
TANG XIAOYANG

Abstract: The growing presence of Chinese enterprises in Africa has attracted public attention to their employment practices. Critics blame Chinese for not hiring local workers, paying low wages, having precarious working conditions, and providing little training. Addressing these issues, this article first examines the reality of Chinese companies’ employment practices in Africa. Doing so reveals the diversity of Chinese enterprises’ employment patterns and the reasons behind these patterns. The paper argues that the criteria for evaluating the benefits of employment are diverse and related to comprehensive social background. Efforts for improvement need to take various socio-cultural contexts into account. It is through mutual learning and the convergence of various cultural traditions that hiring practices can benefit both Chinese and Africans.

Introduction

Chinese enterprises have been rapidly expanding their business footprints in Africa. The bilateral trade volume between China and Africa has risen from US $29.5 billion in 2004 to US $221.67 billion in 2014, representing an average growth rate of 30 percent per year. China has become Africa’s largest trade partner. The foreign direct investment (FDI) stock from mainland China to Africa reached US$32.35 billion in 2014, over thirty-five times more than the figure merely ten years ago. According to China’s Ministry of Commerce (MOFCOM)’s registration database, there were more than 3000 Chinese enterprises operating in Africa as of January 2015.

With this backdrop of intensifying economic interaction, public opinions and media have paid special attention to the employment practices of Chinese companies in Africa. Much of this publicity is negative. Some observers express concerns—that Chinese companies prefer to bring a large number of Chinese workers to Africa and are unwilling to hire local workers. Ben Schiller reported that tens of thousands of Chinese laborers and engineers were imported to build infrastructure projects in Ethiopia, Sudan and other African countries. This makes the acute unemployment problem in Africa even worse. Others complain about low wages. The International Trade Union Confederation’s Hong Kong Liaison Office (IHLO) suggested that Chinese companies’ wage is among the lowest in many African countries and they usually pay less than other foreign investors. Another criticism is that working conditions in Chinese enterprises are problematic, often involving health and safety hazards and long working hours. For example, an explosion accident at the Beijing General Research Institute of Mining and Metallurgy (BGRIMM) 2005 killed 52 Zambian employees and provoked fierce resentment from Tang Xiaoyang is Associate Professor, Department of International Relations, Tsinghua University and a resident scholar at the Carnegie-Tsinghua Center for Global Policy. His research interests include political philosophy, China’s engagement in Africa, and the modernization processes of developing countries. He previously worked at the International Food Policy Research Institute.

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the local community against the Chinese investors. Finally, doubts are raised about Chinese companies’ contribution to the development of the continent’s human capital. A World Bank research paper states: “Chinese firms tend to rely on their own low-cost labor and do not invest heavily in the training and education of African workers.” Southern Africa Resource Watch also stated that “technology transfer to local people is not a feature of most Chinese investment.”

However, most of these comments are based on individual experiences or scattered case studies. Systematic research in this area has been scarce. To what extent are these perceptions about Chinese companies’ employment practice true? Can we map out a precise picture of Chinese employment patterns? Further, do Chinese employment patterns contribute to Africa’s own development and benefit African workers? Or do Chinese enterprises rather exploit Africa’s cheap labor and bring damage to local communities? Below, this paper begins with investigating the nature of Chinese companies’ employment practices in Africa and explores the reasons behind these practices. Based on the findings, it tries to analyze the benefits and harms of the Chinese employment pattern. The paper proposes that the evaluation of an employment pattern should consider not only employers’ or employees’ direct interests, but also a country’s comprehensive social, economic and cultural development. Yet, Chinese enterprises, African workers, local governments and other related parties have different views on the reality of these broad issues. These diverging ideas often lead to conflicts and cause damage to both enterprises and employees. In contrast, when Chinese and Africans understand each other’s visions and adjust their positions to converge, the cooperation can sustain and bring benefits to both sides. Therefore, I argue that mutual learning is the key to realizing mutual beneficial employment practice.

In order to present a comprehensive and precise picture, this article combines data collection with in-depth interviews and case studies. Data collected from various sources, including governments’ statistics, enterprises’ reports and research surveys, this author and other researchers. The information from all these sources, should be taken with caution. On the one hand, many African countries have not yet developed a regularized and effective system for collecting statistics. There may be over or under reporting. On the other hand, Chinese engagements in Africa are diverse and changing rapidly and simple classification often fails to reflect the complexity and dynamics of the reality. A contracted worker in a Chinese state-owned enterprise in Tanzania can have radically different meaning from a contracted worker in a Chinese private company in Ethiopia. Besides, since many Chinese companies are trying to adjust their operation to the local environment, their employment practices may constantly evolve and cannot be captured by a single survey. Whereas random reports may not be able to provide a clear overview of all enterprises, standardized data cannot describe concrete development of each company. Hence, case studies and individual narrations are often used to complement the data. They have been collected from field trips in nine African countries over the past six years. Occasionally, reports from second-hand literature will also be used. These individual experiences ought not to be generalized, but should be understood in their specific contexts. Records of the evolving paths of various enterprises are valuable in themselves, as they reveal the depth of a process which is not measurable by quantitative methods.
The following section begins by examining several overwhelming negative perceptions about Chinese companies’ employment practices, followed by description of Chinese companies’ efforts of improvement. The concluding section will summarize the mutual learning dynamics between Chinese enterprises and African communities.

Critiques on Chinese Employment Practice

Influx of Chinese Workers?

