



Department of Political Science

IS CHINESE INVESTMENT A ‘WIN’ FOR AFRICAN WORKERS? An investigative study on Chinese labor practices in Ghana’s construction sector.

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Master’s Thesis: 30 higher education credits  
Programme: International Administration and Global Governance  
Date: May 24, 2016  
Supervisor: Ann-Sofie Isaksson  
Words: 16.951

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## **Abstract**

China has stepped up its activities on the African continent over the past decade, promoting its ‘win-win,’ non-interventionist agenda of development and investment as an alternative to Western donor institutions. However, a growing body of research shows a concerning lack of consideration for local labor laws and the use of substandard labor practices. Using key informant interviews and policy analysis, this qualitative case study looks at labor conditions for Ghanaian workers who are employed at Chinese construction firms operating in Ghana. These practices are compared to the Ghana Labour Act 2003 to see how they measure up to national labor standards. The collected data shows clear discrepancies and in some cases a blatant disregard for national labor laws.

Key words: labor law, working conditions, construction sector, Ghana, China

## **Acknowledgements**

This was a risky endeavor for a number of reasons, but I was able to pull it off because of some really wonderful people who were generous with their time and candid with their answers. First I must thank my thesis adviser Ann-Sofie Isaksson who patiently guided me through the process and (promptly!) responded to my questions with useful feedback. Next my thanks go to “Team Africa” (Amos Kevin-Annan, Oscar Amisi and Abeeku Budu-Acquah among others) whom I met while at a conference in Rome last year. They were very willing to sit down with me and answer my questions about how they view China’s activities in their respective countries. They also provided me with further contacts, some of whom ended up being key respondents in this study.

Further thanks go to the people fighting for the rights of Ghanaian workers: Mary Karimu, Comfort Agambaa and Prince Asafu-Adjaye. The information they provided proved to be of tremendous use to me. Also I want to thank Patrick Kuwana who is passionate about seeing Africa meet its full potential and who greatly encouraged me to pursue this research.

Lastly, and most importantly, I want to thank the individuals who had the courage to share their experiences with me about working for Chinese firms in Ghana. They have requested anonymity but are not nameless by any means. This is their story. I hope I told it well.

## **Abbreviations**

FDI - foreign direct investment

SOE - state-owned enterprise

SEZ - special economic zone

MNC - multinational corporation

ILO - International Labour Organization

BRIC - Brazil, Russia, India, China

PPE - personal protection equipment

EPC - 'engineer, procure and construct'

MNE - multinational enterprise

*“In China we want to establish win-win relations with African countries. We want to help them develop. We have no other ambitions. We do not seek to become colonizers. We respect their sovereignty and we do not interfere in their internal affairs.” Liu Qi, economics officer of the Chinese diplomatic mission to Mali, as quoted in Howard W. French’s book China’s Second Continent (2014, p.149).*

## **1. INTRODUCTION**

The African continent has endured waves of exploitation at the hands of foreigners for centuries. One could argue that this exploitation has adopted a number of different forms, from explicit European colonization to more subtle Bretton Woods policies. Now China is on the scene with its non-interventionist agenda, otherwise known as the ‘Beijing Consensus,’ ready to show the Africans that there is a better way to do business. But what impact is Beijing’s way really having on the local working population? Is it benefiting them?

A substantial amount of research material has been written about China’s activities in Africa that spans all manners of FDI and looks at all kinds of sectors, most prominently the natural resources and mining sectors. African elites tend to benefit the most from international investments (Chinese or other), but the workers who labor under these international investment agreements are often overlooked. Although the subject is gaining attention amongst the academic and institutional communities, very little has been documented with regards to the impact that Chinese investment is having on labor conditions for African workers (Akorsu and Cooke 2011, 2731). This study seeks to make a modest but valuable contribution to this very important area of research.

The **aim** with this research project is to study the working conditions of Ghanaian employees of Chinese companies and projects in an effort to understand their experience in the workplace. This study will attempt to answer the following **two research questions**:

- *What do working environments inside Chinese companies operating in Ghana look like for African employees (regarding wages, hours, health & safety, hiring practices, and discrimination)?*
- *How do the labor practices used by these Chinese companies measure up to Ghana's labor laws, and even international standards?*

To answer these questions, I will conduct a qualitative case study on three Chinese construction firms operating in Ghana in which key informant interviews and an analysis of the Ghana Labour Act 2003 will be the two main methods employed.

First I will give a brief overview of Chinese activities in Africa which will be followed by a theoretical discussion pertaining to Chinese labor practices on the continent. After laying out the research design and methodology, I will present my empirical data and analyze the results. Once the analysis is given, I will provide a summary of the study, reflect on its limitations and conclude the paper.

## **2. A BRIEF OVERVIEW OF CHINA IN AFRICA**

So that the subsequent theoretical discussion will make sense, I will attempt to briefly lay out what China's African interests are and give a few examples of resulting tensions being observed across the continent.

China's presence in Africa has been observable since the 1960s. During the post-independence years, China sought to build a relationship with Africa based on a common ideology. It presented itself as an alternative to the Soviet Union and the West, and provided "moral and material support for [Africa's] liberation struggles" (Jauch 2011, 49). After the Cold War, its role shifted into that of political and economic "friend," wooing African elites with China's so called "Beijing Consensus" (support without interference) (Jauch 2011, 50).

Today however, China seems less motivated by ideology and more so by economic incentives (Anyu & Ifedi 2008, 94). Since the first Sino-African summit in Beijing in November of 2006, there has been a big push to invest in Africa, and from the outside in, it seems to be a win-win situation for both parties. Chinese leaders have articulated policies regarding their need to close their country's inequality gap. Poverty alleviation and economic growth are at the forefront of their minds, and they are intentional about securing natural resources and new markets to support and sustain China's growth rates as the middle class grows richer and more demanding. They also need to find new investment opportunities for their SOEs (Moyo 2012; Haroz 2011, Okolo & Akwu 2015).

Africa in its turn stands to gain quite a bit from this cooperation. After decades of crippling structural adjustment programs and constant scrutiny over questions of governance and human rights on the part of Western powers, an alternative has presented itself in the form of China offering investment and new infrastructure without any strings attached (Alden 2005, 154-155; Tan-Mullins et al 2010, 867). Africans are enjoying the improved infrastructure and, in certain measure, better living standards (Anyu & Ifedi 2008, 105).

On the flip side, there are some serious questions being raised about whether the development the Chinese have promised is actually taking place. Consider the assertion that "at present, there is little technology transfer, little capacity building, and little attention given to good governance and effective institutions" (Rotberg 2008, 15). At the same time as jobs are being created in many sectors, jobs are also being lost in others. The Chinese presence in the African textile industry, to give but one example, has caused many tens of thousands to lose their jobs (Anyu & Ifedi 2008, 106; Alden 2005, 156; Alden & Davies 2006, 93; Jauch 2011, 51). There are also significant issues regarding the Chinese' dismissive attitude towards safety regulations and environmental concerns (Rotberg 2008, 15). "There [is] mounting resentment over the way China [is] seen to be exporting its labor, dumping cheap goods, despoiling the environment, dispossessing powerless landholders or flouting local laws, fueling corruption, and most of all,

empowering awful governments” (French 2014, 125). It is from this complex context we will delve into a theoretical discourse.

### **3. THEORETICAL DISCUSSION**

The Chinese are eager to assert that their agenda on the African continent is win-win, that they are not there to colonize Africa but to aid in its development and exemplify south-south cooperation. There is however a growing school of development scholars and practitioners who question this idea (see for example Gill & Reilly 2007; Melber 2007; Rotberg 2008; van Dijk 2009; Tan-Mullins 2010; French 2014). Any number of theories can be attached to China’s activities in Africa, but in the interest of space, I will only name the ones I consider to be the most relevant to the research questions. The concepts that will be named, defined and discussed in this section include colonialism, imperialism, neocolonialism, capacity building, international labor standards, and labor practices in the Global South. Among other things, the following discussion will address the question of whether China’s presence is neocolonialist in nature by looking at how this phenomenon manifests itself through capacity building (or lack thereof) in a given host country. As regards the African workforce, this potential lack of capacity building can be observed in how employees are being treated within Chinese firms, which links the theoretical discussion back to the research questions. But first, some terms and definitions.

#### **3.1 Key concepts**

Terms like *imperialism* and *colonialism* are fairly loaded because of Africa’s history of exploitation at the hands of colonial powers. These words are often used interchangeably, but they signify two different things. Whereas colonialism is the practice of one nation assuming control over another nation (direct control), imperialism is political and/or economic control exercised either formally or informally (indirect control) (Spolsky 2012). China has a clear policy of not intervening in a host nation’s governance practices (Tan-Mullins et al 2010; Haroz

2011, 77; Wang & Elliot 2014, 1029), so there are not sufficient grounds to claim that China is a colonial power as per strict definition.

Consider this statement by Zambian economist Dambisa Moyo that, “sovereignty is defined as one country having supreme, independent authority over a geographic area, region, or predefined territory. Colonialism inverts this condition, so that national sovereignty is instead claimed by another country” (Moyo 2012, 156). This does not seem to technically be the case with China’s presence as it is not seeking to govern any of the countries with which it is building economic cooperation. However, there is a danger of China having an *imperialist* agenda.

Three ways through which imperialism manifests itself are: capital flight and debt repayment, trade and investment liberalization, and resource extraction (Bond 2008). Western powers (both during the colonial and Bretton Woods eras) have been guilty of this. But now China is also involved which is creating new conflicts: “The rapid rise of Chinese investment in Africa appears not as an anti-imperialist bulwark but rather intra-imperial competition which will exacerbate the looting process” (Bond 2008, 7).

Howard French puts it this way: “A consistent feature of imperialism, especially in its later manifestations, is the linkage between political and economic competition among contending powers. And China, for all its denials of any global ambition that could be likened to hegemony, is clearly competing with someone and for something — global preeminence” (2014, 261). French continues by giving examples of the ways China is essentially bragging about its reach and influence on the African continent, including the fact that it has built 54 hospitals and 42 stadiums, as well as increased its investment from \$75 million to \$2.9 billion. It is reasonable to argue that although China does not seek to infiltrate and colonize African states in terms of sovereignty and governance, it certainly displays imperialistic tendencies in its economic reach and power.

