Chinese Investments in Zambia and Senegal: State Collaboration and Worker Confrontation

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In summer 2011, I was awarded a Faculty Enhancement Opportunity (FEO) Award to conduct research in Zambia and Senegal to compare the impact of Chinese enterprises in the two countries. My objective was to study labor relations and the impact of Chinese investments on the local economy. Trade between China and Africa has grown at a rapid rate. Last year China announced that trade with the continent had increased by 45 percent to 114.8 billion dollars. In Zambia, Chinese investments rose to 2 billion dollars in early 2011. Chinese business growth in Zambia has come with criticism of the lack of adherence to international standards for environmental protection and industrial safety for workers. Zambia has experienced the highest number of reported accidents and violations of workers' rights in Chinese managed investments. Although presidential candidates including Frederick Chiluba and Michael Sata threatened to switch to Taiwan if elected president, the country has had a long-standing relationship with China since Zambia's independence in 1964.

Chinese investments in Senegal have produced minimal criticism. Like in Zambia, the state to state projects in Senegal are viewed more positively but there are a lot of small Chinese businesses that are causing friction with the small Senegalese businesses. Much of the criticism is centered on Chinese investors buying up a large portion of the major trading district in Dakar, flooding the market with cheap Chinese goods and displacing local products such as locally manufactured shoes, clothing and artifacts.

In Zambia, I toured small and medium-sized Chinese investments to study their labor relations, adherence to the state conditions of service and the impact of Chinese investment on the local economy. I toured five companies - one medium sized and four small companies. In Senegal, I observed several Chinese investors and their workers and Senegalese business people involved in shoe manufacturing. I conducted interviews and administered survey questionnaires. My initial observations are that due to the high unemployment in Senegal at 48 percent (191 out of 199 countries) and a large informal sector, the people interviewed were less critical of the Chinese conditions of service. Zambia has 14 percent unemployment (143/199 countries). Zambians are also more conditioned to working in the formal sector which made them compare conditions and be more critical. Also, there is a higher expectation of the role of the state in Zambia, especially with the new government of Michael Sata, as compared to Senegal.

Unlike Zambia, Senegal has not maintained a continuous relationship with China. Senegal became independent in 1960 but only established diplomatic relations with the People's Republic of China on December 7, 1971. Senegal established diplomatic relations with Taiwan on January 3, 1996, which prompted China to suspend relations with Senegal six days later. The two countries restored diplomatic relations in 2005. Since then, trade has been rising each year. Last year, Senegal exported products worth 52 million dollars to China. Trade between the two countries has risen by about 30 percent each year and reached 549 million dollars in 2010.

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