It is widely believed that Chinese companies tend to bring Chinese workers instead of hiring local people, but this claim is not supported by the available data. Though it is not easy to get the exact numbers of African employees in Chinese companies due to the lack of official statistics, occasional reports and various surveys can still indicate a general trend. In 2007, Angola Ministry of Finance published a report, which listed the composition of employees in thirty infrastructure projects realized by Chinese companies. Out of a total of 3136 employees, 1872 were Angolans, making up 59.7 percent of the entire work force. In this case, the proportion of Chinese workers is still relatively high, over forty percent, because of the pressing deadline of project completion and the lack of skilled labor in post-war Angola. In Ghana’s Bui dam, the Chinese constructor Sino-hydro hired 560 Ghanaians and 110 Chinese workers as of July 2008. The construction of Chinese-funded Imboulou dam in Congo Brazzaville involved as many as two thousand Congolese, four hundred Chinese and twenty Germans. Employment statistics in five operating Chinese economic zones also confirms the trend (see Table 1).

Table 1. Number of Employees in China-Africa Economic Cooperation Zones (February 2012)

<table>
<thead>
<tr>
<th>Establishment year</th>
<th>Number of resident companies (signed)</th>
<th>Number of resident companies (operational)</th>
<th>Number of Chinese employees</th>
<th>Number of African employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt Suez</td>
<td>2000</td>
<td>49</td>
<td>38</td>
<td>Approx. 130</td>
</tr>
<tr>
<td>Zambia Chambishi</td>
<td>2004</td>
<td>36</td>
<td>27</td>
<td>1372</td>
</tr>
<tr>
<td>Nigeria Lekki</td>
<td>2007</td>
<td>26</td>
<td>6</td>
<td>n/a</td>
</tr>
<tr>
<td>Mauritius Jinfei</td>
<td>2009</td>
<td>n/a</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>Nigeria Ogun–Guangdong</td>
<td>2009</td>
<td>34</td>
<td>8</td>
<td>177</td>
</tr>
<tr>
<td>Ethiopia Oriental</td>
<td>2010</td>
<td>12</td>
<td>6</td>
<td>Approx. 300</td>
</tr>
</tbody>
</table>

Source: Bräutigam and Tang.
While the data discredit the belief that Chinese do not hire local workers, they do show that a large number of Chinese workers have recently been coming to Africa. According to the Chinese Ministry of Commerce’s (MOFCOM) statistics around 12,000 Chinese expatriates worked in Africa in 1990, this number grew to more than 40,000 in 1999, 114,166 in 2007, and 195,584 at the end of 2010. However, these numbers only included the companies and projects which were registered with MOFCOM. Most of them were large state-owned enterprises, whereas numerous small and medium-sized businesses were not counted. Xinhua, China’s official news agency, noted in 2007 that there were 750,000 Chinese working or living in Africa “for extended periods.” Today, some researchers estimate that the number of Chinese people working and living in Africa may reach two million. The sudden influx of so many Chinese into the continent may have led to the wrong perception that Chinese companies only bring their own workers.

The employment of local workers is both encouraged by governments and motivated by economic calculation. Combating against high domestic unemployment, many African countries have strict regulations on employing local workers and issuing work permits to foreigners. For example, Egyptian law allows one foreign employee for every nine Egyptians employed. Angola has a similar policy, requiring that 70 percent of a company’s staff must be Angolans, though exceptions may be made for certain urgent public projects. In Ethiopia, only two expatriate residential permits are granted for every registered enterprise as of 2009. Even without governments’ constraints, Chinese companies often think of hiring more local employees, because it can greatly reduce the labor costs. As the CEO of Huajian shoe factory in Ethiopia Helen Hai told me, “we have 200 Chinese expatriates now. It cuts our profit. We have to double the wage of Chinese workers to attract them to work in Africa. We hope to reduce the number of Chinese workers as soon as possible.” This researcher’s survey of 35 Chinese companies in Angola found that a MOFCOM worker on average earns approximately 60 percent more than his local counterpart. Yet, apart from salary, employing a Chinese requires more additional costs, including food, accommodation, one or two trips to China per year, work permit applications and extensions, and so on. Thus a Chinese employee actually costs three to four times more than a local employee.

However, most Chinese companies have to bring a number of Chinese workers to Africa, at least at the beginning of their operations. First, Chinese workers are familiar with the companies’ organization and process. They can put the enterprises into operation quickly, especially for urgent projects. Second, Chinese technicians are required to install and test the machineries, as most equipment is imported from China. Third, experienced Chinese workers can also tutor their local colleagues on the job. Through working together for a period of time, Chinese employees can demonstrate and transfer their work skills to Africans.

A decreasing number of Chinese staff has been evident in several cases. My survey in Democratic Republic of Congo (DRC) found that companies within their first five years were using Chinese for almost one-third of their positions, whereas for companies with a history of more than five years, the proportion of Chinese staff was down to 16.8 percent. In Zambia’s ECCZ, around four hundred Chinese and five hundred Zambians were employed during the early phase of construction, machinery installation and training, but the percentage of Chinese workers was down to less than 20 percent after the production process became stabilized.
Ethiopia, China-Africa Overseas Tannery reduced the number of Chinese technicians from thirty-three to twenty-three within one year, as local engineers were promoted to the positions of supervisor. Huajian shoe factory moved even faster. It started operation in January 2012 with over three hundred Chinese. By July 2012, local workers had already replaced approximately one hundred Chinese expatriates.

It is clear that hiring of large numbers of workers and increasing the use of African labor are closely related to the business models of Chinese companies. Statistics show that by the end of 2009 Chinese investment in Africa was concentrated in mining (29.2 percent), manufacturing (22.0 percent) and construction (15.8 percent). These sectors are usually labor-intensive. In addition, Chinese companies work in a more labor-intensive manner than their European and American competitors in these sectors. Consequently, Chinese investors need huge numbers of laborers, both Chinese and Africans. While it is financially compelling to employ more local workers in the long run, it is as well necessary to bring a considerable number of Chinese to implement the projects and train the local workers. Yet, quite a few African and Western critics are apparently unfamiliar with this Chinese business model of employing large numbers of Chinese and African workers at the same time, using Chinese to train African laborers on site and then replacing the Chinese finally with Africans. They protest the sudden influx of Chinese workers without seeing the whole picture or the long-term trend.