Running parallel with this manifestation of imperialism is the concept of *neocolonialism*. According to one definition, neocolonialism is the “interference of powerful and developed nations in the internal affairs of less developed countries” (Okolo & Akwu 2015, 46). Another definition is a “pattern of resource extraction, labor exploitation, and infrastructure projects that fail to emphasize the development of local capacity” (Jauch 2011, 49). A third definition identifies these three phenomena: The neocolonialist 1) imports raw, unprocessed materials while exporting manufactured goods, 2) undermines the local industries since the host country’s goods are unable to compete with the colonizer’s imported ones, and 3) zeroes in on particular sectors that comprise the host country’s economic lifelines, forcing them into a potentially harmful dependence on the colonizer (Junbo & Frasherri 2014, 186).

Based on the literature that has already been discussed here and the majority of the literature that can be found on the topic of China in Africa in general, we can see that these definitions implicate China on all accounts. However, resource extraction and trade are enormous topics that have been written about many times over and will not be discussed further here. An issue that has not been studied to the same extent is that of capacity building and labor exploitation. This will be the focus of the remaining theoretical discussion.

*Capacity building* is a very general term, but I will zero in on the aspects that pertain to the topic of this study. According to Oxfam’s development guideline on capacity building, “development is the process by which vulnerabilities are reduced and capacities are increased” (Eade 1997, 13). The author goes on to say that capacity building involves “challenging poverty, oppression and discrimination” as well as realizing human potential through justice (p.24). Any organization, whether it be an NGO or a foreign-owned firm seeking to do business in another country, is implicitly (or explicitly) tasked with using the social capital available to them in the host country so as not to be suspected of exploitation. In such an atmosphere, “racism becomes unacceptable” (p.31).

In addition to offering working definitions of what capacity building is or should be, the Oxfam guideline also points out what capacity building is not. For one, it should not create dependency or vulnerability. Keep the following statement in mind when we move on to discuss labor standards within Chinese companies operating in Africa:

*“Capacity-building cannot mean the creation of institutional structures that are grafted onto the local context, with no shared commitment to their survival. Such structures may serve a short-term interest...And some individuals may learn new skills or increase earning capacity as a result. But where the central purpose of the exercise is determined by the donor’s need to find the most expedient and efficient way to achieve a particular goal, these are essentially by-products” (Eade 1997, 32).*

Relevant to the discussion of neocolonialism and capacity building is the concept of *dependency theory* that states that “the world economy is structured to ensure that the poor, developing countries...are burdened with trade and foreign direct investment dependence on the affluent countries” (Maswana 2015, 98). This kind of structure uses primarily unskilled labor and hinders the dependent country from accessing the higher knowledge and skill that in the long term foment economic growth (Maswana 2015, 98).

Another author observes the same problem, saying there has been a notable “lack of capacity-building and knowledge transfer to the recipient as locals are blocked from occupying high positions, leading to a dependence on external expertise — and failure to develop a human resource pool” (Manji & Marks 2007, 114). It is a pattern within Chinese companies to hire Africans for low-skilled jobs and keep the managerial positions for their own people. In many cases these firms even hire low-skilled Chinese workers instead of Africans, leaving them without employment altogether, even though Africa has an abundance of low-skilled workers who would greatly benefit from Chinese projects (Manji & Marks 2007, 114).

One of the most important aspects to development cooperation is the consultation and coordination with recipient governments and their constituencies. Capacity building must translate into a real transfer of skills and knowledge lest the investment become unsustainable in the long term. In other words, if capacity building does not take place, then it does not matter how much aid and investment China pours into Africa. In response to international criticism, Chinese authorities are beginning to require Chinese firms operating in Africa to follow international norms on labor conditions among other things (Cheru & Obi 2010, 57). How well this is being enforced could be the subject of another study.

### **3.2 International labor standards**

The ILO is the body tasked with formulating and encouraging international labor standards. The primary goal is to see to it that workers obtain ‘decent work’ which is defined as “productive work in which rights are protected, which generates an adequate income, with adequate social protection” (Akorsu and Cooke 2011, 2733). Work is not a commodity that can be bought. It is a part of every person’s daily life and should contribute to that person’s dignity and quality of life. Economic development should not be pursued for its own sake but for the purpose of improving every human being’s life and dignity (ILO 2014, 10).

Naturally the ILO cannot stipulate a common minimum wage standard and apply it to all nations, but its Decent Work Agenda does call for member States to adopt a minimum wage and to provide social protection so as to combat vulnerability amongst workers. Despite this, a 2013 ILO *Global Wage Report* confirmed a long-term growing discrepancy between falling labor compensation and rising profits (ILO 2014, 64).

With regard to working hours, the ILO has stipulated a maximum standard of 8 hours per day, 48 hours per week, with a rest period of at least 24 consecutive hours every seven days, and at least three weeks of paid holiday per year (ILO 2014, 65). According to 2012 ILO statistics,

developed countries tend to adhere well to this standard while developing countries often exceed the 48 hours per week 'limit' (p.66).

When it comes to health and safety in the workplace, the ILO Constitution states that workers should be protected from injury and disease. Reality differs sharply however for millions of workers all around the world. According to ILO estimates, circa 2 million people die from work-related diseases and/or accidents each year, and these numbers do not even begin to compare with the amount who suffer from *non*-fatal workplace diseases and accidents. The tragedy lies in the number of accidents and fatalities that are actually preventable through sound implementation of health and safety standards (ILO 2014, 67). Examples of this will be discussed later on in the section on labor practices on the African continent.

The ILO has no legislative power and cannot force countries to comply, despite today's global political economy. "Under the pressure of globalisation, a civil and political voice alone cannot raise wages and improve labour conditions. Unfortunately reference to a living wage as a substantive right is often considered impractical — by governments and trade unions in both the North and South" (Chan & Ross 2003, 1024).

### **3.3 Labor exploitation in the Global South**

As industry and trade become more globalized, we see a 'race to the bottom' with regards to labor standards as a result of the intense race between MNCs to maintain their competitive edge. This is often achieved through cutting labor costs which translates into poor pay, poor health and safety standards, long hours and disadvantageous contracts for the employees (Chan & Ross 2003; Akorsu & Cooke 2011, 2732). Unions are being continuously undermined as governments increasingly favor and cater to the MNCs at the expense of their constituents (Mosoetsa & Williams 2012, 5).

An article by Anita Chan and Robert Ross (2003) discusses the concept of the *social clause* which links trade with internationally accepted labor standards. These standards include the freedom to associate, organize and bargain collectively, the rejection of child and forced labor, and the right to a minimum wage, limited working hours and health and safety on the job (p. 1012). In practice, there seems to be a divide between the ‘global north’ and the ‘global south’ with regards to how or even if these nations implement the social clause. While the clause is seen to be upheld in the north, it often appears to be ignored in the south. For example, countries in South Asia are notorious for their use of child labor, and China in particular is known for its dismissive attitude towards the core labor standards mentioned above (p.1013). However, the apparent north-south division is more complex than that. Western MNCs often align with southern governments in their desire for unrestricted trade without conditionalities placed on labor. On the other hand, some western governments *want* a social clause despite opposition from developing countries (p.1014).

While we often hear about north-south competition, the case of China in Africa is one of *south-south competition*. But to use a non-African example of this phenomenon, let us look at the expansion of apparel exports to the United States from Mexico and China as an illustration of how the absence of a social clause can deteriorate labor conditions. During the 1990s, clothing factories in both countries employed mostly poor, domestic migrants and their numbers grew enormously as production skyrocketed. As Chan and Ross’s article pinpoints, although there was a dramatic growth in employment in these two nations, workers’ wages did not increase. In fact, wages decreased as competition between factories intensified (p.1017).

In China, the SEZs that enjoy the most foreign investment and could therefore be categorized as ‘globalized’, maintain the lowest wages, whereas a city in China’s interior that has less access to international investment is able to raise its minimum wage level respectably. “As a region becomes richer, it has to maintain its attractiveness to foreign capital and compete with other localities in China by keeping its minimum wage level low and employing cheap migrant labour. The benefits of globalisation do not trickle down to those who make the products” (Chan & Ross

2003, 1019). One could argue that China has brought this way of thinking with it to Africa, and because of its economic strength, it is able to set the ‘floor’ for the world’s, and in this case Africa’s, workers in the labor-intensive sectors (p.1024).

### **3.4 Chinese labor practices on the African continent**

#### ***3.4.1 Working conditions***

One respondent (Anonymous 1) who is the Regional Director for Africa at a major Swedish energy company, laments China’s activities on the continent. He opines that China is definitely the new colonial power in Africa and talks about the very poor working conditions that he has seen at Chinese firms, likening it to slave labor. He even told me during our first conversation that African employees stood to lose their jobs if they were caught talking to outsiders about their experiences. He himself was concerned about being named in this study as it might jeopardize his own position with his Chinese colleagues and therefore requested anonymity.

A 2009 report written by Anthony Yaw Baah and Herbert Jauch covers 10 national case studies that looked at, among other things, working conditions and labor relations at Chinese firms in Africa. The ten countries were Ghana, Botswana, Zambia, Namibia, Zimbabwe, Malawi, South Africa, Nigeria, Angola and Kenya. What they found were common trends with regards to wages, hours and general labor conditions. Although conditions varied from country to country, there is a general pattern of poor working conditions, workers rights violations and unfair labor practices (Baah & Jauch 2009; Jauch 2011).

One of the common trends is the practice of employing African workers as ‘casual workers’, even in countries like Angola where the labor law calls for workers to be classified as ‘permanent employees’ after a few months’ employment (Baah & Jauch 2009, 66). Another trend is the ignoring of provisions for breaks throughout the workday. In Malawi, “a significant number” of employees had to work for 12 straight hours without a break (p.66). With regards to wages, there

is a strong tendency towards paying lower wages compared to other local or foreign companies. This is true within the construction sectors in Namibia, Ghana and Angola as well as the mining sector in Zambia, although in Nigeria there emerged some positive examples of Chinese companies having established good labor practices (p.67). Yet another trend is the blatant violation of the right to paid annual leave, sick leave and maternity leave. “In some instances, workers went on leave and then discovered that they were not paid for the leave period” (p.67). Lastly, health and safety concerns are generally ignored by Chinese companies. “An almost uniform” pattern emerged showing a total lack of training on health and safety issues. Very few employers provide their workers with protective gear. Examples were cited from Malawi, Botswana and Namibia (p.69). In general, collective bargaining agreements are mostly absent, depriving locals of benefits they would otherwise legally be entitled to according to local labor laws. Indeed, studies have found that “Chinese employers violate several of the core International Labour Organization conventions” (Jauch 2011, 52).

Before we delve into Chinese labor practices in Ghana, let us first take a look at other documented cases in other parts of the continent. For example, in the Democratic Republic of Congo, two Chinese telecommunications companies, CCT and Huawei, have gained a very poor reputation for paying lower wages and maintaining worse working conditions than their European corporate peers. While the Congolese governing elite laud the Chinese model, the local workforce finds itself wishing for the old one. “It seems one of the ironies of history that it has taken a Chinese company to encourage Congolese trade unionists to sing the praises of Belgian business, which had for decades been emblematic in the DRC of the exploitative colonial regime” (Cheru & Obi 2010, 115).

