

# **In Cambodia, Chinese workers earn more, but pay the price with diminished labour rights**

Wednesday 6 March 2019, by [YUAN Sheila](#), [KEETON-OLSEN Danielle](#) (Date first published: 25 February 2019).

**When dusk falls over the city, the diggers roars to life. The small team of workers laying the base of the 46-storey Morgan Tower in Phnom Penh's Koh Pich (or Diamond Island, one of Cambodia's largest real estate projects) had been waiting all day for the mud to dry after unseasonable rain. On his way out of the fenced site to buy a pack of gum, Xu Fengchow points to his coworkers : they will be reinforcing the ground through the night, he says in Mandarin.**

Xu has only been in the capital city of Phnom Penh for six months, so the 50-year-old has yet to cope with Cambodia's heat or monsoons, and the weather is very different from that in his home in China's northernmost province of Heilongjiang, or his former worksite in Russia. But Xu offers a friendly smile and says he will soon learn to adapt like his coworkers, who have been laying the foundation of Cambodia's skylines for 10 years.

As billions of dollars in Chinese investment streams into Cambodia, so do fleets of foreign workers heading for the country's construction hubs in Phnom Penh and the coastal city of Sihanoukville. With little comprehensive information on the number of foreign construction workers, Cambodian civil society fears this influx of Chinese workers is diminishing the local job market. Meanwhile, the foreign workers themselves risk exploitation, working in a country where they have few resources, no union representation and little knowledge of the local language.

**Hardly a month goes by without the announcement of a new multimillion-dollar construction project by Chinese companies in Cambodia, from US\$200 million to create a special economic zone along the Thai border, to multibillions in resort and casino developments along the coastlines.**

Chinese investments in the construction sector slowed in 2018 to US\$5.22 billion, declining 18.6 per cent after several years of growth that quickly transformed Phnom Penh and Sihanoukville, according to the Chinese state news agency Xinhua. The Land Ministry could not be reached to clarify the rate of Chinese investment in the construction industry.

Nor is there any clear data on how many workers - mostly from China and Vietnam - have moved to Cambodia for construction work, much less how long they are staying and their salaries. Cambodia's Ministry of Labor and Vocational Training would not respond to multiple requests for comment, and Immigration Department spokesperson Kem Sarin detailed only the process of inspecting construction teams without commenting on the number of Chinese work sites inspected.

## **Investing in Cambodian workers**

Cambodian law prohibits foreign ownership of land, but Chinese entrepreneurs still manage to find

ways to make multimillion-dollar investments. A developer subcontracted to oversee the construction of Morgan Tower said the company was able to purchase land from the Overseas Cambodia Investment Corporation, chaired by Cambodian tycoon Pung Keav Se.

China's Belt and Road Initiative has opened up billions of dollars in infrastructure and private development investment throughout Asia and Africa, and contractors often hire their own workers, who share language and work ethics. The workers may be recruited through Chinese subcontractors and agencies, but many interviewed said they clinched their jobs via referrals from family and friends. Workers interviewed by Equal Times said their pay in Cambodia - between 5,000 and 6,000 renminbi (around US\$740 to 890, or €650 to 780) - is similar or slightly better than what they would receive on the Chinese mainland, but their motivations ranged from a slow job market at home to the simple desire to see a new country.

Chinese investment and influence in Cambodia has become a politicised battle, empowering the government to build bigger and faster without the condition of human rights compliance that funding from the European Union and international finance institutions often requires. But investments from China are drawing scrutiny from those who fear the country is becoming increasingly overwhelmed by China's large wallet and mass of people.

In a speech to Swiss Cambodians in Geneva last October, Prime Minister Hun Sen tried to ameliorate concerns that China was "invading" Cambodia, stating that migrant workers come to provide skilled labour before returning home.

**However, Sou Chhlonh, the vice president of the Building and Wood Workers Trade Union of Cambodia (BWTUC), is still smarting from the premier's comments. Even if Cambodian labourers are not completely trained for certain tasks, Sou contends the government should help upskill local workers, as there are few construction training programs and certifications in the country.**

"What I see is a loss of opportunity by giving the jobs to the Chinese," he says. "You can imagine, they are Chinese investors, so they hire a Chinese workforce ; they give the money to the Chinese workforce, they don't give that money to local workers."

BWTUC president Sok Kin worries that the influx of Chinese workers will drive more Cambodians to seek work abroad. The National Committee to Counter Trafficking estimates that nearly two million Cambodians were working outside the country in the first six months of 2018, and many go to Thailand - the most common destination for Cambodian workers - where they receive higher pay on Thai construction sites. The trade union is currently lobbying for a minimum wage in the construction industry, with hopes this will prevent Cambodian workers from going abroad, but Sok says many workers are discouraged from staying by the fact that they are generally paid less than Chinese workers.

### **Long hours and a frugal lifestyle**

With no comprehensive information available, only workers' accounts can offer an insight into the experiences of Chinese migrant workers in Cambodia. And although they may be paid more than locals, they do not live a life of luxury.