Nevertheless, the Chinese and African perspectives are interacting and converging in the practice. For instance, by understanding that Chinese companies need a technical workforce to realize infrastructure projects for national reconstruction, Angola did not insist the 70 percent local employment quota at the outset. In certain sectors with high technical requirements, such as telecom and hydropower, Chinese staff even made up nearly 60 percent of the total workforce because very few qualified local engineers were available at that time. Ethiopia also granted over three hundred visas for Huajian’s technicians after its registration so that the company could initiate operation quickly and train local workers. Conversely, Chinese enterprises also seem to be influenced by local public opinions which demand more jobs for local people. Not only do they hire Africans according to regulations, but some of them in fact hire more Africans than stipulated by local regulations. Angolan statistics showed that Chinese companies in the agricultural, catering, and trading sectors filled nearly 80 percent of their positions with Angolans. As noted before, the use of more local workers may also be beneficial for business development. That is to say, it’s possible to realize mutual benefits for Chinese enterprises and local communities. Both sides just need to understand each other’s interest and seek an economically viable approach together.

Low Wages?

In reference to the perception that wages in Chinese enterprises are low, unanimous answers are not presented in the findings of various studies. C.K. Lee reported that Chinese owned major company NFC Africa Mining Plc (NFCA) was known to pay the lowest wages among all major mining companies in Zambia. She also pointed out that low wage was the workers’ major grievance in China-Tanzania joint venture Urafiki Textile in Dar es Salaam. Andrew Brooks discovered similar situation in the former China-Zambia joint venture Mulungushi Textile, where Zambian workers’ wage was hardly sufficient to cover basic needs of a family.
However, the 2011 World Bank survey in Ethiopia concluded that the average monthly salary for local employees in Chinese enterprises was 85 US dollars, about 13 percent above the estimated national average salary. This research found from interviews in Ethiopia that there is broad diversity among Chinese investors. Some were paying as low as 35-40 US dollars/month to the workers on assembly lines, whereas others paid 100 dollars/month to technicians or 600 dollars/month to managers to attract them from other competitors. Hence, it is necessary to take a closer look at the reasons behind these differences.

Both Lee and Brooks regarded the low wages in Chinese enterprises as a result of casualization of employment, as previous socialist employment systems with high welfare conceded to exploitative capitalist business logic. Casualization is an industry-wide phenomenon in Zambia, Tanzania and many other African countries. Yet, the Chinese enterprises are unique among the foreign investors because they themselves have recently experienced such transition. China’s own market reform has been affecting its enterprises’ employment practice in various manners. First, a few old Chinese enterprises, like Urafiki and Mulungushi Textile, were Chinese aid projects handed over to African governments. As both factories’ operations ran into difficulty, Chinese partners were reintroduced to form joint-ventures in 1995. The change from aid to joint-venture was in line with the market-oriented reform of China’s foreign policy. Consequently, the new Chinese owners immediately restructured the labor force. At Urafiki, the company only hired 1900 people out the previous 3-4000 workers. However, a large part of them were permanent workers and could not be laid off. The Chinese general manager Huang Lilan complained that these old workers “had obsolete ideas and low productivity,” with the qualified production rate at merely 40 percent in comparison with 90 percent qualified production rate in China. The joint-venture had been running at a loss for almost every year since its opening. However, the workers’ union still demanded a salary increase and more welfare. Huang felt that the workers’ union did not care about the economic efficiency of the company, for they assumed that the Chinese would not let this “child of Mao and Nyerere” fail. The Mulungushi textile launched similar labor reform to reduce wage and welfare. But they were also burdened with hundreds of permanent workers and were unable to cut production costs low enough to become profitable. Meanwhile workers’ unions continuously campaigned for higher salary. In this instance, the Chinese partner finally decided to close the factory in 2007 to stop loss.

Hence, low wages in the cases of Urafiki and Mulungushi reflected the problems during the transition period. The Chinese partners came with the mind of market reform, but they were met by African workers who still stuck to the moral economic standards and labor rights of the socialist period. Since these were historical aid projects, the Chinese companies had to take the political aspect into account. These viewpoints are not able to reconcile with each other yet. Thus, the situation was unsatisfying for both sides. The managers cannot fully streamline the work force as they wished, while the oversized local staff are unable to earn the income they have come to expect. As the tension between employers and employees attracted harsh criticisms at both factories, they also failed to fulfill their diplomatic mission of enhancing Sino-African friendship. The persisting divergence brings benefit to nobody.

The Chinese newcomers do not need to reconcile with the past, but they do have their own challenges in Africa. Li Pengtao compared NFCA with other mines in Zambia to assess its labor
standards. When NFCA bought Chambishi mine in 1998, it had been closed for thirteen years. The reconstruction of the mine cost the company $160 million, and all the employees were newly recruited. In contrast, the Swiss-owned Mopani and Indian-owned KCM bought mines that were already in operation with established salaries in place. To recoup the huge investment in infrastructure and training, NFCA initially paid considerably lower salaries than other mines. Yet, an annual increase was granted.35

The same business logic can also be found among Chinese companies in Ethiopia. Huajian Shoe Company invested several million dollars to set up a highly mechanized factory. They recruited approximately eight hundred new workers and sent eighty-six of them to China for training. However, they paid their workers merely 600 Birr ($35) per month, below the national average. There are also heterogeneous strategies among different Chinese companies. Friendship tannery and China-Africa Overseas tannery were both established recently near Addis Ababa and had almost the same processing capacity in 2012. The total investment of China-Africa Overseas tannery was 300 million rmb ($48 million), of which 200 million rmb ($36 million) was spent in fixed assets. The company boasted that it got the best effluent treatment system in Ethiopia and could produce more varieties of leather than any other enterprises.36 Yet, the company paid a mere 500-600 Birr ($29-35) monthly to the newly recruited laborers and additional 50 Birr ($3) after three-month probation period.37 In comparison, Friendship did not make a big initial investment. It had several rows of simple warehouses and brought machines which were just enough for current processing demand. The owner did not plan to build a factory with ISO standards or introduce advanced technology, as his factory merely does basic leather treatment to meet Ethiopian government’s minimum export requirement.38 He was more interested in getting quick return through leather trade.39 While parts of the houses were still under construction, the factory already started to operate and export. Interestingly, they paid the workers relatively well in order to keep them working hard: nearly 1000 Birr ($59) per month for inexperienced new laborers and 10000 Birr ($590) for local managers.40 The wage level was so high in Ethiopia that it attracted quite a few employees from other tanneries to come.