Zambia is another country that has witnessed some horrifying working conditions within its mining sector. In 2006, after having received numerous complaints of workers being forced to work long hours with no breaks and very few days off, a deputy minister went to the Collum coal mine to see for herself. “She openly wept on national television when she saw emaciated and ill-clad employees with no protective clothing emerging from underground” (Cheru & Obi 2010,

172). The Chinese managers did not see anything wrong with this. But perhaps this is not surprising when one reads that “China is reported to have the worst mining health and safety records in the world” (*ibid*).

A case study on the ‘Non-Ferrous Company (NFC) Africa Mining plc’ operating the Chambishi copper mine in Zambia revealed that *casualization* of its workforce was rife. This term refers to when a company decides to keep the number of workers who are directly employed by it to a minimum. Workers are instead hired on fixed-term rolling contracts and additional workers are hired on a subcontracted basis. These employees are then paid far less than those who are ‘directly’ employed at the company. A major consequence of this practice is that workers’ rights are denied, including the right to be a member of a trade union. Furthermore, the case study revealed that NFC Africa Mining paid the lowest wages out of all the mining companies in Zambia and employed the majority of its workers on casual and fixed-term contracts, despite agreements reached with the unions (Cheru & Obi 2010, 174-75).

A major issue being documented all over the continent is the lack of health and safety measures in the workplace. “Safety standards in China’s mines are among the worst in the world and... Chinese companies have exported low pay and hazardous conditions to Africa and elsewhere” (Cheru & Obi 2010, 176). This assertion was reinforced in October of 2005 when a blast occurred at a Chinese-owned explosives factory located next to the Chambishi mine. It left 50 Zambian workers dead, all of them casual employees with no compensation schemes. “Chinese managers were reportedly seen fleeing for cover moments before the blast, not having bothered to warn their Zambian employees or sound any alarm at the first signs of danger” (French 2014, 62). Aside from that tragic accident, injuries were apparently common at NFC Africa Mining but workers were afraid to complain lest they be fired - something that was easily done as they were hired on one-year contracts (Cheru & Obi 2010, 176).

One scholar attributes this blatant disregard for safety (and local labor laws in general) to the unacculturated nature of Chinese managers. Not only do they assume they can get away with their

own country's "pirate operating procedures" in what they see as a "barbaric" continent, they have also refused to integrate with their African employees and have "resorted to bullying and guns out of unmitigated racism" (Chan 2013, 30). To be fair, the overarching intention of Chinese FDI through their SOEs is to accomplish some infrastructural improvement in Zambia as well as maximize their own profits, but in practice, these "poorly trained, poorly briefed and determinedly un-aculturated managers...have meant gross operational shortcuts and neglect of health and safety requirements..." (*Ibid.*)

Zambia and the DRC are by far not the only countries experiencing the Chinese model of labor. South African and Nigerian presidents have criticized Chinese firms for violating labor and safety standards. The former Nigerian president Mbeki has even voiced concern over China being the new colonialist power in Africa (Rotberg 2008, 290). A study published by the ILO on labor practices in Tanzania showed that three out of four Chinese contractors had "exceptionally low standards" regarding hours, pay, health and safety standards, and workers rights (Chen et al 2009, 77). Clearly this is a pattern that is prevalent all over the continent.

### ***3.4.2 Workforce localization***

The term *workforce localization* refers to the practice of hiring local workers. One area of concern to many development scholars as well as locals is China's habit of exporting its own people to work for their SOEs in Africa (Chen et al 2009; French 2014; Kernen & Lam 2014). Common albeit conservative estimates say there are now circa one million Chinese in Africa, and these having arrived just within the last decade (French 2014, 5). One could reasonably argue that they bring an unwelcome competition for work opportunities on a continent already suffering from high unemployment. The ratio of Chinese to African workers differs from country to country, but it is especially high in Angola where China is busy paying for new roads and railways but chooses to employ its own countrymen to do the work (Rotberg 2008, 11).

Whereas old colonial powers used the African workforce to keep their economic enterprises going, China makes limited use of locals, preferring instead to hire its own inexpensive labor to do even menial tasks. As Zambia's then minister of commerce, trade and industry expressed it, "You have Chinese laborers here moving wheelbarrows. That's not the kind of investment we need. I understand they have 1.2 billion people, but they don't have to send them to Africa" (Rotberg, 72).

Of course one can see the advantage for Chinese firms in hiring their own countrymen. Language barriers are often an issue, and using Chinese workers ensures that instructions are communicated and understood and the work gets done quickly (Chen et al 2009, 83). Also, the companies are not under the same obligation to uphold local labor standards and they can maintain tight control over operations with threats of deportation if the workers do not fully comply (Rotberg, 72).

One particular study on workforce localization in Ghana shows that in the construction sector, new projects tend to hire more Chinese skilled workers in the beginning but eventually scale down the number of Chinese employees as more locals get trained (Kernen & Lam 2014, 1059). One practical example given is that the machines being used are usually Chinese and have instructions written on them in Chinese characters. Obviously it takes time for locals to get trained in operating such machines (p.1060). The same study highlighted the case of SinoHydro Corporation and the Bui Hydrodam (one of the cases to be studied empirically later on in this paper) and the difficulty it was having in finding locals skilled enough in using its machines. The firm ended up hiring 60 Pakistani technicians to do the work. Apparently the Pakistani technicians had worked with SinoHydro previously on its projects in Pakistan and were cheaper than hiring skilled Chinese. This speaks to the pragmatism of Chinese companies: labor costs are often taken into higher consideration than local sociopolitical sensitivities (p.1060).

### 3.4.3 Cultural prejudice and racist attitudes

This is not the focus of the empirical study, but it does have some relevance for the greater theoretical discussion on neocolonialist tendencies and the lack of capacity building. It is also important in providing context around the first research question as it helps explain (albeit limitedly) why Chinese firms treat their African employees the way they do.

Consider some of these quotes from Chinese nationals living and working on the African continent as interviewed by Howard W. French for his book *China's Second Continent* (2014):

*“Black people are not good at getting things done...Their customs were formed back when there was no telephone and no highway. It's very easy for them to put anything that's not immediate out of mind” (p.104); “There are villagers in China who have more talent for government than the people who are running this country...You couldn't find ten competent people here” (p.102); “There is no future in Africa; no future for development...How will they develop with the kind of education they have here? Look at China. We are putting people into space. We are developing our technologies. We are inventing things and competing with rich countries. But these people, they are impossible to teach, whether it is how to run a business, or how to build a building, or how to make a road. They just don't learn” (p.74).*

It must be stressed that these are not the opinions of every Chinese person living in Africa. Not all of them have these kinds of attitudes towards their African hosts. It is worth pointing out that this is the *general* attitude that many African workers are confronted with at their places of employment, and this provides some context for our understanding of Chinese treatment of African workers. However, the picture is far from complete. For further understanding regarding the psychological and cultural mechanisms involved, see for example Giese 2013 and Giese & Thiel 2014.

### 3.5 India in Africa

While China is the focus of this paper, it is important to note that it is not the only BRIC country invested in the continent. India also has a large presence (primarily through its already established diaspora) and in general, Indians are more favored by Africans than the Chinese. They engage in trade based on the quality of their products and services offered at competitive prices. Indians in Africa have been there for many generations and have built up a reputation they are not keen on destroying (Cheru & Obi, 131).

There are contradicting views on this. As Anonymous 1 asserts, Indian firms treat their African workers in much the same way as the Chinese do. One case study in Nigeria showed that in some instances, Indian companies paid even lower wages than Chinese companies (Baah & Jauch 2009, 67). Another study shows that Indian companies are not very good at capacity building as they tend to hire short-term workers and offer much less training than European firms operating in Africa (Gomes et al 2015). One African worker is quoted as saying, “Basically whether you talk about the Chinese, the Lebanese [or] the Indians, they have the same kind of business attitude...They try to cut cost, that’s labour cost” (Lampert & Mohan 2014, 25).

Contrary to this picture, one study states that the Indians who are operating in Africa have been there for several generations and are therefore more personally invested in the local people and economy. Therefore, in contrast to the majority of Chinese companies, Indian firms practice capacity building since they hire locally and train them in repair and maintenance work. An important distinction is that Chinese companies are owned by the Chinese state whereas Indian enterprises are privately owned and have significantly less capital. Also, Chinese profits are sent straight back to China whilst Indian profits are kept in Africa since that is where the owners live and operate (Anonymous 1; Cheru & Obi 2010, 74).

In summary, China maintains that it is not a neocolonialist power, that its activities in Africa are for the good of Africa’s development as well as China’s economic future—a win-win situation.

However, through this theoretical discussion we have seen that one of the manifestations of neocolonialism is the lack of capacity building in the host country, and that the lack of capacity building in turn manifests itself in the exploitation of labor. This theoretical discussion sets the stage for why this empirical study on how Ghanaian workers are being treated at Chinese firms is so important to the greater discussion surrounding the future of Ghana's (and Africa's) development and its ability to put policies in place that protect it from continued exploitation. But before we delve into the empirical study, I will first provide a description of the research design and method.

## **4. RESEARCH DESIGN AND METHODOLOGY**

### **4.1 Design**

This is a qualitative study designed to observe a local context in which African individuals are directly affected by Chinese presence in their country. The chosen research design is that of a case study that employs key informant interviews and document analysis as its main tools in order to answer the first and second research questions, respectively. A case study is the most conducive approach because it strives to illuminate the features and attributes of a particular situation, such as interaction, behavior, and structures (Hamel et al 1993, 2). Key informant interviews lend in-depth, first-hand accounts as well as nuanced examples and context description. This is useful in answering the first research question as to what the working conditions are like within Chinese firms. Document analysis will serve to answer the second research question on how Chinese labor practices measure up to local labor law. Since Ghana has a documented labor law, this is the best source to turn to and analyze.

On the question of generalizability, even though this case study highlights a single country, it studies three different firms operating in that country whose labor practices emerge as being fairly consistent with each other (as the reader will see in the results section). When combined with case studies conducted in other African nations, there potentially emerges a pattern of

exploitative practices across the continent that speaks to a phenomenon that is clearly not exclusive to just one Chinese firm in one African country.

