

# Commerce in Africa: Corporate social responsibility

By **RADCLIFFE DOCKERY**  
Special to The Epoch Times

The term "Corporate Social Responsibility" (CSR) has been around for the last 10 years. According to Wikipedia, CSR is a concept whereby organizations consider the interests of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment.

CSR has become a larger issue in developing nations, in particular in Africa. At a recent event hosted by the Canada South African Chamber of Business—approaches to CSR were explored by the Ministry of Foreign Affairs & International Trade, the Ontario Ministry of Economic Development & Trade and various private sector organizations. One theme that was apparent through the event was that the criteria for success for CSR Programs vary from firm to firm.

CSR in South Africa has significant importance due to the nation's elimination of Apartheid 14 years ago. The status for the Black majority in South Africa has improved but not nearly fast enough.

The recent riots in Johannesburg and Cape Town show us that South Africa still has a long way to go.

This backdrop allowed the audience at the event to see two completely different approaches to CSR within Africa. These two approaches were presented by Martin Jones, VP Corporate Development of Banro Corporation and Erik Ratshikhophah of Xstrata. You may remember Xstrata as the organization who purchased Canadian mining giant Falconbridge.

Banro Corporation has created the Banro Foundation to assist with their CSR efforts in the Democratic Republic of Congo. According to Jones, the Banro Foundation will have a budget of approximately \$800,000 for this fiscal year.

One of the highlights of Banro's CSR efforts is its investment in infrastructure in this region. They have built bridges, roads, health care facilities and schools to support local populations. Being that Banro has secured land for future Gold production, the need to build this infrastructure is important both financially but also brings benefits to the local populations. Due to Banro's efforts, CARE International has joined forces with them to drive towards the future community and social development.

Xstrata is one of the world's largest miners. According to Industry Canada, over half of the trade between South Africa and Canada comes from the mining industry.

Erik Ratshikhophah is the Executive Director of Corporate Development for Xstrata in South Africa.

Xstrata's approach to CSR is embedded in the Black Economic Empowerment program brought in by the South African Government. The purpose of this program was to bridge the wealth gap between the Black and White Populations. Erik explained that under this program, a Mining Industry Charter was developed by the mining industry and the community. Under this Charter, there are 6 key impact areas: Black Ownership, Black Women in Management, Business to Business Black Supplier, Housing for Miners, Blacks in Management and Community Development.

As a native South African, Erik also explained that companies must be under the history of African states before entering business relationships. Under his leadership, the approach has been focused on local Black empowerment and business development with all targets within

reach. Here we see two different approaches to CSR. One focuses on developing infrastructure and support for the country they are doing business in. Additionally, they have teamed up with NGOs to deeper integrate the economic and social impact for locals.

On the other hand, we see an organization focused on creating locally owned businesses and driving employment equity to improve their labour pool and the overall skills of the locals. Both Banro and Xstrata provide interesting points that any company looking to invest in Africa should investigate.

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# Debt control: Questions and answers

By **JOHN LOWE**  
Special to The Epoch Times

My wife and I are finding it increasingly difficult to keep our debts under control, particularly the credit card debt. I owe about \$14,000 while my wife is about \$8,000 in the red. We have already topped up our mortgage in the past to pay off these debts and now we find ourselves back in the same position. I have to keep mine for work purposes, however my wife has agreed to cut her card up. Although this will help in the future, it does not provide a means of paying off the existing high interest debt.

The good news is that there is light at the end of the tunnel. This problem can be easily remedied by putting yourselves on a strict budget. The bad news is that you will have to put yourselves on a strict budget. Not using your cards any more is the first step towards paying them off. Most people who are in credit card difficulty use their cards to the limit of their credit, pay the minimum each month, and then spend up to the limit again until they get their next bill.

The first step is to cut up your wife's credit card as she suggested. If you must keep your one, use it only in the knowledge that when the bill comes in thirty days later, you

will have sufficient funds to pay the bill in its entirety. Credit cards lull us into a false sense of security that does not exist with cash. We believe that we have a limitless supply of funds when the nub of the matter is that we are racking up a hefty interest rate bill. I use a credit card like a charge card utilizing the thirty plus days credit but paying the bill in full each month. If you are only paying the minimum each month, it will take you eleven years to clear the debt.

