stimulate the local growth of service industries.</p>	<p>Shareholders' Dividend</p> <p>The shareholders in multinational companies could increase their annual dividend.</p>
<p>Competitive Advantage</p> <p>Multinationals may take advantage of Africa's cheap human and natural resources.</p>	<p>Environmental Degradation</p> <p>Industrial developments could degrade or damage the African environment.</p>
<p>Lower Prices</p> <p>Retailers could sell the goods manufactured in Africa at a cheaper price.</p>	<p>Value for Money</p> <p>Consumers could purchase goods produced in Africa at a cheaper price.</p>

Chart

Winners	Losers
Local	Local
National	National
Global	Global