Managers of companies with low salaries like to use China’s own experience to prove that temporary hardship is necessary for future development. Huajian’s CEO Helen Hai told her Ethiopian employees to be patient and to have foresight when they demanded a raise. She reminded them that Chinese were also poor thirty years ago and it took time and hard work to finally become successful.41 A senior manager at Urafiki textile said “China’s reform experience has taught us that you need sacrifice. Our own industrial enterprises have turned the corner from losing money to making profits by intensifying the labour process and reducing manpower.”42 However, Africans have not accepted this kind of argument well. Six months after its operation, more than seventy of Huajian’s eight-six trainees left the company. I was able to locate eleven former workers. They all listed the low wage as the key reason for their departure.43 The laborers in China-Africa Overseas Tannery often left the company immediately after they received their wage, whereas those at the Friendship Tannery usually did not leave unless they were fired.44

To summarize, Chinese enterprises in Africa have various salary levels, which are mainly decided by the companies’ business models. Africans have differing attitudes toward these
models. It is not surprising that local people are eager to work for those companies that pay well and complain about other companies that pay less. Yet, even the companies with low salary levels may be beneficial to local communities in the long run, as they invest heavily in machinery and infrastructure. However, some of the Chinese enterprises require African workers to make the same sacrifices as Chinese workers did during the early stage of China’s own development. Such attempts rarely succeed in Africa’s social context, and the diverging expectations of various parties can result in a loss for all parties.

**Poor Working Conditions?**

Problems of working conditions are partly related to the issue of labor costs. To save costs, some Chinese companies reduce their expenditure on employees’ welfare such as food, transportation, and healthcare. However, this cannot be simply criticized as exploitation or cruel treatment of African workers, since most of Chinese expatriates, including senior executives, live and work under similar conditions. Unlike Western expatriates who usually stay in exclusive villas and apartments, Chinese often sleep in barrack style dormitories. They work with local workers side by side.

Almost every Chinese views the harsh conditions as necessary costs for development. In the Huajian factory, over one hundred male Chinese workers and supervisors slept together in one room behind the workshop. When I met these young men, they had already stayed there for six months and would stay for another one or two years. They admitted that there was a lot of inconvenience in living, but it is not a bad thing for young people to “eat bitterness.”

Rudewa Sisal farm was the second largest sisal farm in Tanzania and employed nearly one thousand workers. Its six Chinese managers all lived in one cottage outside the farm. They raised chickens, grew vegetables, cooked and cleaned by themselves after daily work. General manager Guan Shanyuan said that the farm, which had opened in 2000, was just barely able to break even and the managers wanted to save money to invest in plantation expansion. The first general manager of Urafiki joint-venture recalled, “The living conditions, sanitation and housing for Chinese personnel were really terrible. Only in 2002 did we renovate the compound. We had the money, but at that time we wanted to uphold the principle of productive investment first, living conditions second. Bitterness, enjoyment later, this is our old Chinese wisdom.”

Africans do not necessarily reject the thoughts of eating bitterness. While a number of local employees decide to leave Chinese companies because of meager wage and welfare, some workers move in for a brighter future. At Huajian, two young Ethiopians by the assembly line told me that they quit a company in Addis Ababa to work in this factory, even when they got higher salary in the previous company. They pointed to the roaring machines around and to their new uniform with Huajian’s logo, “We can learn many things here: making shoes, using machines and also speaking Chinese. We feel safety for the future.” Likewise, an Ethiopian technician at China-Africa overseas tannery complained about its food and remote location, as he had to live in the dormitory. But he was still willing to work in the company because it had advanced machines that he had never seen in other tanneries.

Yet, when Chinese and local people have very different views on working conditions, tensions between employers and employees may rise. Especially in the mining sector, which
does not require much attention to labor protection, the Chinese model often meets local criticism. Safety records in China’s domestic mines are poor. Thousands of Chinese workers die in mining accidents every year as a result of lax regulation and ineffective implementation. When Chinese mining enterprises come to Africa, they find a different legal and social context. Consequently their conventional practices in China need modification. For example, after China Non-Ferrous Metals Company (CNMC) took over Zambia’s Luanshya mine in 2008, there were on average three accidents per week. Chinese managers felt comfortable with this frequency, for it is much lower than that in China. It could even be seen as a model in China. But local employees were not satisfied, as the mine under the previous owner (a Swiss company) had only one accident per month. When CNMC management discovered that Zambia’s safety regulations were stricter and that workers had a stronger awareness of production safety, they began improving the protection measures correspondingly. Safety talks were introduced in early 2011. Personal protective equipment was first provided to contracted workers in 2008 and 2009, and later also provided to casual workers. Although there is still discord on several issues, Zambian miners widely acknowledge the Chinese management’s efforts to improve safety conditions.

The cases above demonstrate that the idea of making sacrifice for future development is not limited to the Chinese, but can also be found among Africans, albeit at a lower rate. The common view is achieved through a consideration of long-term economic benefits and an understanding of the importance of investment in productive machinery. The proper balance between profit for enterprises and benefits for employees is a question for all companies. However, the sacrifice of employees’ benefits in Chinese companies may seem larger than in other Western companies. This is because most Chinese investors have limited financial resources in comparison to the Western multinationals, and their labor-intensive production model requires stricter control on costs per worker. Chinese companies tend to decide the financial allocation according to China’s own experiences of development. This may conflict with local custom at times. In such situations, Chinese managers have to rethink the balance based on local socio-legal contexts. The balance between profit and welfare is thus related to a merger of Chinese and African perspectives.

