

2013

In 2013, Chinese President Xi Jinping launched the Belt and Road Initiative (BRI), a massive foreign policy push to promote infrastructure development and regional connectivity throughout the world. Although the BRI 'Action Plan', issued in 2015, identified five areas of cooperation for China and its partners—policy coordination among governments, promoting infrastructure connectivity, fostering unimpeded trade, encouraging financial integration and building people-to-people bonds through cultural, academic, media and other exchanges—the core of the initiative is Beijing's effort to build large infrastructure projects such as railways, ports, pipelines, mines and dams that connect China to its neighbours and beyond. This essay looks into what all this means for Chinese workers.

Chinese Workers on the Belt and Road

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After wrapping up the G20 Summit in Saint Petersburg on 6 September 2013, Chinese President Xi Jinping arrived in Kazakhstan for a three-day state visit to the world's largest landlocked country. At Kazakhstan's flagship academic institution, Nazarbayev University, he delivered a speech to a lecture hall filled with officials, reporters and students. Xi described China's history of friendly relations with its Central Asian neighbours, pointing to the Silk Road trading route established during the Han Dynasty 2,100 years earlier. He stated that restoring the connection between China and Central Asia was a top foreign policy priority and called for the construction of a 'Silk Road Economic Belt' (丝绸之路经济带) that would enhance regional economic cooperation, improve road connectivity, promote unimpeded trade and foster mutual understanding.

One month later, in October 2013, Xi addressed the Indonesian Parliament, where he appealed to the history of exchanges between the two countries, despite the seas between them, and called for the establishment of a 'Maritime Silk Road' for the twenty-first century to connect China and the countries of the Association of Southeast Asian Nations (ASEAN). These two speeches are widely seen as the launch of Xi's signature foreign policy, the 'One Belt, One Road' strategy (一带一路战略), which was later rebranded the 'Belt and Road Initiative' (一带一路倡议, or BRI) to sound less threatening to foreign audiences.¹ At the broadest level, the BRI seeks to promote infrastructure development and regional connectivity throughout most of Asia, Africa and Europe, and early reports suggested that projects under the BRI could involve investments totalling US\$1 trillion. The BRI 'Action Plan', issued in 2015, identified five areas of cooperation for China and its BRI partners: policy coordination among governments, promoting infrastructure connectivity, fostering unimpeded trade, encouraging financial integration and building people-to-people bonds through cultural, academic, media and other exchanges.² Signalling the political weight that China attaches to this initiative, in 2017, the Chinese Communist Party (CCP) incorporated the mission of 'advancing construction of the BRI' (推进'一带一路'建设) into its constitution.

The core of the BRI is China's effort to build large infrastructure projects—such as railways, ports, pipelines, mines and dams—that connect China to its neighbours and beyond. This generally occurs by Chinese banks loaning money to host-country governments, which then contract out the project to Chinese state-owned enterprises (SOEs), which in turn import Chinese construction materials and often Chinese workers. One commentator remarked that, in many instances, it is as if China simply 'air drops' its whole domestic project development ecosystem into another country.³ As a further demonstration of its financial commitment to this effort, China also created the Silk Road Fund and a new multilateral financial institution, the Asian Infrastructure Investment Bank, partly to finance these infrastructure projects.

Since the launch of the BRI, official Chinese statistics suggest that Chinese companies have been increasingly active in overseas projects. In 2015, Chinese companies signed 3,987 new contracts valued at US\$92 billion with BRI participant countries, and foreign direct investment (FDI) in BRI countries reached US\$14 billion.⁴ By 2019, these numbers had grown to 6,944 new contracts worth US\$154 billion for projects in BRI countries and roughly US\$15 billion in FDI.⁵ By 2020, a Council on Foreign Relations report estimated that China had invested more than US\$200 billion in BRI-related projects.⁶ The number of countries that formally joined the BRI by signing memoranda of understanding grew from a few dozen in 2016 to 140 by January 2021—including countries in new regions like Latin America and accounting for 4.6 billion of the world's people.⁷ China has executed thirty-one BRI cooperation agreements with international organisations, including at least two with the International Labour Organization.⁸

