



Building the New Macau

A Portrait of Chinese Construction Workers in Sihanoukville

Construction site with abandoned bungalows in the foreground, Otres Village, Sihanoukville. PC: Ivan Franceschini.

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Due to a massive and sudden influx of capital from China, much of which was invested in shadowy gambling operations, in just a few years Sihanoukville went from a dreamy, low-budget tourist destination on the Cambodian coast to Southeast Asia's 'new Macau'. When, in the summer of 2019, the Cambodian authorities banned online gambling, the local economy came tumbling down. As construction sites all over the city halted operation, workers, both Chinese and Cambodian, were hit particularly hard by the crisis. This essay looks into their plight.

One late evening towards the end of December 2019, as I was crossing some construction sites on my way back to the bungalow where I was staying in Sihanoukville, I noticed a small group of Chinese workers whom I had befriended a couple of days earlier gathering. They were surrounding their contractor, a man in his late forties, who was speaking agitatedly into his phone. As I got closer, I realised that his right arm was covered in blood and his face bruised. He told me he had just been assaulted

by some Cambodian workers to whom he owed a few hundred dollars in back wages. He complained about how he was caught between the four Chinese shareholders who owned the project and the workers he had brought with him from China, as well as his few Cambodian employees. His bosses had stopped paying in August and had since fled to China. The contractor kept calling them—when I first saw him that evening, he was leaving them messages on WeChat, in the hope of eliciting some sympathy—but the ‘big boss’ had long stopped returning his calls. Of the ‘smaller’ bosses, one had offered to pay US\$1,000 as a lump sum to all the workers—a ridiculous amount compared with what they were owed and the costs they had sustained for their living expenses and flights—while another kept complaining that she was also facing financial difficulties and asked for their understanding. The contractor was borrowing money here and there to pay at least part of what he owed to the workers to allow them to go back to China, but it was very difficult finding anybody willing to lend him anything.

While he was telling me this story, the workers around him nodded approvingly. They had been living for months in awful conditions in their now otherwise abandoned construction site, but they knew who to blame for their plight: those distant bosses who had fled to China. At that point, of around 80 workers employed on the site—which was supposed to become a karaoke club and apartment building with commercial spaces on the ground floor—only a dozen remained, some still hoping to recover the hefty sums they were owed, but others simply unable to afford the flight home. They also knew they were not the only ones suffering a similar fate in Sihanoukville.

Previously a dreamy tourist destination known for its sandy beaches lined with coconut palms, Sihanoukville, by the late 2010s, was gaining a reputation as Southeast Asia’s ‘new Macau’, bursting as it was with Chinese casinos, massage parlours, hotels, and restaurants—some already built but many more still under construction. Official

investment in infrastructure was accompanied by speculative capital funnelled into casinos and other entertainment venues—a bubble producing an annual revenue that industry insiders ‘conservatively’ estimated at between US\$3.5 and US\$5 billion a year, 90 per cent of which came from online gambling (Turton 2020). While Cambodian landowners were able to profit from this windfall by renting out or selling their properties to Chinese investors, locals unable to afford the rising rents and living costs were pushed to the margins or forced to leave the area altogether. In the middle of such upheaval, public security became a serious concern. Faced with repeated complaints about money-laundering, illegal gambling, kidnapping, and human trafficking allegedly associated with the flood of Chinese immigrants, in February 2018, the Cambodian Government launched a task force to address such problems. More radical measures were adopted in August 2019, when Cambodian Prime Minister Hun Sen—allegedly also under pressure from the Chinese authorities—unexpectedly announced a blanket ban on all online gambling activities starting from 1 January 2020.

The surprising determination of the Cambodian authorities in enforcing the ban burst the speculative bubble, causing panic among Chinese investors. As casinos laid off thousands of staff, property prices plummeted, and real estate transactions sharply dropped, small businesses went bankrupt. With investors fleeing and the future profitability of investment suddenly called into question, construction sites all over the city stopped paying their employees and, in many cases, suspended operations altogether. Chinese and Cambodian construction workers—the people who were working the hardest, earning the least, and bore no responsibility for the speculative bubble—ended up paying a bitter price for the sudden reversal of fortune.

It was in the midst of this dramatic shift that I travelled to the area to conduct a survey in a sample of seven construction sites in Otres, a village on the outskirts of Sihanoukville.