Lack of Training?

As noted earlier, Chinese enterprises have urgent need for skilled local workers to replace Chinese expatriates so that they can save costs and prepare for long-term expansion. Companies have therefore launched various programs to train African employees. The most common form is on-site training. Experienced Chinese workers teach new African hires to start work through hands-on tutoring and gradually improve the new workers’ skills in daily operation. Almost every enterprise employs this cost-efficient and practical method. Some hi-tech enterprises provide more systematic and standardized courses. Two major Chinese telecom equipment providers, Huawei and ZTE, have established a total of ten training centers across the continent. According to a Chinese government’s official announcement more than 20,000 African technicians are trained by Chinese IT and telecom firms every year. Some companies also explore of cooperation/partnering with local schools and training institutes. For instance, CITIC group experimented partnered with an Angolan school to train carpenters, electricians and other technicians for its large-scale project of constructing a new neighborhood on the outskirt
of Luanda. The company provides funding and teachers to the school. In return, the students will work for the company after their graduation. Some enterprises even send their employees overseas, mainly to China, for intensive training. Most notably, a Sino-Angolan automobile joint venture CSG sent fifty Angolan engineers to Henan province for three months in 2007 to become familiarized with the entire car assembly process. As noted above, the Huajian shoe factory sent eighty-six Ethiopian workers in 2012 to its production base in Jiangxi province for two months to acquire the necessary skills to initiate operation.

However, the effect of the training is not always satisfying. First, some Chinese companies found that many African workers like to change their jobs after having acquired skills. Changjin, a Chinese tableware manufacturer in Egypt recruited about ninety local workers for training in 2006. Three years later, only twenty of them stayed in the company. The manager Liu Jianguo explained that the local workers are able to get higher pay in other foreign companies once they become skilled. As previously mentioned, over 80 percent of Huajian shoe factory’s trainees left the company soon after they returned from China. Though mobility of skilled labor is a common problem, the Chinese companies that pay low wages are particularly concerned, as they lack competitive financial methods to retain their workforce. As a result, some Chinese managers are reluctant to give advanced training to more local workers.

Second, in the training process, communication is a major barrier. Most of Chinese technicians do not speak English well, let alone French, Portuguese, Arabic, Swahili, or other languages spoken in Africa. They rely on interpreters to convey their ideas to local workers, or just use simple words and gestures to demonstrate skills. It is not surprising that the tutors and the apprentices often misunderstand each other. Local workers mechanically follow the gestures without understanding the point. They may easily make mistakes when situations change.

Third, the long-term effect of training is questionable. Historically, Chinese aid projects provided training to Africans. After the departure of the Chinese tutors, the trained local workers gradually deviated from or abandoned what had been taught as standard practice. Deborah Brautigam reported that in Sierra Leone the Chinese agriculture experts taught local farmers to level their rice paddies to create a uniform depth of water for the rice seedlings. When they were present, the Chinese experts objected to any land surface being above water. But people complained that this was “too difficult.” Therefore, when the Chinese left, this agricultural practice was no longer strictly observed. Similar situation can still be found in Chinese factories today. In China-Africa overseas tannery, Chinese supervisors have to sit in the workshop to monitor the workers to count pieces of leather in every process, for precise counting is crucial to the usage of chemicals and the quality of leather. “If I am not here to double check, they (local employees) will not be as careful in counting,” said a supervisor. In Huajian, the quality controllers in all production units are Chinese. Their task is to ensure the quality of each step of manufacturing process. They told me that the defects are often caused by failure to follow standard practice. For instance, some Ethiopian workers forgot to adjust their skiving machines appropriately at the beginning of every day and thus produced unqualified components. The difficulty of maintaining the effect of training may partly be related to the communication barrier. As a Chinese tutor admitted, it is not easy to explain the structure of
machines, and some Chinese technicians even skipped a detailed explanation about machinery functioning due to the language barrier.\(^6\) This means that African workers may not have sufficient knowledge about machinery maintenance and reparation. As machines wear and tear, this shortcoming will increasingly affect the production. Additionally, an ineffective management and a lack of incentives may also contribute to the decay of the production system.

However, none of the above-mentioned phenomena is unique to Chinese investors. Enterprises from other foreign countries are also troubled with problems such as the loss of skilled employees, the difficulty of communication, and a lack of sustainability. These problems may be more obvious in Chinese companies because their investments are relatively new and some companies currently have strict control of wage level. While Chinese enterprises are actively promoting training and technology transfer to African employees, they still need comprehensive adjustment and integration to improve the effectiveness of training.

**Improvement Measures of Chinese Enterprises**

*Training Local Managers*

In order to truly develop a reliable local work force and promote the enterprises’ integration with the local community, the Chinese companies have to modify their management of human resources comprehensively. Corresponding to the problem of high turnover rate, the priority is to retain the skilled local workers. Jack Hong, a manager of Hazan Shoes, which invested six million dollars to set up a factory in Nigeria, told me that the company had realized the problem of unstable local staff. Not being able to elevate the overall salary level, Hazan chose to identify a small group of core staff members and pay particular attention to their career development. According to Hong, these core workers were selected by their motivation for work, capability of learning and reliability. For the selected employees, the company provided higher wages as well as special opportunities for career development, such as promotion to management positions, company-sponsored education and other incentives. As the result, Hazan was able to keep a number of experienced local employees for more than five years.\(^5\)

Likewise, Yang Xiao, the deputy manager of Chongqing International Construction Corp. in Uganda, told me that an Ethiopian employee in her company was working so well that the company promised to sponsor him to study at a university in China. The only condition was that he should return to work for Chongqing International after graduation.\(^6\) The Chinese managers hope that such prospects of long term development within the company can outweigh the attraction of short-term wage increase from outside and build local employees’ loyalty.

