

Overseas Chinese

Uwe Hoering, January 2021

One of the prevalent complaints about the Belt&Road Initiative is that Chinese labour would provide the bulk of the workforce in many projects. This applies mainly to large construction projects, rather than to factories such as those in Ethiopia's Special Economic Zones. But these claims, which have also translated into tangible protests as in Laos, Vietnam and Turkmenistan, are major scratches on the image of Silk Road projects and their promises of prosperity, along with fears of falling into the debt trap and allegations of corruption.

Labour migration

However, it is hard to find figures for this beyond individual projects. Official Chinese sources¹ speak of around 200,000 new local jobs in 24 BRI countries created in the first five years. Measured in terms of the billions of dollars mobilized, that would not be very substantial, especially when one takes into account that many older projects, such as the Port of Piraeus, have also received the BRI stamp of approval. And it remains unclear how many of them are staffed by Chinese.

Presumably, however, many of the 211,000 workers who went abroad on contracted projects in 2019, according to state-run China's *Overseas Labour Service Cooperation*, were employed on BRI projects². A further nearly 300,000 workers got jobs in overseas Chinese or local companies. As of the end of 2019, this means that about one million Chinese workers were overseas, a number that has changed little since the middle of the decade.

There were 201,057 Chinese workers employed in construction projects or companies in Africa at the end of 2018, according to *China Africa Research Initiative*³. Compared to 2015, this represented a decline of more than 20 per cent, perhaps indicating a drop in Chinese interest and decline in construction projects. Well over half of these worked in three oil-exporting countries (Algeria, Angola, Nigeria) and in East Africa (Kenya and Ethiopia). Nine out of ten employees in Chinese companies were locals, according to the consultancy McKinsey, but in management less than half.⁴

Such numbers do not exactly look like a threat from excessive immigration, especially since many of these officially recorded and contracted workers are overseas for rather short durations. However, it also appears that many workers do not return to China after their contracts end, but remain in Africa, for example, and set up service companies, construction firms or businesses there.

Grey areas

In addition, there is a growing informal migration since the restrictions on leaving the country have been relaxed. "China is increasingly known for

shipping out cheap labour," writes the *New York Times*⁵: as mussel collectors in Britain, gold diggers in Ghana, construction workers in the U.S. and Israel, farm labourers in Holland, even shepherds in Mongolia or newspaper sellers in the Middle East. This shadow migration is particularly significant to neighbouring countries, where many Chinese companies are active. The extent of this is, of course, much more difficult to quantify.

It is common for these migrant workers to be placed by dubious employment agencies, especially in the informal sector with gag contracts, long working hours, inadequate safeguards and cheating in the payment of wages. While there are government attempts to stop such practices and monitor agents, as in other sectors, enforcement is not necessarily forthcoming.

As a result, it is uncertain how many Chinese workers are actually abroad, and all the more so the number of females among them. Moreover, systematic information on the very diverse and often precarious working conditions⁶ is scarce.

In some cases, Chinese labour practices and standards are exported. During the morning roll call at the *Huajian* Shoe factory near the Ethiopian capital Addis Ababa, the workforce learns capitalist work routines and Chinese drill: "We give all our energies for production." But what about possibilities to have unions, the right to strike, decent wages and regulated rights?

Chinese companies in Africa are often accused of violating international labour standards and national labour laws. This is especially so in mining and infrastructure projects, where poor working conditions are particularly widespread. Studies show that Chinese companies often seek to prevent unionization.⁷

Numerous conflicts, some of them militant, testify to existing tensions. At a coal mine in Zambia, there were bloody clashes with Chinese management; at one of Indonesia's largest nickel smelters, workers brought the plant to a standstill to demand higher wages and permanent employment for contract workers; and the port operator COSCO in Piraeus faced several strikes demanding more jobs for locals. Particularly in countries with active trade unions and rule-of-law institutions, there are repeated conflicts that sometimes force companies to make concessions and improvements.

Overseas Chinese

According to a study on the Chinese diaspora⁸, "Chinese leaders regularly emphasize the importance of China's sizeable overseas population toward achieving China's goals of socio-economic development, technological advancements, and territorial sovereignty". Current estimates indicate that about six million Chinese citizens live, work, or study abroad, half of them in the United States and Canada, and nearly 900,000 in Japan. In addition, there is the Chinese diaspora, or 'Overseas Chinese', which has grown over centuries and is put at 10 to 45 million people, depending on the definition. They mostly grew up in the countries and have national citizenship, are mostly integrated, and are economically influential, especially in Southeast Asia.

This growing number of businessmen, professionals, scientists, and about one million student are more important to the Beijing government than migrant workers and their situation. While in recent years overseas Chinese affairs work has developed through expanding policy infrastructure, encouraging China's diaspora to participate in national economy and trade, science and technology developments, and large-scale crisis response, according to the study, it "has seen very limited developments in the area of day-to-day social protection of Chinese nationals abroad." In addition, the diaspora is to be enlisted to spread the word about the benefits of China's system. BRI plays a special role in this: the diaspora can provide valuable services to implement the projects, to present their advantages and thus the government in Beijing in the best possible light, and to counter criticism.⁹

The 2018 State Council *Report on the Protection of Overseas Chinese Rights and Interests* stresses that "the overseas Chinese have an irreplaceably important role in realizing the Chinese dream."¹⁰ A potential side effect is, that the government is exposing the entire community to suspicion of acting as a 5th column for its increased global economic and political ambitions. And in doing so, it is not only stoking fears of China's dominance, but also racism, already fuelled by anti-China campaigns during the Corona crisis and complaints about activities in many BRI countries like the preferential employment of Chinese workers.

Translated with www.DeepL.com/Translator (free version)

¹ <https://www.yicaglobal.com/news/china-belt-and-road-has-created-over-200000-local-jobs-chinese-think-tank-says>

² <http://english.mofcom.gov.cn/article/statistic/foreigntradecooperation/202002/20200202933531.shtml>

³ <http://www.sais-cari.org/data-chinese-workers-in-africa>

⁴ <https://www.mckinsey.com/featured-insights/middle-east-and-africa/the-closest-look-yet-at-chinese-economic-engagement-in-africa>

⁵ <https://www.nytimes.com/2009/12/21/world/asia/21china.html>

⁶ <https://www.chinafile.com/conversation/chinese-investment-good-workers>)

⁷ <https://doi.org/10.1016/j.worlddev.2018.02.003>

⁸ https://doi.org/10.1007/978-3-030-51237-8_5

⁹ <https://www.eastasiaforum.org/2016/06/02/can-overseas-chinese-build-chinas-one-belt-one-road/>

¹⁰ <https://cset.georgetown.edu/research/report-to-the-state-council-on-work-to-protect-the-rights-and-interests-of-overseas-chinese/>