The nation of Ghana was chosen for a variety of reasons. First, it is one of Africa's more stable democracies and vibrant economies with great growth potential. It stands to gain a lot from Chinese investment if its institutions learn how to protect their constituents from the potentially exploitative practices of the Chinese. Second, it is the first nation to have won independence from colonial rule and is arguably a natural leader in terms of policy and governance. It is reasonable to believe that other African countries grappling with how to leverage Chinese investment in a way that benefits them will look to Ghana as an example of what to do (or what not to do). Third, Ghana is a country in which Chinese enterprises employ a largely local workforce (Lampert & Mohan 2014; Kernen & Lam 2014) which makes it a pertinent place to conduct a study on labor conditions for indigenous workers. Lastly, it was a question of access. As I was unable to travel to Africa to do on-site research, I had to rely on whatever contacts I could cultivate from a distance, and the most available respondents live and work in Ghana.

Once the decision was made as to which country would serve as the geographical location for the study, I had to decide which sector to look at. I chose the construction sector because it is saturated with Chinese investment and projects, and it is a sector that is still largely unstudied as far as working conditions are concerned (Baah & Jauch 2009). This is also the sector I had best access to regarding respondents.

## **4.2 Methodology**

I drew inspiration from Akorsu & Cooke's 2011 study on employment practices of one Chinese-owned and one Indian-owned manufacturing company in relation to Ghanaian labor law and international labor standards. In order to answer the first research question, I conducted semi-structured interviews with three individuals who work for three different Chinese construction firms in Ghana, all of them at management level. I also interviewed two trade union officials as

well as one Swedish businessman who works closely with Chinese firms within the African energy sector. In addition to these, I spoke with several other African civil society leaders who shared their views on the general effect China is having on their nations and the continent as a whole. The three individuals employed at Chinese firms as well as the Swedish businessman requested anonymity for fear of repercussions should their Chinese colleagues find out they spoke to me. For a full list of respondents, see **Appendix 1**.

The three Chinese firms that were studied are: China Railway Construction Corporation, China Qingjian Construction Group (CNQC for short), and SinoHydro Corporation. The indicators comprising the study's scope are as follows: wages, working hours, health and safety measures, hiring practices and discrimination. The information I was able to gather from my respondents varied slightly, so each unit of analysis may not have equal amounts of specificity, but there emerged a fairly consistent pattern between the three firms.

In order to provide context and complement and compare my own findings, I begin the results section by briefly summarizing the findings of two other similar studies that have looked at many of the same metrics used in my own study. This also helps answer the first research question, even though they are second-hand sources.

To answer the second research question, I consulted ILO documents on international labor standards and analyzed the Ghana Labour Act 2003 in which laws pertaining to each of the indicators are clearly defined. Once all of the empirical data was collected, an analysis was done on how actual working conditions within Chinese firms measure up to Ghanaian labor law and international standards.

### **4.3 Limitations**

There are a number of limitations to my study. The most glaring one is the fact that I was not able to be on site to do face to face interviews. Apart from four preliminary interviews done in

person during the background research stage, I had to conduct all of the interviews via email, Skype and WhatsApp. This worked surprisingly well. Once I had established contact with a potential respondent, I sent my interview questions in an email. When I received the person's response, the next step was to set up a Skype time in order to review the information and pose follow-up questions. The technology worked most of the time, but there were moments when it failed and the interviews had to be rescheduled. Sometimes sound quality was an issue, making it difficult to converse. Other times it was simple communication barriers such as heavy accents that were at times hard to decipher. For a list of sample interview questions, see **Appendix 2**.

Another limitation is the fact that I was unable to interview a large number of people, providing a very limited perspective as to the nature of the working environment being discussed. As mentioned previously, I was only able to connect with one person at each construction firm, so even though the information given was largely consistent with what I had already read about in other studies and what I had heard from other individuals in conversation, it is important to note that the gathered empirical data is mostly anecdotal evidence from a few individuals. This does not diminish the import of this study however, as it serves to confirm previous research and shed further light on the often difficult and sometimes harmful labor dynamics within these firms.

Choosing to employ key informant interviews in my methodology necessitates some critical reflection regarding the advantages and disadvantages of this method. As this is a case study, collecting first-hand, in-depth information from individuals employed at Chinese firms was really important. They are the ones who are best positioned to answer the questions as they can speak from their own experiences and add meaning and nuance to a complex topic. Naturally this incorporates personal bias into the analysis which must be taken into account when drawing conclusions about the findings. Another thing to keep in mind is that the empirical data gathered from key informants may be difficult to organize and quantify as specificity may vary from respondent to respondent. For example, one respondent may have a lot to say about health and safety issues at his/her place of employment and not as much to say about wages, while for another respondent it may be the other way around.

It is equally as important to evaluate the *type* of informant one chooses to interview. I chose people who worked in a management position because it is reasonable to think that they would have a good overview of the conditions for most, if not all, employees at the firm (laborers, artisans, foremen, managers, etc). They are also the ones working most closely with the Chinese and would be able to better gauge the intercultural dynamics that could potentially lead to discrimination, among other things. I was not able to interview any members of the lower levels of employment (the aforementioned laborers and artisans) which again lends bias to the findings.

Even with these limitations I was able to answer both of my research questions in a way that provides Ghanaian (and African) institutions and policy makers with poignant first-hand accounts of what the working conditions are like within Chinese firms. This will contribute to the greater discussion on how to formulate and implement policy that will protect indigenous workers while still maximizing the benefits of Chinese investment. To use the words of one respondent, “this is a critical issue that we need to understand and is one of the critical elements at the centre of us coming up with a strategy on how to rebuild our beloved continent into one that will provide wealth and prosperity for African people, instead of people from other continents” (Kuwana).

## **5. RESULTS**

### **5.1 Results from similar studies**

One study conducted in 2009 by Anthony Y. Baah and Herbert Jauch found that the general perception in Ghana is that Chinese employers do not respect workers’ rights. Typically the pay is low and the hours are long, and especially within the construction sector there is a negative attitude towards unions and collective bargaining on the part of the Chinese managers (p.97).

Several case studies were conducted for their report, and the one to be addressed here is the Shanghai Construction Group that built the Essipon Stadium, completed in late 2007. The firm employed 230 workers, 80 of which were Ghanaian, with the rest being Chinese. According to the employees interviewed, all of them were employed as casual workers (in other words, none of them signed a contract with the company). They were forced to work seven days a week without being paid for overtime. The majority were paid circa 100 GH (Ghanaian cedis) per month, well above the national minimum wage, but the company did not pay their social security, nor did it give them paid annual leave and sick leave. Some of the respondents said they had been given protective gear while others said they had not (pp.108-109).

A second study conducted in 2011 by Angela D. Akorsu and Fang L. Cooke compared labor standards between one Chinese and one Indian company in Ghana. The Chinese company in question was Ghana Utensils Manufacturing Company (GUMCO) which had been operating in Ghana since 1965. According to the respondents, all of the management positions were occupied by Chinese nationals. Working hours were consistent with the national norm of eight hours per day, five days a week (p.2738). With regards to wages, the information was difficult to access, especially when it came to the salaries of the Chinese managers, but it was intimated that the Ghanaian employees were paid between 8 and 38 GH per day. The lowest wage was just barely above the national minimum wage, making those earning that wage members of the world's working poor (p.2739).

Health and safety was a big concern that surfaced during the study. The workers were not provided with proper PPE and a manager did mention that accidents were frequent and ranged from losing a finger to losing an arm. Statistics on these incidences were not recorded however. In addition, drinking water was never provided for the workers though toilet facilities were. Thus, the health and safety standards at this particular manufacturing firm were far below national and international standards, yet the company had never been fined (p.2739-40).

Another labor violation addressed in this same study was that of the prominence of casual workers. By law, casual workers should be upgraded to the status of permanent employee after six consecutive months of employment, but the researchers found that many of these casual workers had been employed for years. This is particularly concerning in light of the fact that casual workers are not protected by collective bargaining and are therefore bereft of any rights (p.2741).

## **5.2 Results from this study**

There are two research questions guiding this empirical study. The first is *What do working environments inside Chinese companies operating in Ghana look like for Ghanaian employees regarding wages, hours, health & safety, hiring practices, and discrimination?* This question will be answered in the following paragraphs. The second question is *How do the labor practices used by these Chinese companies measure up to Ghana's labor laws, and even international standards?* While the Ghana Labour Act is presented in this section, the question will be more thoroughly answered in the analysis.

### **5.2.1 Company profiles**

#### ***5.2.1.1 China Railway Construction Corporation***

China Railway Construction Corporation is one of the world's largest constructions groups, ranking 79th among the Fortune Global 500 and specializing in transportation infrastructure such as railways, highways, bridges and tunnels (<http://english.crcc.cn>). Its subsidiary, China Railway No.5 Group, is currently operating a route construction project in Tapa, Ghana. The informant Anonymous 4 has worked for this firm since July 2015 as a "civil supervisor" for block laying, plastering and concrete works.

### ***5.2.1.2 China Qingjian Construction Group (CNQC)***

China Qingjian Construction Group is ranked among the “Top 500 Chinese Enterprises” and has been very active on the African continent, managing construction projects in Mali, Liberia, Tanzania, Angola and Lesotho. In Ghana it was responsible for building the Ministry of Defense complex (<http://www.cnqc.com/en/>). It is currently engaged in building a 160-bed regional hospital in Wa, in the Upper West region of Ghana. My informant, Anonymous 2, is employed at CNQC as a member of upper management (I am omitting the exact job title to protect his identity) and reports directly to a Chinese national. His employment began in November 2015.

### ***5.2.1.3 SinoHydro Corporation***

SinoHydro is a Chinese construction company that focuses on the energy and transport infrastructure sectors with construction projects currently underway in more than 80 countries (<http://eng.sinohydro.com/>). One of Ghana’s biggest projects in recent years is the Bui Hydrodam whose operation involved a tripartite cooperation between SinoHydro in the role of ‘EPC contractor’; Bui Power Authority, a Ghanaian body, in the role of ‘employer’; and Coyne et Bellier, a French engineering company, in the role of ‘consultant’. Preparatory work on the dam began in 2008, actual construction of the dam began in 2009, and the project was handed over to the employer (Bui Power Authority) in December 2013 (Anonymous 3; [https://en.wikipedia.org/wiki/Bui\\_Dam](https://en.wikipedia.org/wiki/Bui_Dam)).

I interviewed two individuals with regards to this project: a current employee of Bui Power Authority (Anonymous 3), and a researcher at the Trades Union Congress (Prince Asafu-Adjaye) who investigated the working conditions between 2008 and 2012. Since the hydrodam is no longer under Chinese control, the data collected for this section applies to the years 2008-2012. The improvement in conditions during this period is due to trade union intervention, so there will be a lot of ‘before and after’ data provided in the respective paragraphs.