With this small but capable core of selected employees, the Chinese enterprises can push forward the process of localizing the management. More and more Chinese companies realize that local workers can be better trained, supervised and managed by local managers, because the African employees are able to communicate with each other more effectively and convey information more precisely. Experienced Africans have already partially taken over the role of the Chinese managers, above all in sectors like construction, agriculture and manufacturing, for local management is especially helpful to organize and coordinate the large amount of laborers in these sectors. Meanwhile, in this process of management localization, the companies can as well monitor the management capability of the new African supervisors to ensure that they do
not loosen the control of the standards or compromise with other local workers. On the assembly lines of Hazan Shoes, I saw a handful of Nigerian supervisors organize the operations of about sixty local workers, whereas only one Chinese tutor was walking around to provide technical instructions. In Changjin Tableware in Egypt, I did not see any Chinese in the pressing and shining sections and only one Chinese instructor in the model forging section. Egyptians had already become master workers or team leaders in these sections. Yet, all the ten workers in the quality control section were Chinese. Liu Jianguo said that the company can have an overall control of the whole manufacturing process simply through inspection of the final products. These two examples show that the training program extends from the pure learning of skills to the fostering of management capacity. In the transitional period of co-management between Chinese managers and African core staff, possible problems are tackled, local managers’ capability is gradually enhanced, and the Chinese may phase out without causing big turbulence in operation.

In order to make full use of the respective advantages of African and Chinese management, some enterprises also experiment new organizational structures. A sisal farm in Tanzania which is wholly owned by the China State Farm Agribusiness Corporation (CSFAC) has a two-tier management system. One tier, composed of seven Chinese executives, is in charge of planning strategy, as they are familiar with the principles and plans of the CSFAC headquarters in Beijing. The other tier, led by a Tanzanian general manager and various levels of local administrators, is responsible for implementing the strategies. Knowing the local society and environment well, they can ensure a smooth everyday operation of this farm with over six hundred workers. Both teams have their irreplaceable strengths and complement each other through close collaboration.

These efforts to improve the management effectiveness of the Chinese enterprises are still in the phase of experimentation. They need time to prove their success. However, the experiments themselves demonstrate that the Chinese enterprises through practices become more and more conscious of the complexity of the training and employment issues in Africa. Accordingly, the management style and the entrepreneurial culture of these companies are turning diverse and multi-dimensional.

**Disciplined Organization**

As Chinese enterprises are currently concentrated in labor-intensive sectors such as construction, textile, footwear etc., the Chinese style of industrial production is closely related to large-scale labor organization. Consequently, Chinese are also known for their work disciplines. The Chinese managers emphasize responsibility and discipline as the primary criteria for evaluating employees. The workers in the companies are expected to perform intense mechanical work on the assembly lines or construction sites. Everyday, a worker has to repeat a simple action hundreds or thousands of times. While this type of modern production organization has long been common in industrialized countries, many Africans have not yet directly experienced it on a large scale. The recent arrival of a large number of Chinese workers and enterprises presents lively pictures of modern industrial organization to the local people. The image of disciplined Chinese workers speaks about the feature of industrial labor organization rather than about a certain culture.
Nevertheless, the operations of Chinese enterprises bear more or less some unique cultural marks from China. Even those Chinese managers who do not perceive any difference between Chinese and Africans regarding hard work, they do criticize some local customs and want to replace them with Chinese conventions. Li Shusong of the CSFAC farm observed that many of the Tanzanian employees do not save money, but spend most of their salaries on drinking, which harms their health and causes instability in their life. For these employees that he viewed as imprudent, he stated, the farm has to provide additional healthcare and housing. In his view, what he described as problematic personal habits not only may bring more risks and troubles at work, but also increases the cost burden of the enterprises’ welfare system. Therefore, together with his Chinese colleagues he actively persuaded the local workers to quit drinking and save money to establish a stable family.66 The chairman of the Chinese Business Chamber in Tanzania, Zhu Jinfeng, also had his story of taking care of his employees’ personal life. He advised his interpreter on how to make savings and plan future life so that this Tanzanian employee finally managed to buy land and build a house. In addition, he frequently asked about the education of the employees’ children and gives extra supports for the kids to go to school.67 In Uganda, Chongqing International has also set up scholarship for its local workers’ children. When the children achieve good grades in the school, the parents can bring the transcript to the company for various amounts of cash prizes.68

In these cases, the Chinese managers view the employees’ private life as part of the business concern. Unlike their Western counterparts, Chinese enterprises do not distinguish the professional life clearly from the private life. They regard the employees as members of a big family and pay attention to their lives outside the work places too. In China, it is quite common for a manager to arrange dating for unmarried young employees, to ask about fellow workers’ family situation or to give suggestions on children’s education. First, it was a conventional practice of the Chinese work unit (Danwei) system in the Mao era to merge work and private life; second, a pragmatic consideration of the Chinese managers is that a man cannot become a good worker if his whole life is disordered, because problems in the family life may greatly distract the worker’s attention and energy. Furthermore, Confucianism also teaches that a person’s private life can reflect her world view and general ethical attitudes. For example, a person who does not care about saving money for his/her family is usually not reliable for the company either. When the Chinese businesses come to Africa, they bring this type of family-style management together with the modern industrial organization and put emphasis on building personal relationship with the local employees.