Programs to expand China's cultural influence have also been carried out under the BRI banner. Students from BRI partner countries are provided with 'Belt and Road Scholarships' to study in China or to partake in study tours. Efforts have been made to include tourism as part of the 'people-to-people' exchanges promoted by the BRI. China has launched a 'digital Silk Road' that connects countries through a satellite network and web of fibre-optic cables.⁹ During the COVID-19 pandemic, as part of the 'health Silk Road', Chinese state media boasted that BRI transportation channels made it possible for China to deliver 76,000 tonnes of personal protective equipment to European BRI partners and celebrated China's donation of vaccines to thirteen developing countries.¹⁰

There has been much debate about China's 'true' motivations behind the BRI. Broadly speaking, there are two competing frameworks for how to understand this vast sea of projects and initiatives. The first views the BRI as a coherent master plan coordinated by Beijing to promote China's military, political and economic interests. For instance, some argue the BRI is part of China's national security planning to expand the number of routes by which foreign oil can be delivered to China, to construct ports that could be used by the Chinese navy in a conflict or to station Chinese personnel around the globe.¹¹ The BRI has also been interpreted as an effort to solve China's domestic economic problems, such as by fostering the economic development of China's less-developed western provinces by enhancing ties with Central Asia, by creating new sources of demand to address China's overcapacity in steel and cement production or by accessing new consumer markets to purchase China's manufactured goods.¹² As for the cultural exchanges, these are seen as China's attempt to build soft power and influence in host countries to facilitate the achievement of its geostrategic and other objectives.

There is a competing conceptualisation, however, that sees the BRI not as a coherent strategy concocted by Beijing, but as a mere slogan that a broad swathe of disjointed actors has attached to their various, unconnected policies and projects.¹³ One analyst describes the BRI as a 'vision, not a plan', and suggests it falls on lower-ranking officials and other parties, including private companies, to find ways to implement Xi's vision.¹⁴ In this regard, the BRI is consistent with past political 'campaigns' in China's modern history, such as the Great Leap Forward or Reform and Opening Up. Under this framework, the seemingly endless expansion of the BRI's scope does not illustrate a plan for world domination, but rather demonstrates the lack of any clear, defined strategy or plan. Indeed, some argue that Chinese officials, companies and other actors somewhat haphazardly apply the 'BRI' label to whatever project or initiative they are pursuing in the hope it will help garner political support for their effort.¹⁵

Regardless of what China's true intentions or motivations are, however, many of these large-scale infrastructure projects have generated significant controversy in the host countries.¹⁶ The negotiations and terms of these large BRI contracts are rarely transparent, creating significant opportunities for corruption. The sizeable debts incurred by host governments to pay for these projects often far exceed what the country can realistically hope to repay—which some allege is intentional on China's

part as a form of ‘debt-trap diplomacy’.¹⁷ In carrying out the projects, local residents have complained about improper confiscation of land and disastrous environmental impacts. Host-country businesses often resent Chinese companies purchasing their materials and supplies from China. Locals have also demonised the Chinese workers dispatched to build these projects as ‘invaders’ who are ‘stealing’ local jobs.¹⁸

This essay, however, will focus on just one aspect of the BRI: what does it mean for China’s workers? In particular, the essay examines those Chinese labourers who travel abroad to work on infrastructure, construction or similar projects. What are the working conditions like for these individuals? Has the BRI led to an increase in the number of Chinese working overseas? And does the political sensitivity of the BRI and China’s desire to project a good image translate into better working conditions on these projects?

The essay explores these questions by first noting that China has been undertaking overseas projects and dispatching workers abroad since long before the BRI, and it examines the poor labour conditions often faced by these workers. The chapter argues that the launch of the BRI—somewhat surprisingly—has not resulted in a clear increase in the official number of Chinese workers going overseas, although an unknown but significant number of Chinese appear to be working abroad through informal channels. Further, despite numerous government pronouncements designed to make Chinese firms respect workers’ rights, labour abuses persist.

China’s Overseas Workers in the ‘Going Out’ Era

The trend of Chinese workers being dispatched abroad is not a new one.¹⁹ After the founding of the People’s Republic of China (PRC) in 1949, SOEs were directed to work on government-sponsored development projects in foreign countries and they often brought along their Chinese employees (see also Sorace and Zhu’s and Galway’s essays in the present volume). By the mid-1970s, more than 1,000 such projects had been established in more than seventy countries. After China’s 1986 reforms to make it easier to obtain a passport and loosening restrictions on foreign travel, it became increasingly common for individuals to seek better-paying jobs abroad. Whereas 55,000 Chinese workers were stationed abroad in 1985, this number grew to 264,300 in 1995 and 424,090 in 2000.²⁰

In 1999, China launched its ‘Going Out’ (走出去) policy, which encouraged the nation’s enterprises to obtain contracts for projects overseas.