### 5.2.2 Wages

At **China Railway**, Ghanaian supervisors (considered lower management) get paid 1.500 GH per month (approximately 400 USD). Their Chinese counterparts (lower management supervisors) get paid more, but Anonymous 4 did not know exactly how much. There is no way to know what the Chinese employees get paid because they do not disclose this information. They are all paid “on table top” - cash in an envelope - and nobody knows how much the other is getting paid. There is no transparency.

Wages are paid once a month and the salary is based on the number of days per month you work. If a worker is sick one day or cannot show up for whatever reason, he/she needs to seek special permission in advance with the Chinese managers in order to get paid for that day. If you do not get this permission, you do not get paid, and getting this permission is entirely based on whether or not a substitute can be found to replace you for that day. If no replacement can be found, then you do not get paid sick leave. It happened to Anonymous 4 once that he needed to get permission, which he ended up getting, “but it was difficult.”

Regarding overtime and paid holidays, you will see in the following section that salaried workers do not get paid for overtime or work on weekends or holidays. “We’ve had numerous meetings with trade unions concerning this, but all to no avail. The Chinese upper management say that our supervisor wage is a flat rate, so no [overtime], no double on Sunday or holiday. When we are able to meet *their* target at the end of the month, they give us a bonus. But they make it impossible for us to meet their target. The union has gone for meetings about this, and the Chinese say they’ll consider it, but they never do anything. It’s not worth going back to the trade unions to explain that nothing has happened.”

Anonymous 2, a member of senior management at **CNQC**, is paid 1.500 GH per month (approximately 400 USD). In an email response he wrote, “This is very small as compared to the US \$80 a day being paid to a Chinese laborer. It’s even worse what they pay the Ghanaian

artisans and laborers. Very appalling.” So to be clear, Anonymous 2, a member of senior management, is paid 400 USD a month while a Chinese laborer (the lowest position) is paid approximately 2.000 USD a month (based on 25 days of work). In addition, Anonymous 2 does not get paid for overtime, though he has to work overtime most days.

Laborers employed at CNQC are paid very little compared to what one would expect to be paid for similar work in Accra, the capital city. In Accra, laborers can expect to be paid 35-40 GH per day while artisans (masons, carpenters, etc) get paid at least 60-70 GH per day. Concrete workers get paid more, but my informant was not able to specify how much. According to him, most Chinese firms do not pay this wage. In Wa, laborers are being paid 15 GH a day compared to 35 in Accra, and artisans are getting 25-30 GH per day compared to the 60-70 GH they would earn in the capital.

At **SinoHydro**, the minimum wage received by Ghanaian laborers and artisans reached 7 GH per day by 2012, but it had started at 3 GH. The maximum wage earned started at 7 GH in 2008 and reached 17,50 GH by 2012. The Chinese did not provide data on the wages paid to their Chinese and Pakistani employees, but it was common knowledge that they were paid more. Local union officials at the dam site found information intimating that Ghanaians and Pakistanis with comparable skills and similar tasks were paid differently. Their reason for this difference in salary was that they had been brought in from elsewhere and needed to be duly compensated. Asafu-Adjaye says that this is standard Chinese practice across all sectors in Ghana.

My second respondent, Anonymous 3, has been employed at Bui Power Authority since 2010 and was unable to comment specifically on the wage difference between him and his Chinese counterparts. “It’s not possible to compare with my then Chinese colleagues because we were paid from different conditions of services from our respective employers. But on the average, our conditions were better off than our Ghanaian colleagues engaged by the Chinese.”

### 5.2.3 Working hours

The standard work day at **China Railway** is 8 hours: a morning shift from 07:00 to 12:00, then a lunch break, then an afternoon shift from 14:00 to 17:00. Workers work from Monday to Sunday with no days off. They only get two days off per month in conjunction with their pay day. The Chinese do not recognize Ghanaian holidays, so locals are forced to work those days as well. “When we refuse to work, they’ll call us for a meeting and we come to an agreement that if we come to work, they’ll pay extra. There is a negotiation going on regarding holidays.” The laborers get paid double on Sundays and holidays as they are paid an hourly wage, but members of the lower management do not get paid extra because they are salaried.

At **CNQC** the workday spans 12,5 hours with a 1,5 hour lunch break. So that is 11,5 hours of work per day, Monday-Sunday, with no days off. Anonymous 2 was very fortunate in being able to negotiate Sundays off (he believes God has granted him favor with his Chinese boss). He was also able to get two weeks off work to return to his family in Accra over the Christmas holiday, but he was not paid for those days even though legally he is entitled to paid holiday. But he feels that to holler up the bureaucratic ladder to reclaim his rights is a headache and he doubts he would get anywhere.

The national norm of 8 hours per day was generally observed by **SinoHydro**, but overtime was often required, and if any worker refused to work overtime, he/she knew his job security was at stake. This was not a big issue however, as most workers appreciate working overtime since it pays a higher wage (Asafu-Adjaye).

Worth mentioning is the fact that the Chinese paid their employees based on the actual number of days a month worked as opposed to the provision in the Ghana Labour Act that stipulates a basic monthly salary based on 27 days (Asafu-Adjaye).

In 2008, workers were not being given paid sick leave even when the sickness had been certified by a Chinese doctor. By 2012 however, SinoHydro was providing their workers with 8 working days of paid sick leave (Asafu-Adjaye).

#### **5.2.4 Health & safety**

**China Railway** provides the very basics in PPE: helmet, reflector and boots. When these are damaged and you request replacements, the Chinese managers tell you that there are none available. “The gear we get is not enough and health and safety measures in general are a big problem. My protective boots got damaged and I didn't get a new [pair], so I had to beg one off a colleague. Otherwise I would've had to use my own personal shoes to work, which is not protective gear. Almost everyone has this kind of problem. Damaged gear doesn't get replaced by the company.”

One health concern the Ghanaian employees have is that of the Chinese' smoking habit. “They smoke in their offices and it's really hard to breathe. We've had several meetings about this, including with the senior manager himself; he gave a warning to his Chinese employees, so they'll smoke outside and not inside. Since then, there's been a little difference. Some smoke inside, some outside.”

Safety regulations are a big issue at **CNQC**. On the topic of PPE, Anonymous 2 says, “My company is supposed to provide safety boots, hand gloves, hard hats, reflectors. But initially the Ghanaian management consultant had to fight for the right of Ghanaian employees. He had to scare the Chinese into complying, threatening scandal breaking out on TV news.” As it is now, if the PPE breaks or becomes otherwise dysfunctional, the company will not provide new material. Workers have to purchase new equipment themselves.

Regarding health care and safety, my respondent told me that, “Last week [this would have been in January 2016] a guy had an infection but was given no help. He had to go to the drug store on

his own. This guy's supervisor [a Chinese] was supposed to take up his case, but didn't. Finally when he saw the guy's hand was really swelled, he went to give him a Chinese ointment, but it had expired in 2010!" In other words, management did not pay for legitimate ointment from a local pharmacy. They insisted on using a Chinese ointment that was expired by six years.

As far as regulation and inspections are concerned, every region has its own labor department that reports to the head office in Accra. Labor officers go around visiting firms, sometimes unannounced, but it is suggested that these Ghanaian labor officials cannot be trusted. My respondent says of the time the inspections officials came to CNQC, "They sat down with the Chinese management who gave them a brown envelope, and they don't do inspections. They just took the money and left. People are suffering, getting hurt, being underpaid, but local officials get bribed and don't do anything to help us." Anonymous 2 laments the lack of integrity among his nation's leaders, especially within the government sector. "Everyone takes bribes, unless the person is genuinely a born again Christian, and this is killing our country."

When **SinoHydro** began its project in 2008, there was no health and safety committee present at the Bui Dam site and very poor observance of health and safety regulations. Union officials were eventually able to negotiate better terms. For example, by 2012 all Ghanaian workers had industrial accident insurance and SinoHydro had started to register accident statistics so as to prevent recurrence. They were also conducting daily health and safety briefings and providing adequate PPE for routine work. However, there were still some complaints regarding PPE provisions in instances where such gear was not provided for non-routine work (Asafu-Adjaye).

### **5.2.5 Hiring practices**

The type of contracts given to the laborers at **China Railway** seems to follow the national norm in that they are hired on for three months as 'casual' workers, then given permanent status with an appointment letter. Anonymous 4 himself has a one-year renewable contract with the firm.

The Ghanaian-Chinese employee ratio is as follows: Upper management are all Chinese - four individuals. Lower management (of which Anonymous 4 is a part) is composed of five Ghanaians and five Chinese. The laborers number between 50 and 100 people, though my respondent could not say exactly how many there are. They are all Ghanaian.

Regarding the general hierarchical attitude of the Chinese toward their Ghanaian employees, he says, “The Chinese see themselves as the boss and the locals as their employees, no matter what position they hold.” In other words, even though a Ghanaian may be above a Chinese individual in rank, a Chinese will still consider himself the boss. “It doesn’t bother us Ghanaians as much. There’s not really any conflict between the two groups.”

There are 272 people employed at **CNQC’s** regional hospital project, 26 of whom are Chinese nationals, 245 are Ghanaian nationals, and one is a Syrian national. All of the artisans and laborers are Ghanaian. There are 9 Chinese engineers and 3 Ghanaian engineers, 16 Chinese managers/supervisors and 4 Ghanaian supervisors. All of the local laborers and artisans are casual workers - they have no signed contract with the company.

When asked to comment generally on the hiring practices at Chinese firms, my respondent stated that they have their own interests at heart, which is to make money and send it to China. “The Chinese are not open, they won’t open up to you, they won’t show you the inner workings of their business. It’s not about empowering the Africans. At the end of the day, they are in it for profit. They bring in their own labor force to do most of the work, and we’re talking low-skilled labor. Most of the Ghanaian guys are better skilled, better equipped than the Chinese labor, but they want the money to go back to China. It’s not a win-win. The people who benefit the most are the government officials. The people of Ghana don’t benefit.”

As of January 2013, a total of 1.836 workers had been employed by **SinoHydro** in the construction of the Bui dam: 1.676 Ghanaians, 100 Chinese and 60 Pakistanis. In 2008 there was no union presence at the Bui Dam site because of anti-union strategies employed by the Chinese

contractors. According to Asafu-Adjaye, the Chinese used open intimidation and victimization to discourage any collective bargaining. As a result, almost all of the Ghanaian employees were hired on as casual workers. None of them were given a contract to sign. By the end of 2012 however, all of the Ghanaian workers employed by SinoHydro had been given one-year renewable contracts. Once the union was able to intervene and negotiate better terms, the relationship between Ghanaian employees and Chinese management improved, but not without hiccups. For example, if ever a Ghanaian found him/herself in a disagreement with his/her Chinese supervisor, the individual had a hard time renewing his/her employment contract.