Cultural Understanding

However, not every Chinese enterprise in Africa has established strong personal ties with the local employees. In some newly arriving companies, all the Chinese staff members live together in isolated dormitories. They only go out to meet their African colleagues during work. Even in lunch breaks, the Chinese have their own dining room and special meals. They have no interaction with the local employees other than work. The lack of communication leads to distance and misunderstanding between Chinese and Africans. In Angola, where many Chinese enterprises began operation just recently, there is another stereotype image describing Chinese expatriates as reclusive workers out of touch with the local community. A local manager in a
newly founded Sino-Angolan joint-venture felt that her Chinese colleagues were unwilling to talk to her, although they were sitting in the same office every day. Adeyemo Thompson, the deputy managing director of the Sino-Nigerian Joint-venture Lekki Free Trade Zone also recalled that the interaction between the Chinese and Nigerian staff members was terrible at the beginning of the project. The Chinese employees only reported to the Chinese managers and the Nigerians to the Nigerian managers. The company looked rather like two companies.

To be sure, the Chinese companies do realize the problem of distance and miscommunication. The lack of communication not only causes discord at work, but also affects the stability of local employees and hinders the enterprises’ integration into the local society. A five-year-old Chinese company in the DRC, Congo-China Telecom, actually set up a special budget to organize parties for Chinese and Congolese workers to meet. Yet, a manager told me that the effect of such parties was very limited. Local workers preferred to get that amount of budget in cash. The difficulties suggest that the Chinese style family-like management cannot be simply applied to the African environment. Being unfamiliar with local language, culture and society, the Chinese new comers do not have in-depth understanding of the local people’s life and are thus unable to build appropriate personal connections with them. By comparison, in all the three aforementioned examples of family-style management, namely CSFAC farm, Zhu Jinfeng, and Chongqing International, the Chinese executives had worked at least for ten years in Africa. It was through a long period of observation and interaction that these Chinese were able to frankly discuss with the Africans about their personal lives and provide personal suggestions. If the local employees accept their advice to some extent, that’s because they understand the workers’ concrete needs and problems after long-term engagements.

Therefore, in order to introduce the Chinese style management into Africa, the Chinese managers must first learn about African cultures. The transplantation of the management model is not a one-way cultural import, but an interactive experimentation and adaptation of the modern entrepreneurial structure in the African context. Just as the training of African workers does not solely deal with technical knowledge, the learning of the Chinese enterprises is not limited to the activities within the workplaces. The training and learning are similarly long-term extensive experiments in socio-cultural practices. This means that no dramatic result will be achieved overnight. Continuous efforts in everyday business operations contribute to incremental and pragmatic mutual understanding.

The trajectory of various Sino-African joint-ventures reveals clearly the challenge and promise of the socio-cultural converging process. During the 1990s, some pioneer Chinese companies formed joint-ventures with African partners. But the outcome was in general lackluster. The huge gaps between both sides regarding management style, business idea and commercial interests frequently caused mistrust and conflicts. Due to the unsuccessful history, the Chinese chambers of commerce in some African countries explicitly cautioned the Chinese enterprises not to enter partnership with local companies unless they knew each other really well. However, the head of the China Civil Engineering Construction Corporation (CCECC) in Nigeria, Chen Xiaoxing, had a different opinion. He thought that joint-venture can get more support from the local government and benefit the company’s growth in the long run. Therefore, although he was aware of the risk, he decided to partner with the Lagos State
government to develop a gigantic project, Lekki Free Trade Zone. As noted before, the Chinese and Nigerian teams indeed did not know how to work together at the beginning. Nevertheless, realizing this problem, managers on both sides tried various approaches to increase mutual understanding. The experiments ranged from organizational restructuring to daily contacts like smoking together during the break. After four or five years of continuous efforts, the situation has improved significantly and the joint-venture has gradually become a functioning cooperation. In spite of the slow and turbulent start, the Chinese and Nigerians have concretely learned how to communicate with each other through this process. This experience may prove to be an invaluable asset in the future.

**Conclusion: A Mutual Learning Dynamics**

Admittedly, the popular perceptions about Chinese enterprises’ employment practices are not always unfounded. Chinese companies do bring many workers from China, a number of enterprises do pay low wages and control spending on working conditions, and the effects of their training programs are uncertain. It is also true that Chinese work for longer hours and attach importance to work disciplines. However, these observations are partial or imprecise. In spite of the influx of expatriates, Chinese companies create more jobs for local workers. Wages vary among different enterprises. Even those companies which pay low salaries may provide much higher salary in the long run. Some companies cut costs in welfare and living conditions in order to invest more in production machinery. Others failed to meet Africans’ expectation of labor protection, as they were unfamiliar with local standards. Chinese companies are quickly learning to adapt themselves to the new socio-legal context. Enterprises also continuously emphasize the training of African employees and are trying to improve the outcome of their training programs. Simplistic perceptions cannot grasp the multi-dimensional and comprehensive nature of the employment practices.

How are the Chinese employment practices impacting Africa’s development? The difficulty of evaluation lies primarily in choosing the appropriate criteria. Some may judge an employment pattern according to the success of entrepreneurial operation; some may consider more benefits for employees; others may argue that a good employment pattern ought to contribute to a society’s overall development. Yet, it is not clear what makes good enterprises, good employees or good development for a society. Is it monetary gain or material abundance? Is it people’s subjective satisfaction? Is it education, safety, health, family or other factors? Further, in which period shall we evaluate these factors? Short-term gains may not be sustainable, whereas long-term benefits often require temporary sacrifice.

Actually, the diverging evaluation standards are often the source of conflicts between Chinese and Africans. Chinese enterprises usually have established business models when they come to Africa. They also tend to borrow their management experiences from China for their new ventures in Africa. Although China is a remarkable success story in the world history of development, the transplantation of Chinese model in another continent proves to be highly problematic. Workers in certain African countries enjoyed relatively high welfare and rigid labor protection until recently. They are not yet ready for an abrupt decline of the old standards. Africans also have their traditional life attitudes, value system and social habits, therefore many of them have trouble shifting to the Chinese enterprises’ criteria of economic efficiency and
disciplined work. The conflicting standards not only make it difficult to judge the impacts of employment practices, but also directly cause malfunction or even failure of Chinese business activities in Africa.