One of the explicit purposes of this policy was to increase the export of Chinese labour.²¹ By the end of 2006, more than 5,000 Chinese investment entities had established almost 10,000 companies overseas in 172 countries and regions, with the combined outbound investment reaching US\$90.63 billion.²² Moreover, the number of Chinese workers stationed abroad continued to grow, doubling from 424,900 in 2000 to 846,600 by 2010.²³ Official statistics show that roughly 43 percent of these workers were dispatched to work on foreign projects contracted to Chinese companies.²⁴

Policy documents from the Going Out period instruct that China's outbound investment projects should be 'win-win' for China and the host country, create jobs for locals and safeguard the rights of dispatched Chinese workers.²⁵ However, the details on how to implement these objectives were few and far between. For instance, there were no clear guidelines as to how many local workers must be employed on these projects or what construction supplies must be purchased within the host country. Even in this early period, the reliance on Chinese supplies and workers was a source of tension for local host-country populations. In one particularly inflammatory move, in 2012, when 1,200 Zambian miners stopped work to protest unsafe conditions, the Chinese mine owners brought in Chinese workers to replace them, causing a violent reaction from the Zambian protestors that resulted in the death of a Chinese manager.²⁶

The one area in which the PRC Government did issue more detailed regulations is the rights of those Chinese workers sent abroad—for instance, mandating they have written contracts with certain provisions, limiting the collection of recruitment fees or security deposits and requiring the dispatching companies to deposit funds with the relevant government entity in China in case the worker returns without having been paid for their work.²⁷ However, these legal provisions often proved insufficient. A 2005 report by the central government recognised a rising number of disputes involving overseas Chinese workers—including mass protests, sit-ins at Chinese embassies and clashes with police in the host country—which prompted China to issue tighter rules restricting which entities could send workers overseas, limiting subcontracting, requiring the purchase of work-accident insurance and mandating other measures designed to curb noncompliance and exploitation.²⁸

Academic studies and media reports also confirm that China's overseas workers generally faced very poor labour conditions. In reviewing a decade of Chinese overseas investments, Chris Smith and Yu Zheng found that

Chinese construction firms regularly imported Chinese migrant workers, broke local rules on working hours and safety and used the retention of wages and other coercive means to control the workforce.²⁹ They noted that Chinese workers' obedience to company rules and inability to organise or seek help from local authorities made them more attractive than local employees. Similarly, in her study of Chinese firms in Africa, Ching Kwan Lee described the labour conditions for Chinese workers, whether employed by SOEs or private firms, as 'abysmal', characterised by 'poverty wage rates', late salary payments, inadequate safety procedures and other forms of exploitation.³⁰ Moreover, these examples of abusive conditions are not limited to developing countries, but have also been found in the United States, Europe and Israel.³¹ It must be noted, however, as argued by some scholars, that while the labour practices of these Chinese firms are hardly laudable, they are sometimes no worse than the labour conditions under other foreign companies operating in those host countries.³²

In short, despite Chinese policies calling on enterprises to create 'win-win' projects that protect dispatched Chinese workers, companies often fail to live up to this standard. The next section addresses how, if at all, this changed after the launch of the BRI in 2013.