Anonymous 3 observes that within his company, Bui Power Authority, every employee is a Ghanaian national, including the management. But during SinoHydro's time, he noticed that "upper and lower management positions were occupied solely by Chinese with some Ghanaians and Pakistanis playing the role of field foremen."

### **5.2.6 Discrimination**

Anonymous 4 at **China Railway** said that 80% of the Chinese people he has had personal interaction with on the job are "very much racist." He gave me three examples: 1) When there is a meeting and an African brings up an idea that will help the company and/or the situation at hand, "because you are black, your idea will be 'considered' but never done." 2) The Chinese have access to drinking water at any time (in bottles or sachets), but the Ghanaian employees can only access drinking water a couple of times a day. 3) The Chinese management does not allow their Ghanaian employees to access wifi internet. "If we want to check our email, we need to go into town and use an internet cafe."

This last example explains why it took him so long to answer the interview questions I had sent via email. After two weeks of waiting for a response, we finally had to conduct the interview over WhatsApp. He explained that he had not been able to check his email since they (the

Chinese managers) do not allow him to access their wife and he had found it difficult to travel into town to visit an internet cafe.

Also, the living quarters are segregated. All of the employees live on-site, but the Ghanaians live in one camp and the Chinese in another. This does not bother my respondent however. He is more troubled over the fact that he has to pay his own utility bill, though the single-room apartment provided for him is paid by the company.

Anonymous 2 at CNQC provided two fairly poignant examples of racial discrimination on the job. For example, the Chinese workers do not cohabit with their Ghanaian co-workers. They live in segregated housing with separate locker rooms and bath houses. At one point when the Ghanaian bathroom facilities were not yet finished, my respondent had to take a shower in the Chinese facility. When a group of Chinese workers came in, they started hurling insults at him and tried to chase him out of the shower room. When he told his Chinese supervisor about the incident, the supervisor promised to speak to the Chinese workers, to impress upon them that he (my respondent) belongs to senior management and should not be treated thusly, but he still notices resentment in the way they approach him and talk to him. In general, Anonymous 2 says, the Chinese workers treat their African counterparts like animals. Not all of them - “Some of them are really nice, but most are just crazy.”

Another incident occurred during the first week of February 2016 in which a Ghanaian carpenter and a Chinese foreman (supervisor) got into a disagreement. The supervisor had tried paying the carpenter 30 GH for the day's work despite the previously agreed salary of 35 GH. When the carpenter stood up for himself, they started arguing and it escalated into a fist fight. The whole Chinese community rushed in and started beating him. The incident was reported to the police and the laborer filed an assault complaint. The issue was resolved after a couple of days with the Chinese agreeing to pay the carpenter's medical bills along with the remaining 5 GH. One of the Chinese supervisors was actually locked up over night. According to my respondent, these kinds of incidents are not uncommon.

As at the other firms discussed in the results section, the Chinese, Pakistani and Ghanaian employees of **SinoHydro** lived in segregated camps. When Asafu-Adjaye visited the dam site, he noticed that the Chinese camp was in much better condition than the Ghanaian one. For example, while the Chinese living quarters had air conditioning, there were numerous complaints about poor ventilation and overcrowded rooms in the Ghanaian camp (there were up to 12 Ghanaians per room). Eventually the Chinese made changes and reduced the number of room occupants to six. Also, males and females had to share toilet facilities.

When asked what he thought about these differences in living conditions, Asafu-Adjaye said that he had received an explanation based on ‘cultural issues’ such as differing eating habits and religious practices. “But even in Ghanaian boarding schools we have non-muslims and muslims living together, so the cultural explanation seems weak. You can still provide the same standard in living facilities.”

Anonymous 3 did not experience any overt discrimination in the time he overlapped with SinoHydro. He describes it as “rubbing shoulders together.” “The Chinese company was under strict monitoring under the Ghanaian state. Where you have a different experience is when you work directly under them, often due to the language barrier. But my experience was collaborative. My living and working conditions are very different from those who worked directly under the Chinese.” He continued on to say, “I’m sure that if you spoke to someone working directly under the Chinese, they’d say the conditions weren’t that good. They did however provide the minimum conditions. The work is hectic and the wages don’t always reflect this.”

### **5.2.7 From a trade union’s perspective**

According to Comfort Agambaa, the Deputy General Secretary of the Construction and Building Materials Workers’ Union, China has the same basic labor laws as Ghana. The difference is that

the Chinese government has not always moved to protect the rights of Chinese workers, especially those doing manual labor. It is common practice for managers to lower wages for or even fire a worker who complains. This culture is then exported to other host countries.

The government of Ghana does not stipulate wages other than set a basic national minimum (which is currently at 7 GH per day). Generally it is up to the trade unions to negotiate wages within each sector. At the time of the interview, the construction union was in the process of negotiating salary/wages for 2016. A laborer can reasonably expect to be paid 17 GH per day, artisans 20,47 GH, and foremen 22,22 GH. Management position salaries are not covered by the collective agreement and are agreed between the employer and employee.

Regarding the question of PPE, this is often a problem, partly due to the temporary nature of the jobs within the construction sector. Chinese firms see it as more cost effective to sell the PPEs to their workers, or have them deposit an amount before receiving their gear. The union tries to combat this practice, but it can be difficult when “some workers stay for just a month or two and disappear with the PPEs.”

Mrs. Agambaa had much to say about the general attitude of the Chinese toward locals. She sees many of them as being disrespectful to local managers. “Our people have experience to do the job, local managers who are engineers with experience. But because he’s a local, the Chinese won’t respect the views of the local manager. There are a whole lot of problems like this. For example, in a building construction site, the pillars were not strong and the Ghanaian managers brought this up to the Chinese supervisor and asked him to have some engineers inspect them, but he said no. The locals refused to work in the building for fear of it collapsing so the Chinese supervisor went in on his own, and the building actually ended up collapsing and killing the man.”

She also sees them as being disrespectful to local laws. “The Chinese disrespect the laws that cover the employees. There is a two to three month probation and after this period the employer

is obliged to offer them a permanent workers' contract [in the construction sector] but the Chinese refuse to follow this policy and insist on hiring casual workers.” There is also the practice of avoiding payment of benefits. “A week to the probation period your employment is always terminated.”

A major issue is the often horrible working conditions with regards to health and safety. Mrs. Agambaa described a case from 2015 in which the workers went on strike until the union intervened. They had complained of low pay, poor health and safety conditions, and lack of PPE provision. “Henan [the company] didn't want to give the safety gear even though this is paramount to the government. The nature of the work is very tedious with laying pipes, etcetera. There was a lot of waste that needed to be removed and was hazardous to their health. Also the changing rooms and bathroom facilities were in really bad condition. I had to go inspect myself. It was not neat, very dirty and far from the project site... The union entered into negotiations with Henan last year [April/May 2015] and they promised to improve. They were given one week to improve facilities. When the union returned, the improvements had been made.”

Even after the union intervened and conditions improved, there were still difficulties being confronted. “Because of the culture which they want to impose on us, they will victimize you if you fight for your rights. Some Ghanaian executives found it too difficult to continue working with their Chinese supervisors after the protest, so a number of them resigned and some were even forcibly laid off... The Chinese saw their protest as an insupportable betrayal.”

When asked to comment on what she thought should be done to improve relations between the Chinese and Ghanaians, Mrs. Agambaa said, “The Chinese also need to realize that they need to follow local laws. It is a good thing for us that China is investing and creating jobs for our people. But they are also exploiting our people. So we all need to work around this and make sure the right thing is being done.”

## **5.2.8 Ghana Labour Act 2003**

### ***5.2.8.1 Wages***

The Labour Act does not stipulate wage other than to say that the Minister will publish the national daily wage in public media (section 113). A monthly salary should be based on 27 work days (section 76). According to Comfort Agambaa of the Trades Union Congress, the minimum wage in Ghana is negotiated across the board for all public sector workers regardless of regional economic status. In addition, the unions negotiate the annual salaries/wages for the construction sector. Ghana's minimum wage is currently set at 7 GH per day.

### ***5.2.8.2 Working hours***

The maximum hours of work is 8 hours per day, 40 hours per week (section 33). Overtime is optional, not obligatory, and a worker has the right to refuse except in instances in which the very nature of the work requires overtime in order to be viable (for example, in construction work, pouring concrete is time sensitive). A worker should expect to be paid extra for overtime (section 35).

A worker is entitled to 12 consecutive hours of rest between two working days (section 41). Additionally, a worker should be allowed 48 consecutive hours of rest per 7 days (section 42). These rest periods do not include public holidays (section 43). Workers are also entitled to at least 15 working days per calendar year of continuous service with full pay (section 20).

### ***5.2.8.3 Health & safety***

Employers' responsibilities include providing the appropriate equipment and tools for the job and taking all steps to ensure the health and safety of their workers (section 9). It is the duty of the employer to, among other things, "supply and maintain at no cost to the worker adequate safety

appliances [and] personal protective equipment” as well as provide separate and suitable toilet and washing facilities and an adequate supply of clean drinking water (section 118). They are also obligated to allow labor inspections to take place (section 122). Failure to comply results in a fine and the liability to compensate any person who can prove loss, damage or injury as a result of this non-compliance (section 124).

#### ***5.2.8.4 Hiring practices***

A temporary worker is one who is employed for a continuous period of less than six months and is entitled to the provisions of the Labour Act with regards to minimum wage, hours of work, rest, paid public holidays, overtime and sick leave (section 75).

A casual worker is one who is hired on as a seasonal worker for no more than six consecutive months and is paid a daily wage. His/her contract of employment does not need to be in writing, but the worker is entitled to 1) a daily wage plus any overtime, 2) access to any necessary medical facility provided by the employer, and 3) payment even on days the weather does not permit normal tasks to be carried out (section 74).

Once a worker has worked more than six consecutive months for the same employer, or for a number of working days equivalent to six months or more within a year, he/she is entitled to be treated as a permanent worker and secure a written contract (section 12). The employee should not be unfairly terminated if the reason for that termination includes (but is not limited to) joining a union or filing a complaint against the employer (section 63).

#### ***5.2.8.5 Discrimination***

The Labour Act does not comment on racial discrimination except to say that unfair termination based on gender or race is illegal (section 63). It does make a more thorough provision regarding the right to join a union and draw up a collective bargaining agreement. Any employer who seeks

to hinder workers from unionizing or organizing themselves in any way by using threats or intimidation commits unfair labor practices (section 127).