You and your wife should start using your Laser whenever you need to purchase something and you do not have cash. A debit card allows you all the convenience of a credit card, with all the limits of your own bank balance. It's an excellent substitute but be careful in case you are embarrassed with a rejection at your local supermarket because of a shortfall in your bank balance.

The next step is to impose a strict budget on your household. As a couple, you should not spend money on anything that is not essential. This means no new clothes, no home decorating and no dinner out unless you have the money outside the budget i.e., if you have saved for this specifically and separate to the budget. When cabin fever sits in, why not visit a friend's house or a trip to the cinema budgeted of course.

After you stop spending, you need to start paying. When your credit card bill arrives in the post, pay off as much as you can afford. If you find yourself with a little surplus cash a while later, send that money to the credit card company even if it is not bill time. Those with an online banking facility can do this at the mere press of a button so there is no excuse. Remember you are saving high interest charges.

Lastly, beware of topping up your mortgage once again. As tempting as it may be, home equity loans are expensive in the long run. Debtors are lured in by the attraction of lower repayments and they don't always notice that the reason the repayments are so much lower is because the term is usually significantly longer, sometimes the lifetime of the mortgage. This means that they end up paying out far more than they would have done for a few short-term loans. For example, a person with a \$14,000 three-year fixed loan with a rate of 8.4 percent pays back about \$442 per month. Over the lifetime of the loan, this will add up to \$15,897.10 in total.

On the other hand, a person who chooses to top up a mortgage with a loan of \$14,000 and a rate of 4.75 percent—and believe it or not, there are cheaper rates out there at the moment even in these turbulent times will pay \$55.44 per month

(interest only) in addition to their mortgage payment. The real trick would be to pay off the amount owed over the same period if at all possible. Over twenty years they will make interest repayments of \$13,305.3 while the \$14,000 capital will still be outstanding. However, that \$14,000 loan might be ultra important, second level education and coming perhaps at a time when a "bit of a dig out" is required now there may be income streams from a variety of sources but not for ten years and therefore monthly outlay may be more important than long term objectives (\$442 versus \$55.44 per month)

Obtain good advice and see all sides to the options available. I do believe in releasing equity from property for investment purposes but not lifestyle purposes. Budgeting is essential and is a MUST for all of us.

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# Chinese counterfeiters going high-tech

By **HEIDE B. MALHOTRA**  
Epoch Times Washington D.C. Staff

WASHINGTON—Seizures by U.S. and Canadian customs agencies revealed that Chinese counterfeit goods have surpassed just luxury items and DVDs. Recent seizures uncovered 74,000 counterfeit Cisco Systems, Inc. high-tech products from China, worth more than \$76 million.

Counterfeit Cisco routers, switches, interface cards and other networking hardware could put U.S. companies at risk of infiltration by hackers and criminals, as well as network malfunction. The equipment had been shipped from Shenzhen City, Guangdong Province in Southern China.

"Counterfeit network hardware entering the marketplace raises significant public safety concerns and must be stopped," said Alice S. Fisher, Assistant U.S. Attorney General in a recent U.S. Attorney's Office press release.

The investigation into counterfeit goods—codenamed "Operation Cisco Raider"—is a cooperative effort between The U.S. immigration and Customs Enforcement (ICE), U.S. Customs and Border Protec-



**Hi-Tech Counterfeit: From Cisco routers to Intel processors counterfeiters from China have now entered the hi-tech arena and are sounding high security alerts as the potential to circumvent government agencies security is a cause of concern. PHOTOS.COM**

tion (CBP), the Royal Canadian Mounted Police (RCMP), U.S. Federal Bureau of Investigation (FBI) and the U.S. Attorney's Offices.

The operation resulted in 36 search warrants. The Justice Department announced ten guilty verdicts and fines totaling \$1.7 million.

Earlier this year, the FBI's Cyber Division handed out a newly unclassified PowerPoint presentation rooting out counterfeit compu-

ter and network components. The presentation has since been posted on the Internet by tech blogs.

## Secret information

In April, University of Illinois Professor Samuel King claimed that counterfeit computer and network parts might be sold by China to gain access to sensitive U.S. military data.

Tech blogs suggest that the FBI

and the Department of Defense are worried about such components being placed into their computer and network systems.

