

Chinese workers on Africa's infrastructure projects: the link with host political regimes

By Pippa Morgan and Andrea Ghiselli

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China has rapidly become Africa's most important infrastructure builder, and the footprint of Chinese construction companies is seen in cities, towns and villages across the continent.



Chinese workers are part of most Chinese government-funded projects in Africa. Wikimedia Commons

With the launch of Beijing's "Go Global" policy in 2000, and President Xi Jinping's Belt and Road Initiative in 2013, the volume of roads, bridges, railways, power stations and other infrastructure built by China has increased markedly. The number of overseas contracts signed by Chinese companies more than doubled from just under 6,000 in 2004 to almost 12,000 in 2019.

In 2019, Chinese companies won over \$250bn of infrastructure contracts around the world, paid for by the Chinese government, international institutions and host governments. Chinese firms won over 30% of <u>public works</u> contracts funded by the World Bank, one of the world's largest infrastructure financiers.

Chinese records also show that the number of Chinese citizens dispatched to work on infrastructure projects increased almost five-fold, from a global total of 79,000 in 2002 to 368,000 in 2019 (with a peak of 405,000 in 2015). Of these, around one quarter were recorded in sub-Saharan Africa, while one-third were in the Middle East and north Africa region.

The presence of large numbers of Chinese workers labouring on these projects is one of the most controversial aspects of China's economic engagement with Africa and the wider world.

Chinese workers have been accused of taking job opportunities from locals, undercutting labour standards by being willing to work for longer hours and with fewer rest days, and being the source of culture clashes. A 2021 meta-analysis of Chinese labour practices in Africa found evidence of tense labour relations driven in part by practices such as weekend work and dormitory systems. These are common practice in China but not in many African economies.

However, the debate on Chinese workers underplays the agency of host governments. After all, they make local laws and issue work visas.

Our <u>research</u> covering 195 countries explored whether different types of host regime were more likely or less likely to allow Chinese workers in or force Chinese companies to hire locally. We found that democratic governments were much more prone to limiting the number of Chinese workers in the infrastructure sector in the face of potential domestic opposition to those workers. The opposite was true in more authoritarian countries.

This means that the long-term economic benefits that Chinese-built infrastructure brings are likely to be limited in authoritarian countries. It also gives rise to the possibility that local dissatisfaction with the lack of job opportunities complicates the political relations between China and the host country.



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China's overseas infrastructure builders

Prior <u>research</u> has shown that Chinese companies like to bring their own workers because they require less training, work efficiently and help to avoid difficult labour relations issues. However, the number of Chinese workers varies a lot across different host countries. For example, Algeria has long hosted huge numbers of Chinese citizens building infrastructure. Others, like Ghana, have relatively few, despite China playing a large role in the country's infrastructure sector.

There has been remarkably little quantitative research on the factors shaping the number of Chinese workers completing infrastructure projects in different countries. Our research, using data gathered from Chinese statistical yearbooks (many of which are available only in mainland China), aimed to address this gap in knowledge.

The starting point of our research was that it matters how policymakers assess and pursue their interests. In democracies, governments face more pressure to ensure that construction projects deliver local jobs. They run the risk that opposition groups can use the presence of foreign workers as an issue to stir up opposition to the government. Therefore, they are more likely to force Chinese firms to hire locally, even if it means projects are completed more slowly.

Autocrats, on the other hand, do not face the same electoral pressures. Instead, their interest lies in completing construction projects quickly and efficiently. Doing so boosts their "performance-based legitimacy" – citizens accept them because they get things done. Foreign workers, who are politically neutral, provide a convenient way to do this.



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The evidence

Our analysis used data gathered from 195 host countries and territories. It showed strong empirical evidence that democracies host significantly fewer Chinese workers than autocracies, all other things being equal. The results hold up using a variety of different statistical modelling techniques.

We also explored two case studies: Ghana and Algeria.

In Ghana, a vibrant democracy, we found that both the country's main political parties faced pressure to ensure Chinese-built projects delivered local jobs. For example, in the construction of the Bui Dam, the agreement between Sinohydro, the Chinese state-owned behemoth contracted to complete the project, and the Ghanaian government stipulated that a certain proportion of the workforce would be local.

Unlike many governments, Ghana tends to limit foreign workers in practice as well as on paper.

In Algeria, on the other hand, Chinese labour has been used to quickly complete projects seen as politically expedient. Algeria is a "hybrid" regime that was ruled by a single man, Abdelaziz Bouteflika, from 1999 to 2019. Even when domestic discontent over Chinese workers prompted measures to limit their presence, the measures were not implemented.

Why this matters

Our findings have several important implications. First, host country agency is important. Host governments have the ability to ensure Chinese companies hire locally.

Second, projects that hire locally may bring more long-term economic benefit to host countries. This can happen both directly through the jobs that they create, and via knowledge and technology transfers into the wider economy. Our analysis therefore suggests that the wider developmental benefits of Chinese built infrastructure may actually be stronger in democracies than in autocracies.

Finally, there's an implication for China's foreign policy and diplomatic relations. Many Chinese citizens are in autocratic countries where they may be welcomed by leaders but resented by the local population.

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ABOUT THE AUTHOR

Flippa Morgan, lecturer, political science, Duke Kunshan University. Andrea Ghiselli, assistant professor, School of International Relations and Public Affairs, Fudan University.