### **5.2.9 International Labour Organization**

In the MNE Declaration, the general policy states clearly that “MNEs should obey national laws, respect international standards...and harmonize their operations with the social aims and structure of countries in which they operate.” It also states that MNEs should not only strive to increase local employment and improve standards in host countries, but also *prioritize* local employment and advancement at *all* levels. Also, “In developing countries, MNEs should provide the best possible wages, conditions of work (including health and safety), and benefits...” Additionally, they should allow workers to join unions and draw up collective bargaining agreements (ILO 2015, 108).

## **6. ANALYSIS**

Due to the varying nature of the information provided by the respondents, one cannot make an across-the-board comparative analysis on each of these metrics. The results are not uniform. What instead will be discussed is each indicator in context of and relative to the position held by each respondent and, where pertinent, how the current practices measure up to the Ghana Labour Act.

### **6.1 Wages**

Both respondents working at China Railway and CNQC hold management positions and are paid 1.500 GH per month. Their Chinese counterparts get paid more, and in the case of CNQC, the difference is substantial. What is also clear from all of the respondents is that there is little to no transparency with regards to remuneration. The Chinese will not disclose what they pay their own nationals.

There seems also to be a discrepancy between the standard national daily pay for laborers and what the Chinese pay their Ghanaian laborers. For example, at CNQC laborers are getting paid 15-30 GH per day as compared to the 35-70 GH they could be getting in the capital of Accra. Comfort Agambaa of the trade union asserts that any laborer should be able to reasonably expect a wage of 17-22 GH per day. So in some instances, laborers are being paid a wage that is just below the national norm. The current pay at SinoHydro is in line with the national average, but this is only thanks to union intervention and not the innate generosity of the Chinese.

Paid leave (sick or holiday) seems to be a matter of contention. For example, Anonymous 4 of China Railway described how difficult it was for him to get paid sick leave. Anonymous 2 of CNQC was able to negotiate two weeks of holiday leave but was not paid for that time.

Employees at SinoHydro, before the union intervened, were not given paid sick leave even when their illness had been certified by a Chinese doctor. This is in violation of the Ghana Labour Act which states that employees are entitled to at least three weeks of paid holiday per year as well as a certain amount of paid sick leave.

Another discrepancy is the practice of the Chinese to calculate a month's pay based on actual amount of days worked whereas the Ghanaian law bases salaries and wages on 27 working days per month.

## **6.2 Working hours**

The standard work week is 8 hours per day, Monday-Sunday with no days off. This is in violation of the Ghana Labour Act which stipulates two days of rest per seven days. The conditions appear even more extreme for Anonymous 2 at CNQC who works 11,5 hours a day, plus overtime on most days (which he does not get paid for). Had he not found favor with his Chinese supervisor who now lets him have Sundays off, he would have had to work 7 days a week with no rest as do the rest of his Ghanaian counterparts.

There seems to be a general consensus that laborers who are paid by the hour get paid for overtime (and are sometimes forced to work overtime, even though they have a legal right to refuse) whereas salaried employees do not get paid for overtime, even though they may also be forced to work overtime (as is the case with Anonymous 2 and 4). As was mentioned in the results section, employees try to negotiate these terms with their Chinese supervisors, but often to no avail.

Also pertinent to note is that the Chinese employers do not observe the local holidays and do not allow their workers to do so either. In other words, local employees are obliged to work on national holidays, and they do not necessarily get paid extra for this. This shows a disregard for local customs and culture.

### **6.3 Health & safety**

This particular area, along with discrimination, seems to be the biggest and most legitimate cause for concern. Everyone I spoke with said that health and safety was a major problem. Case in point, at the Bui Dam there was no health and safety committee present at the site, and SinoHydro was not seen to do anything about it before the union intervened. At CNQC, recall the testimony of Anonymous 2 regarding the employee who developed an infection but whose case was ignored by the Chinese supervisor until the infection got so bad that his hand swelled and he couldn't work. Instead of procuring ointment from the local pharmacy, the Chinese supervisor tried treating it with a Chinese ointment that had expired six years earlier.

On the topic of PPE, the Ghana Labour Act clearly states that it is the duty of the employer to provide (and replace) protective gear at no cost to the employee. Anonymous 4 at China Railway did not receive replacement boots when his came undone, and he had to beg a pair off of his colleague or come to work in his own shoes. CNQC did not initially provide its employees with protective gear. It was only after the Ghanaian management consultant scared the Chinese into

complying by threatening a scandal in the local news that they finally agreed. Also, according to Anonymous 2, the firm bribes labor officers into not performing the legally mandatory site inspections. Even at SinoHydro, where PPE was being provided as per union requirements, there were instances in which workers were not provided with additional PPE when asked to perform non-routine tasks.

As Mrs. Agambaa stated, the Chinese way of reasoning is that they cannot rely on the local workers to not disappear with the PPE and never return it. This is a legitimate concern, and the practice of disappearing with expensive equipment does nothing to foment trust for one's employees. But regardless of this, the labor law is clear. Regardless of whether or not you are a local company or a foreign multinational, you have a duty to abide by local laws.

#### **6.4 Hiring practices**

There are two main concerns that emerge from the data collected regarding the question of hiring practices. One is the number of Chinese nationals that hold high positions within these firms, not allowing for more locals to benefit from higher levels of employment and the subsequent growth in capacity and human capital. The second is the high rate of casual workers that do not have a written contract and are therefore vulnerable to the whims of the employers.

On the first concern, Ghana is, as has been stated earlier, one of the African countries in which the Chinese hire a rather large number of locals. This is of course a positive thing. But when one looks more closely at the type of jobs these locals occupy, they are mostly menial labor positions with poor pay and very few rights. Those locals who are fortunate enough to occupy management positions find themselves being locked out of discussions and meetings (both figuratively and literally), their suggestions are often dismissed by their Chinese counterparts, and there is a general disregard on the part of the Chinese toward their Ghanaian colleagues. I am forming general conclusions based on what my informants have shared with me, even though

more extensive research is needed to see if this is a common phenomenon outside of these three particular firms.

On the second concern, most of the menial labor positions are of a casual nature, although the practice of giving them a permanent contract after a probation period varies between the firms studied. For example, recall that at China Railway the workers are first hired on as ‘casuals’, then given a proper contract after three months, holding to the national norm. At CNQC however, all of the laborers are casual workers and there seems to be no intention on the part of the firm to provide them with permanent status. The same was true of SinoHydro until the union intervened and made sure that all ‘casuals’ were given a one-year renewable contract.

This practice does very little to empower the local workers, on any number of levels. As long as they are employed as ‘casuals’, they have no right to complain about their working conditions for fear of losing their job (legally they have a right, but in practice they do not). Also, being without an official employment contract leaves them without the right to paid holiday or maternity leave. This also gives them very little leverage when settling on a daily wage and does not entitle them to any benefits. Again, this shows a disregard for local labor laws. The trade unions are of course mandated to protect the rights of workers, especially with regards to wage and employment conditions, but as was stated in the results section, the Chinese often resort to methods of victimization and intimidation to keep their employees from joining such labor organizations. This to me is a fairly clear example of labor exploitation.

## **6.5 Discrimination**

This is perhaps one of the stickier aspects of China’s presence in Ghana with regards to working conditions because one cannot fully understand the reason for the discrimination without first understanding Chinese corporate culture and mentality, which is beyond the scope of this particular study. What we do know is that Chinese firms are very hierarchical in nature and that workers are expected to comply with management’s demands without asking questions or

making complaints as this would be seen as an “insupportable betrayal” (Agambaa). Within this context we can attempt to understand why, for example, a mass of Chinese workers rushed to join in the fist fight against a Ghanaian laborer who was merely standing up for his right to be paid the full wage (recall the testimony of Anonymous 2 at CNQC).

What is less explicable however is the reason for why Ghanaian employees are not provided sufficient access to clean drinking water (in the case of Anonymous 4 at China Railway) - a clear violation of local labor law (see section 118 of Ghana’s Labour Act 2003). Or why, for instance, the Chinese’ living quarters are in far better condition than the Ghanaians’ living quarters, or why the Ghanaian employees are not allowed access to the company’s wifi. My informants have interpreted this as racial discrimination, but there may be other explanations for this (see the following *Implications* section for further discussion on this particular point).

Another troubling aspect is the fact that locals are not given a voice in management affairs. Recall Anonymous 4 who feels completely dismissed when bringing up an idea or voicing a suggestion as to how to improve operations during company meetings. He chalks this up to racial prejudice. Anonymous 2 also feels racially discriminated against at CNQC. Not only was he chased out of the bathroom facilities at one point, but many of his Chinese colleagues refused to treat him with respect even after their supervisor had spoken with them about the matter.

Naturally one understands that a company cannot always be responsible for an individual employee’s behavior, but when there are such widespread accounts of discrimination (based on this study and previous research), one begins to suspect that the Chinese corporate culture may have something to do with it. It is the managers’ duty to create an environment in which workers from all backgrounds feel safe and valued, regardless of race or station.

## 6.6 Implications

There are obviously a number of cultural dynamics at play in all of these areas we have looked at, and these dynamics can and should be studied further in order to more adequately discuss the reasons behind the discrepancies we have found. If we look at the issue of racial discrimination in the workplace, there are a few points that may not have to do with racism at all. For example, in the case of Anonymous 4 at China Railway who was not allowed access to the company's wifi, this could be because the Chinese managers reasoned that access to wifi could be a distraction for the Ghanaian employees (though this does not explain why the employees are not allowed access to wifi after work hours). Another potential explanation could be that the Chinese managers do not consider internet access to be necessary to the execution of one's duties at work. It should be noted however that Anonymous 4 is a member of lower management, not a laborer, which means that accessing the internet may very well be useful in carrying out certain aspects of his job. More data would need to be collected in order to explore the reasons behind this particular issue.

Another point that would need further study is the difference in salary between Chinese and Ghanaian employees. In most cases, the exact wage of Chinese employees was unknown, but it was intimated that Chinese nationals receive higher wages than their Ghanaian counterparts. This could be due to the fact that many Chinese send the majority of their wages back to their families in China (something that has been discussed in other literature - see French 2014 for example). A higher cost of living there requires a higher wage. This issue, while it seems unfair to the African employees, requires further investigation to make sense of it.

With that said, if we go back to the theoretical discussion and review what has been written about capacity building and neocolonialist practices, we start to see that the Chinese vision of win-win cooperation is not necessarily reflected in the labor practices of these particular Chinese MNEs. One of the manifestations of neocolonialism as discussed in the beginning of this paper is that of labor exploitation. What have we seen in this study? In general terms, we have seen low

wages, long working hours with very little rest, an insistence on hiring casual workers without providing them with proper contracts, poor and sometimes dangerous health and safety standards and practices, and some poignant examples of discrimination, all of which amount to an exploitation of labor. And where there is an exploitation of labor there is very little capacity building, another manifestation of neocolonialism.