Dai Wei Jun, a general manager at the Morgan Tower site, said the company's Cambodian employees outnumber foreign employees, but he generally prefers to hire Chinese workers, who work longer days and reliably complete projects by their deadlines.

"Cambodian laborers don't have much experience doing construction work, so much of the work

they're doing is low-skilled," he says.

At least on Koh Pich, the Chinese nationals brought in to manage construction sites are lending a hand in other parts of the projects, at all hours. Hours before he went into the mud to set the foundation of Morgan Tower, Dai Yifei spent his morning at a paper-strewn desk in a temporary office with an overworked air conditioner. Like the other Chinese workers on this Koh Pich site, he earns about 6,000 renminbi per month (approximately US\$890/€780), managing Cambodian workers who earn between US\$300 and \$400 (€262 to €350). Though Cambodian organisations report low-skilled Chinese constructors among the workforce, all the Chinese workers interviewed by Equal Times specialised in tasks like setting foundation, welding and electrical wiring.

When asked where he lived, Dai deflected at first but eventually admitted to living on the site in boxy temporary housing. As a desk officer by day and site worker at night, Dai has no time to leave the grounds of Morgan Tower. The Spartan cubed housing costs US\$1 a day but requires a US\$2,000 deposit (€1,750), so four or five Chinese workers generally bunk together, says Xu, who shares a container with Dai. Though he could afford offsite housing with his salary, Xu says he chooses to live on the site to save money. The company handles the process of procuring Xu's work visa, but he says he had to pay for the six-month visa himself.

**It's unclear how many foreign workers have employment permits in Cambodia's unevenly-regulated workforce. The foreign ministry led a crackdown on foreign workers, predominantly from China and Vietnam, between 2016 and 2017 and simultaneously established strict work permit requirements that sired a short-lived panic among the nation's migrant workers.**

Cambodia has attempted to limit the employment of foreign workers with labour law reforms, especially for jobs that can be done but Cambodian nationals. Some construction companies have faced purges - most memorably, more than 200 workers from Shenzhen-based construction company Sino Great Wall were detained in 2016 for working without permit, the same company that the US Labor Department flagged for not paying workers who built a casino on the Northern Mariana Islands.

The Chinese workers are offered some conveniences from their hometown : Wang Li, a 33-year-old woman who followed her husband to work overseas, prepares lunch for the site's Chinese staff every day for a salary of \$500 a month (€437). She plans to return to Chongqing province to take care of her three children, so she's training a Cambodian chef, who is paid \$200 (€175).

Communication causes a gap between the workers, and the teams come up with some creative solutions to address them. While Lo Vet, the Cambodian hired to help manage Koh Pich's Diamond Twin Tower office and condos as it nears completion, can converse in English fluently, he can't communicate to the Chinese lighting specialists currently at work in the building's upper floors. If they run into an issue with wiring or the walls, they send a photo via SMS and he will run upstairs to investigate.

### **Ending subcontractor impunity**

The most immediate concern for the BWTUC is holding subcontractors responsible for Cambodian workers' wages. The same week he met with Equal Times in January, Sou said he would field a complaint from Cambodian labourers who worked for a Chinese subcontractor in Phnom Penh. The workers claimed their boss was withholding more than US\$30,000 in unpaid wages (€26,249). Subcontractors - especially foreign companies - often fail to register with the Cambodian government, so they can skirt labour law requirements and courts have no ability to hold claims against them.

“The Chinese subcontractor always claims that ‘we don’t have any obligation, and you can file any sort of complaint to whosoever and they don’t care,’ and then they escape the responsibility,” Sou explains.

Chinese workers likely have similar grievances, but they appear to speak out less frequently than their Cambodian counterparts. In 2017, a group of about 100 Cambodian workers and their Chinese site manager protested against Beijing’s China Construction Second Engineering Bureau for US\$80,000 (€70,000) in unpaid wages at One Park, a development on land that once housed the infamous Boeung Kak lake. Sou says he has heard of Chinese workers going on strike, but official reports of such action could not be found.

**Unlike their Cambodian counterparts, Chinese workers do not have organised workers’ groups to support and protect their interests.**

When asked if the BWTUC takes complaints from Chinese workers, Sou said it did not because of the language barrier, plus their focus lies with concerns from Cambodian workers. However, one worker indicated that Chinese nationals face similar compensation issues as their Cambodian colleagues.

It’s been more than six months since Zhao Gan received his salary. He’s worked for the same company – a subsidiary of a major Guangzhou-based conglomerate – for six years. At first, they paid Chinese and Cambodian workers routinely every month, but the company recently started spacing out payments.

“In 2014, we were paid monthly. The time goes by, and the company became bigger and bigger and earned more and more money. We were promised to be paid after two months, then three months, and then four months,” Zhao says. All he can do, he says, is hope the company will pay him soon.

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