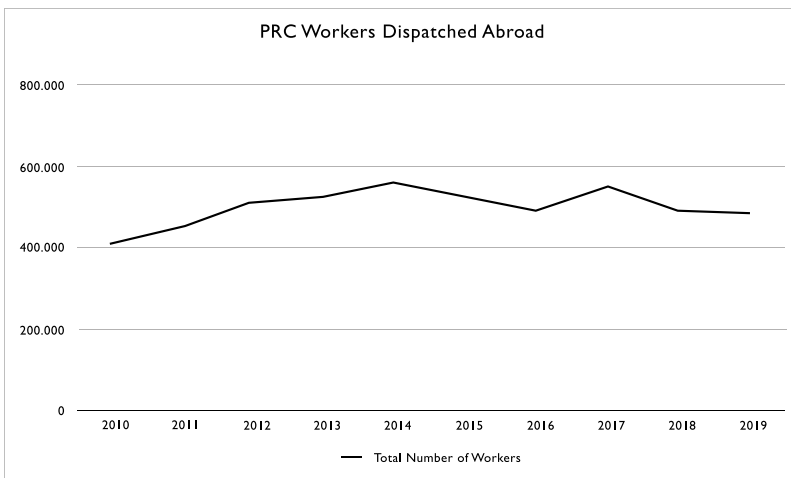
China's Overseas Workers and the BRI

What has the launch of the BRI meant for the number of Chinese working overseas or the labour conditions on these projects? Are more Chinese now working abroad or are Chinese firms paying more attention to hiring local workers to avoid the troubles faced by past projects? Given the political significance of the BRI and fears of negative publicity, are Chinese companies implementing better labour practices to avoid embarrassing delays from worker protests or worker injuries? This section explores these questions.

As a preliminary matter, though, rigorous analysis of the BRI's impact is difficult because of the amorphous nature of the initiative. Although the Chinese Government has explicitly labelled certain projects as being part of the BRI, there is no comprehensive list of such projects or clear criteria for determining whether or not a project is part of the BRI. While the common perception is that BRI projects involve SOEs using financing from Chinese banks to construct infrastructure, as discussed above, the

BRI label has also been employed by private firms and attached to special economic zones, industrial parks, manufacturing, tourism and even art exhibitions.³³

Nonetheless, in terms of the outflow of workers, whereas the export of labour was an express objective of China's Going Out policy, this has not appeared in BRI policy documents as an explicit goal. On the contrary, China has even created some programs to alleviate the need to send Chinese labourers abroad—for instance, one such effort seeks to train 3,600 Malaysian engineering students in railway design and construction.³⁴ Indeed, official government statistics do not show an obvious increase in the number of Chinese working overseas due to the launch of the BRI. While the number of workers sent abroad grew from 527,000 in 2013 to 562,000 in 2014, it then dropped in 2015 and has since fluctuated from year to year.³⁵ In 2018, China reported that 552,000 workers were dispatched abroad and 996,800 were already stationed abroad, but the next year these numbers decreased to 487,000 and 992,000, respectively.³⁶ (These numbers also dropped sharply in 2020, but that is likely attributable to the COVID-19 pandemic.)³⁷ Despite this stagnation in the overall number of dispatched workers, however, there are certain countries that experienced an enormous influx of Chinese workers since the launch of the BRI, such as Malaysia, Laos and Pakistan.³⁸



Source: Ministry of Commerce. 2020. '商务部数据统计中心 [Ministry of Commerce Statistical Centre]': Ministry of Commerce website, 3 March. Available online at: data.mofcom.gov.cn/tzhz/forlaborcoop.shtml.

It must also be noted that a large number of Chinese are obtaining work abroad through informal channels—such as using unregistered recruiters and travelling on tourist visas—and are not counted in the official statistics.³⁹ For instance, the 2,000 Chinese workers at a construction project on the island of Saipan, part of the US Commonwealth of the Northern Mariana Islands, included several hundred workers who entered the island as tourists and lacked proper work visas.⁴⁰ The Chinese media reported on one labour recruiter who earned more than US\$5.5 million by defrauding 837 workers.⁴¹ While the precise size of this cohort of informal workers is unknown, it appears to be significant. It is also quite possible that some BRI-related policies, such as the relaxation of travel restrictions or the growth in Chinese outbound investments, have caused the number of informal workers to increase. Indeed, in 2017, the Ministry of Commerce recognised this phenomenon and promised to take action to stamp out unregistered recruiters.⁴² The prevalence of informal workers may also partially explain why any decrease in the official number of Chinese working abroad has not stunted the perception of a Chinese ‘invasion’ or the growth of anti-Chinese sentiment in many BRI host countries, such as Indonesia and the Philippines.⁴³

For those workers who are sent abroad, has the launch of the BRI resulted in improved labour conditions? Since 2013, China has issued numerous policies calling on companies to comply with international standards and the laws of the host country, and even to ‘safeguard labour rights.’⁴⁴ A ‘code of conduct’ for Chinese firms operating abroad instructs them to engage local unions, educate dispatched workers on local laws and develop safety plans to reduce workplace accidents.⁴⁵ A set of 2017 guidelines by China’s contractor industry association directs companies to ensure workplace safety, prevent discrimination, child labour and forced labour and even to establish a channel for workers to raise concerns.⁴⁶