If we look back at the ILO's "MNE Declaration," we see that these enterprises are expected to abide by national laws and harmonize with their local environment. They are also expected to do everything they can to increase and prioritize local employment as well as improve living standards for host nationals. As seen through this study, this is clearly not the case. Yes, Chinese construction firms are providing employment, but what *kind* of employment?

To be fair, the degree of exploitation varies from firm to firm. It would be a disservice to the Chinese to paint them all as exploitative racists. We know this is not the case. As the respondents said, there is a certain degree of harmony between the Chinese and the Ghanaians, as has been seen at China Railway and SinoHydro, post-union intervention (though CNQC seems to have produced some more dramatic examples of discord). The empirical results are not uniform, which makes one think that perhaps the disregard for local labor laws is not simply a 'Chinese thing' but a result of the management culture within each firm. Good and bad managers can be found in any company, regardless of nationality or value set.

With that said, if we place the results of this study in the wider context of other studies on Chinese labor practices in Africa (some of which have been discussed in this paper), there does seem to be a pattern of discrepancy between what the international labor standard calls for and what is seen to be happening on the ground. But is this a case of Chinese 'exceptionalism' or do other MNCs from other countries do the same thing? While being beyond the scope of this study, the question is an important one if we are to draw some conclusions about Chinese labor practices in Africa. This point will be discussed further in the conclusion section.

A very interesting aspect that has emerged through this study, and one that should be researched further, is the role and power of the trade union. There does not yet appear to be a strong union presence at China Railway or CNQC, but SinoHydro is a shining example of how much working conditions can improve if the union is able to negotiate well with the Chinese. I speculate that part of the reason for why the union was able to negotiate so successfully with SinoHydro on behalf of its Ghanaian employees is that the Bui Dam was such a high profile project, and to receive sharp criticism in the local media would have caused the Chinese to lose face on a large scale, which, I suspect, they were unwilling to risk. But much can be studied in this area, especially with regards to how well local officials enforce local labor laws, what causes the disconnect between regulation and implementation, and what incentives can be given to the Chinese to persuade them to better adhere to local standards.

## **7. CONCLUSION**

### **7.1 Reflections**

The aim of this paper was to study the working conditions of Ghanaian employees of Chinese companies in an effort to understand their experience in the workplace and what implications this potentially holds for the African continent as a whole. Based on the empirical data on wages, working hours, health and safety measures, hiring practices and discrimination, we can see that there does appear to be a discrepancy between what the Ghana Labour Act 2003 stipulates and how Ghanaian employees are actually treated under Chinese management. These discrepancies vary between the three firms, but there seems to exist a *general* disregard for national norms on most, if not all, indicators.

While the collected empirical data serves to answer the two research questions, the broader implications that these results carry with regards to the underlying question of whether or not Beijing's way is really benefitting local African populations are impossible to define based purely on this study. Certain foreseen limitations of the study's design were discussed in the

Design & Methodology sections, but having reached the end of the research process, there are some changes I would make were I to continue researching this particular topic and question. As was mentioned in the Implications section, the results are not uniform and one cannot draw a definitive conclusion about Chinese labor practices in Ghana. In order to do so, the research design would have to include more Chinese firms as well as MNEs from other countries. This would then enable a comparison of Chinese labor practices with say American or Western European or Indian labor practices in Ghana, thus providing a better understanding of whether or not Chinese practices are in fact different from other nations' practices. It would also be very beneficial to study the labor practices of Ghanaian firms to see if they adhere to their own nation's labor laws or if they too exploit their own people.

A second aspect I would add to this study is the point of view of the Chinese. Access to the Chinese managers' 'inner circle' might be difficult to obtain, but it would be very helpful in trying to understand the reasons behind certain decisions (such as paying their own nationals a higher salary for the same work, or not providing access to drinking water, or not providing proper PPE replacement, etc.). It would also allow them to explain how they view their Ghanaian colleagues. Perhaps cultural misunderstanding is more of a factor than racist attitudes, at least for some.

A third aspect I would add to this study is doing on-site research and adding an element of institutional ethnography so that the information gathered is not based purely on informant interviews but also on my own observation. This would lend greater understanding of Chinese management and corporate culture as well as the trade union dynamic and even Ghanaian policy implementation and enforcement. In short, significantly more units of analysis and first-hand observation need to be added in order to be able to draw any kind of conclusion regarding whether or not Beijing's way is a proverbial 'win' for African workers.

## 7.2 A way forward

The previous research that has been discussed in this paper as well as the empirical results from my own study makes me question what the long-term benefits of Chinese activity will be for ordinary Ghanaian (and African) workers. The elites may stand to gain a lot, but their constituents are the ones bearing the brunt of the Chinese agenda. To be fair, it seems evident after having conducted this study and read previous research on other African countries, that the situation is not as grave in Ghana as it is in some other African nations. Whether this is due to stronger Ghanaian policies or China not necessarily being the most influential player, or for some other reason, is up for debate and would require more research. But the fact that the first-hand testimonies discussed in this paper have not been wholly negative does not mean that what these Chinese companies are doing is wholly positive. There are still some significant problems with their labor practices, especially in the areas of health and safety and discrimination, not to mention the bribing of inspections officials and the difficulty trade unions tend to have in negotiating with the Chinese for better conditions (the last two areas being outside the scope of this study but briefly mentioned in the Results & Analysis sections).

As was previously noted, an important area for further research is the trade unions' interaction with Chinese companies. Also, it would be useful to see a comparative study done on Ghana's legislation concerning foreign investment and workforce localization as compared with other African nations. Is Ghana's legislation better and stronger than other African nations and is this why the situation does not appear to be as exploitative as in other nations (such as Angola, Congo, Zambia, etc)?

What is apparent is the urgent need for a coherent strategy on a national level to combat exploitative labor practices and leverage Chinese investment so that it brings greater benefit to the host nation. In the words of Herbert Jauch, "The current practice of attracting investments 'at all costs' has led to a downward spiral of labor and environmental standards...A government

policy of sacrificing labor issues for the sake of attracting foreign investment cannot lead to sustainable development, and trade unions need to reverse such practices” (2011, 54-55).

Ghana (and Africa) has tremendous potential, and is indeed growing at a rapid rate, but it is in danger of perhaps experiencing another round of exploitation. Africa’s leaders need to get strategic and intentional about curbing China’s investment enthusiasm to make sure that their people are empowered and given the chance to truly improve their quality of life in a sustainable fashion. Making sure African workers are being dealt a fair hand at their places of employment would be a great place to start.

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## **Appendix 1: List of respondents**

Agambaa, Comfort. Female. Deputy General Secretary, Construction and Building Materials Workers' Union - Trades Union Congress, Accra, Ghana.

Asafu-Adjaye, Prince. Male. Researcher, Trades Union Congress, Accra, Ghana.

Anonymous 1. Male. Regional Director for Africa, Swede Energy.

Anonymous 2. Male. Upper management at China Quingjian Construction Group. Regional hospital project, Upper West Region of Ghana.

Anonymous 3. Male. Assistant Engineer at Bui Power Authority. Bui Hydroelectric Project - a tripartite project between SinoHydro Corporation, Bui Power Authority and Coyne et Bellier (a French engineering company).

Anonymous 4. Male. Civil Supervisor at China Railway Construction. Route construction project, Tepa, Ghana.

Kuwana, Patrick. Male. Founder, Crossover Transformation Group, South Africa.

## **Appendix 2: Sample interview questions**

### *Questions for Ghanaian employees:*

1. State for the record your full name, age, educational background and current position title.
2. Describe your job. How long have you worked there? What is it you do and who do you answer to? What kind of company is it that you work for? What kind of project is it?
3. Describe your living situation. What kind of room and board do you get as an employee? Are these expenses paid for by the company or do they take it out of your wages?
4. How much are you getting paid? How does this compare to your other Ghanaian and Chinese colleagues? How often do you get paid and does this happen on time or is it often delayed? Do your employers ever try to rip you or your colleagues off?
5. Describe the health & safety conditions. Does your employer provide safety gear? Who pays for this, you or the company? What happens if the gear/equipment is lost or damaged? Who is financially responsible to purchase new gear/equipment?
6. Tell me about your working hours and days. How many hours per day do you work? Do you get any days off? Do any of your colleagues get days off? Holidays?
7. What does the management hierarchy look like within your company? Do any Ghanaians get hired as lower and upper management? Do they have much authority in the daily workings of the company? What kind of contracts do the employees have?
8. What's the ratio of Ghanaian and Chinese workers and what positions do they hold? Are there any other nationalities working there as well?
9. What seems to be the general attitude of your Chinese colleagues towards Ghanaian employees? And what's the attitude of Ghanaian employees towards their Chinese colleagues?
10. Lastly, do I have your permission to quote you in my paper? And would you mind if I used your name or would you prefer to stay anonymous?

### *Questions for labor union officials:*

1. Please provide a description of what your job and position entail.
2. What should an employee at a construction firm expect to be paid per hour and/or month?

1) lower level labor, 2) artisans, and 3) management positions

3. According to the Labour Act, workers are entitled to 12 consecutive hours of rest between workdays and 2 days of rest per week, as well as 2 weeks of annual holiday. Are these rights generally observed by local construction companies? Can you comment on how well or how poorly they are observed by Chinese firms?

4. From what I've heard and read, health and safety regulations are generally ignored by Chinese managers. Can you comment on this? Can you give specific examples of this?

5. Can you comment on the ratio of Ghanaian employees to Chinese employees at Chinese firms in Ghana? Both on the lower skilled and managerial levels.

6. What seems to be the general attitude of Chinese managers towards their African employees? Can you give me any examples?

7. What are the hiring practices of Chinese firms? For example, are there many instances of employing a worker for 3 months only in order to avoid having to pay benefits? Are there documented instances of skilled Ghanaians being passed over for Chinese workers, skilled or unskilled?

8. Can you give me your thoughts on Chinese labor practices in general (as pertains to Ghana/Africa)? Specific and documented examples are very useful, for all of these questions.

9. Do you know of any instances where a Ghanaian employee has lost his/her job because they complained about the working conditions or talked to the media or a union?

10. Knowing that the Labour Act does stipulate certain rights, and also knowing that Chinese firms don't necessarily follow these rules, a larger question is why this is allowed to continue? What are the factors that obstruct proper accountability and enforcement?

11. Lastly, do I have your permission to quote you in my paper? And would you mind if I used your name or would you prefer to stay anonymous?