Hence, the evaluation of employment practice is necessarily related to the convergence of various perspectives and standards. Without consensus between Chinese and Africans on what should be good hiring practices, employers and employees cannot work together efficiently towards the same goal. As a result, the cooperation will bring no benefit to either partner. By contrast, when both sides are trying to accommodate each other to make cooperation possible, there is at least the possibility of providing mutual benefits to the related parties. Through cooperation, coordination of different criteria and goals is more fundamental and beneficial than implementation of any unilateral standards.

It is therefore essential for all cooperation partners to learn each other’s standpoints, understand the socio-cultural backdrop behind them and modify each other’s positions to form a consensus. The investigations above indicate that in spite of the obvious gaps among various partners’ perspectives, the mutual learning process has been advancing as Chinese enterprises increase their engagements in Africa. Such processes often take place on enterprise by enterprise basis, but the patterns can be illustrated as follows. Chinese are learning to respect local regulations and conventional labor practices in their concrete engagement with African officials and workers. Equally, Africans are becoming familiar with the economic reasoning of Chinese companies by observing the evolution and effect of their operations. Africans are also gradually adapting their life style and habits to the needs of modern industrial production by working in Chinese factories. The learning from extensive interaction in continuing entrepreneurial operations proves to be practical and effective.

To be sure, the mutual learning process is far from being satisfactory. Much more communication and adjustment are required in various enterprises and on various issues. The learning is never simple or quick, as employment practice deals with fundamental economic and social structures in modern societies. As Marx noted, labor is the sole source of value creation; employment is therefore the backbone of every entrepreneurial activity. Employment practices naturally have to follow economic rules and serve the purpose of profit making. Additionally, hiring a person involves much more than merely calculating value, for it is an inter-human activity and also the primary manner of supporting individual and family life today. We also must consider that market globalization and transnational investments add more complexity to the employment practice with regard to diverse economic, political, social and cultural conditions.

The multi-faceted nature implies that there is no universal or absolute criterion to assess the benefits of Chinese employment practice in Africa. It is likely that such a standard would not emerge in the near future. The learning and convergence of various perspectives must continue its course. This paper has sought to demonstrate that different criteria of benefits can indeed be altered through mutual understanding. Consequently, two scenarios can characterize Chinese employment practices in Africa. One is that each side sticks to its pre-determined criteria of benefits and is not willing to change its position. This will inevitably lead to the failure of cooperation. The other is that both sides are willing to listen to each other and adjust their perspectives so that cooperation can go on. The cooperation does not only create economic
benefits as it strengthens both sides’ competitiveness in the world market. It also offers an invaluable opportunity to communicate and interact further. This then promotes more cooperation and makes a sustainable virtuous circle of learning and working. By working together, the partners can understand different perspectives in depth and experience the benefits over the longer term. They can comprehend the benefits which were not clear to them. For instance, those who stressed employees’ welfare can learn the long-term advantages of mechanized production and skill acquirement. Likewise, those who focused on economic efficiency may start to appreciate harmonious co-development with local community. In this sense, the key to achieving satisfactory employment practice is not to demand or wait for pre-determined benefits, but to actively discover benefits through mutual learning.

Notes

1 MOFCOM various years.
2 MOFCOM 2012.
3 Slabbert 2012; Gong 2007; Shelton and Kabemba 2012, p. 128.
4 Schiller 2005.
5 IHLO 2006.
7 IRIN 2006.
8 Zafar 2007, p. 124.
9 Shelton and Kabemba 2012, p. 149.
10 MOF 2007.
12 Reuters 2010.
13 Yin 2002 p. 6; MOFCOM various years.
20 Ibid., p. 362.
21 Haglund 2009.
26 Ibid., p. 362.
28 Brooks 2010, p. 121.
31 Bräutigam 2009, p. 198.
35 Li, Pengtao 2010, p. 9. But Li mistook Chambishi for Luanshya, see Caixin Online 2011.
38 Ethiopia government has imposed punitive tax on export of semi-processed leather in December 2011 to encourage leather processing within the country.
42 Lee 2009, p. 106.
50 Human Rights Watch, 2011, p. 52f.
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52 Xinhua. 2010. “中国特使： 中国重视与非洲在信息和通信领域合作.” 29 January. http://www.gov.cn/jrzg/2010-01/29/content_1522213.htm. [2012/10/17]. It should be noted that the telecom equipment providers do not solely train their own staff, but also the engineers of their subcontractors and their clients, namely the telecom operators.
53 CITIC 2009.
54 Jornal de Angola 2007.
55 Hai, Helen. 2012. Personal interview, Huajian shoe factory, Dukem, Ethiopia. July (transcripts in author’s possession). Unlike training program supported by Chinese government, this kind of vocational training is funded and organized by enterprises. The program is also designed particularly for entrepreneurial operation.
57 Bräutigam 2009, p. 238. In fact, Sierra Leoneans have been growing rice successfully for centuries and have quite a sophisticated understanding of rice cultivation as Paul Richards (1985) has shown. The reason for the ineffectiveness of training may also be that the local farmers do not see special value of the foreign methods in comparison to their own traditional method.
63 Liu Jianguo, Manager of Changjin Tableware Co., 2009. Personal interview, Suez City, Egypt. June (transcripts in author’s possession)
64 Nevertheless, the final outcome of this strategy still needs time to prove. The Chinese aid project TAZARA in the 1970s also used this gradual phasing-out model, but the result in the end was not very satisfactory.
71 Kang Linghua, the director of public relations, Congo-China Telecom. 2007. Personal interview, Kinshasa, DRC. December (transcripts in author’s possession).

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CITIC. 2009. “中信安哥拉建筑工程培训学校实验班举行开班仪式.” 07 February. http://210.73.98.47/iwcm/null/null/ns:LHQ6LGY6LG6M6MmMm5DgyOTUxZmMyOWVkNzAxMWZjNTIwNjRkNDAwMDIscDosYToStTo=/show.vsm.


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