A press release from the U.S. Attorney's Office in the Eastern District of Virginia stressed that Cisco "has cooperated with U.S. and Canadian law enforcement authorities and provided exceptional assistance throughout these investigations."

## U.S. and Europe joining forces

More than 360,000 counterfeit Cisco, Siemens AG, Royal Philips Electronics N.V. and Intel Corp.-branded computer and networking components—worth around \$1.3 billion—were confiscated during 2007, according to a recent joint U.S. and European Union law enforcement press release.

"In terms of overall quantities seized, China remains the main source for counterfeit goods, with almost 60 percent of all articles seized coming from there," according to a European Commission press release last month.

In Europe, counterfeit computer equipment seizures increased by 62 percent in 2007 over the prior year.

# Cisco under scrutiny

By **HEIDE B. MALHOTRA**  
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Cisco Systems Inc.'s cozy business relationship with China has been well documented, including its role in supporting China's Internet self-censorship, widely known around the world as the "Great Firewall."

"Cisco did a favor to the Chinese government several years ago by selling them the mirroring routers on which the Great Firewall is based, at a time when Chinese authorities could not easily have produced the systems on their own," said James Fallows from "The Atlantic Monthly"

during an interview with Network World Inc.

"The likely use of the routers was well understood—and it should be obvious why selling them to a government which intends to monitor its citizens is different from selling them to some company that wants to monitor its employees," Fallows continued.

Cisco officials have testified during U.S. Senate and other hearings, insisting that it makes "off-the-shelf products" and does not specifically modify them to suit any country. Cisco will not sell products to any country that the U.S. federal government prohibits doing business with.

Its only interest is to make the Internet accessible to anyone in the world, Cisco claims.

However, leaked internal documents from China suggest that Cisco was aware of China's intentions and enthusiastically provided such technology to a repressive regime. The document even makes special mention of its role in silencing Falun Gong and other dissidents.

Rep. Chris Smith (R-NJ) is the author of the Global Online Freedom Act (HR 275), to be voted on before the 2008 Olympics. If it becomes law, the Act will prohibit U.S. companies—such as Yahoo! and Google—from cooperating with repressive

regimes. The act is supported by human rights organizations, media advocate Reporters without Borders, the Centre for Democracy Technology among other interest groups.

"American high-tech firms have produced the technology and know-how that has led to a modern-day information revolution. Sadly, however, instead of working to allow everyone to benefit from these advancements, these same high-tech firms are colluding with dictators and tyrannical regimes such as China to suppress human rights information and punish pro-democracy advocates," said Smith in a recent release.

# GM says it will take steps to end Canada blockade

VANCOUVER (Reuters)—General Motors said Monday it will take whatever legal steps are necessary to end the blockade of its Canadian headquarters, in Oshawa, Ontario, but is still willing to talk to its angry union.

The company said it also lost some vehicle production at its Oshawa facilities this weekend because of ongoing protests against plans to phase out truck production at a plant in the city, about 60 km (40 miles) east of Toronto.

GM blames the shutdown, set for 2009, on falling demand for pickup

trucks and sport utility vehicles in the face of rising fuel prices, but the Canadian Auto Workers union says the company is violating its newly signed labour agreement.

The plant, which makes the Chevrolet Silverado and GMC Sierra, employs about 2,600 hourly workers. It is one of the four North American plants that GM said it will close to cut capacity and to shift production toward more fuel-efficient cars as record gasoline prices depress truck sales.

GM's statement did not elaborate on what steps it planned to take to end the blockade at its Canadian

head office, and a company official was not available for comment.

The automaker said it was still willing to talk to the CAW about producing fuel-efficient cars at the facility, but warned it cannot continue to build large volumes of trucks in Oshawa because consumers are not buying them.

Union officials were not available for comment Monday.

CAW and senior company officials met last week but without reaching any agreement.

GM's statement defended its position, saying both sides agreed in their most recent labour contract

that keeping truck production going at Oshawa was dependent upon market demand.

The labour pact also recognized that GM's product mix might have to change because of "factors that are beyond the scope of responsibility and control of the parties involved," the company's statement said.

The union maintains the agreement obliges GM to keep the Oshawa truck plant open until 2011.

GM also produces the Chevrolet Impala in Oshawa and is set to start turning out the new Chevrolet Camaro this year.

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