There are many overseas Chinese workers who seem to fare quite well, working for SOEs that pay ten times the salary in China, buy social insurance, religiously observe meal breaks and do not schedule work in the evening.⁴⁷ However, the mere existence of these numerous government pronouncements on labour rights reflects the reality that significant abuses of overseas workers persist, even since the launch of the BRI. Examples of such abuse, including by SOEs, can be found in the failure to offer proper safety training on a subway project in Vietnam and late wage payments and insufficient protective equipment on road projects

in Ethiopia.⁴⁸ Twenty-six complaints were filed against the Chinese firm constructing a dam in Ecuador concerning the poor safety and working conditions, and the collapse of a tunnel during that project that left more than a dozen workers dead.⁴⁹ A Chinese construction worker died on a job in Israel in 2019.⁵⁰ In Belarus, hundreds of Chinese workers received no pay for the three months they spent 'working like slaves' and living in cramped dormitories while constructing a cardboard factory.⁵¹ Furthermore, even in cases where SOEs provide decent working conditions, they often subcontract work to smaller, private firms that are more willing to ignore labour protections.⁵² On a Saipan casino project, three Chinese construction firms and their subcontractors took recruitment fees from workers, confiscated their passports, crammed them into dorms and underpaid 2,400 workers by at least US\$14 million.⁵³ Indeed, an investigation by the group China Labor Watch found numerous instances of forced labour-like conditions on BRI projects in a variety of countries, impacting Chinese employees of both SOEs and their subcontractors.⁵⁴

Not surprisingly, Chinese workers who encounter abuse while overseas are often unable to obtain redress. The workers face significant obstacles to leaving their employment: many are deep in debt after paying recruitment or other fees to labour brokers in China; employers often confiscate workers' passports; the workers lack access to transportation; and their work visa (if they have one) likely limits them to working for one particular employer.⁵⁵ Moreover, Chinese workers generally do not know where to seek help in the host country and, if they do, often encounter language barriers. Some workers will turn to the Chinese embassy, which occasionally mediates a resolution, but is often hesitant to offend the employer or will claim it cannot force a boss to pay wages if the employer says it lacks money.⁵⁶ Workers who choose to protest their maltreatment have been beaten by their employers or arrested and deported by the host-country authorities.⁵⁷ China's Ministry of Commerce has established a complaint mechanism, but there is little evidence of it delivering results for workers.⁵⁸

That being said, there have been occasions when some combination of media reports and work by labour advocates and local government actors has obtained redress for abused Chinese workers, such as in Saipan, but those cases are more the exception than the rule.⁵⁹ Other workers have sought redress for injuries or non-payment of wages after returning to China. While some have succeeded in obtaining a remedy through the Chinese courts, many litigants lack proper evidence and many never

make it to the courthouse in the first place.⁶⁰ In sum, it remains quite difficult for China's overseas workers to enforce whatever labour rights they were promised.

Future Directions

While the BRI undoubtedly marks a major development in the history of the PRC, the significance for China's working people is less clear. At least according to government statistics, the BRI has not translated into more Chinese working abroad. This is unlikely to change in the near future, as some analysts predict that China will decrease its focus on large-scale infrastructure projects in favour of less controversial, less capital-intensive initiatives like expanding the 'digital Silk Road' and the 'health Silk Road'. However, even if true, the number of Chinese workers stationed abroad remains significant; furthermore, a considerable number of individuals continue to use informal channels to work overseas. The labour abuses suffered by overseas workers prior to the BRI's launch appear to be continuing on many of these high-profile projects, particularly for those workers employed by subcontractors. The good news is that Chinese government organs have issued policies and guidance to companies instructing that labour rights be protected, and some Chinese courts have used those regulations as a basis to award relief to exploited workers. Moving forward, China would be wise to invest in encouraging compliance with these policies. Labour abuses may not only result in time delays and increased costs on BRI projects, but also interfere with China's broader goals of delivering economic growth to and building soft power among BRI partner countries. Therefore, China should develop mechanisms to monitor and enforce these labour rules, including penalties for companies that violate them and rewards for those who observe them. Implementing such measures could transform the BRI from a source of exploitative labour practices to a force for promoting better labour standards globally.