A total of 185 questionnaires were administered between December 2019 and January 2020—95 with Chinese workers and 90 with Cambodian workers. The data were then complemented by 32 semi-structured interviews—22 with Chinese workers and 10 with Cambodian workers—as well as countless informal conversations with workers, contractors, vendors, and people living and running small businesses around the sites. Drawing on the information collected in those weeks, the present essay aims to shed light on the Chinese workers toiling in Sihanoukville by discussing four key aspects of their experience: precarity, money, law, and solidarity. Chinese construction workers abroad are all too often at the centre of deeply discriminatory discourses, whether they are depicted as an army of ants stealing jobs from local people or as the embodiment of Beijing's supposed imperial ambitions. To challenge this, it is more important than ever to restore these workers' humanity in public discourses of global China.

Precarity

Unsurprisingly, the life of the Chinese workers in Sihanoukville has been extremely precarious. They were hired through three main channels: introduction by family or friends who were already working for the company back in China (52 per cent of the respondents)—a method particularly common for the state-owned enterprises (SOEs), which therefore ended up with a workforce largely comprising people from their home provinces; private agencies (34 per cent), which charged the workers an amount ranging between 3,000 and 16,000 yuan; or labour contractors (12 per cent)—often someone from their hometown with whom they had worked for years (this was mostly the case on small private sites).

Predatory recruitment agencies are quite common. For instance, some Chinese workers on one private site had signed a contract with the agency that bound them to stay on the job

for at least one year, no matter what, or they would lose a substantial deposit. They were also promised furnished accommodation with airconditioning—essential in a tropical climate like Cambodia's—but, on arrival, they found the only accommodation available was on the site itself, in the unfinished rooms of the future hotel. Not only were they without airconditioning, but they also had no beds or running water, and had to use a nearby field as an open toilet, which by then was covered in faeces. The only way to wash their clothes was in barrels of yellowish water, which they found disgusting. In addition, the managers had hired a local cook who could make only Cambodian food, which they could not bear. So, as well as having to buy their own food, they sometimes supplemented their diet by fishing for crabs and squid in the shallows on the coast. In spite of these appalling conditions, they were not deterred. As one of them told me: 'We don't mind to eat bitterness [吃苦], as long as we are getting paid.' Unfortunately, after a few weeks on the job, they were not getting paid either.

Informal employment was widespread in both private and state-owned enterprises. As many as 75 per cent of the Chinese workers did not have a written contract with their employer, contractor, or agency. To make things worse, even those Chinese workers who had a contract in most cases (79 per cent) had not been given a copy. When written agreements existed, they included clauses substantially unfavourable to the workers, as in the case of the workers cheated by their agency mentioned above.

Besides leaving the workers in legal limbo, employers had other ways to exert control over their workforce. Some private companies or agencies required workers to pay deposits ranging from 4,000 to 10,000 yuan. Moreover, widespread among both private and state-owned companies was the custom of taking away their Chinese employees' passports; 57 per cent of the respondents said their managers were taking care of their documents. However, the workers did not see any problem with this kind of arrangement, which appeared to be entirely voluntary. Indeed, most workers said they were

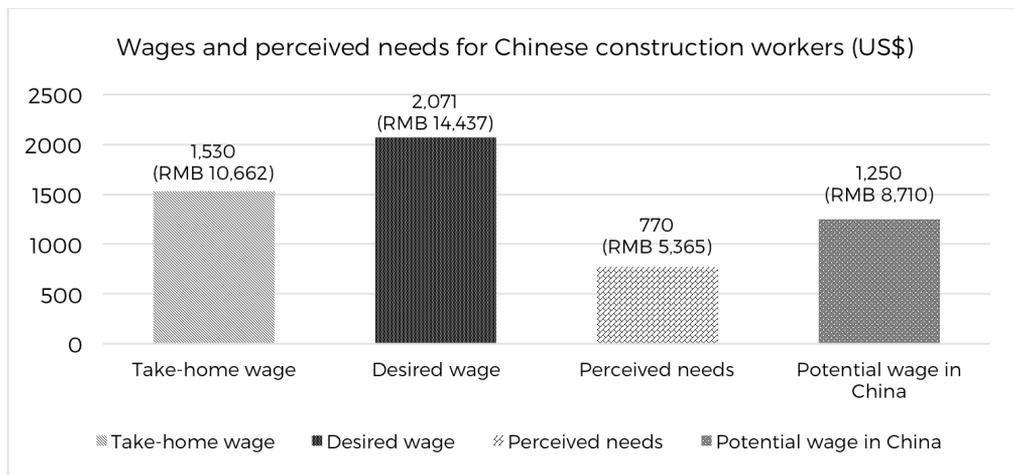
worried that, if they kept hold of the passport themselves, it would just disappear, lost in the chaos of their accommodation or stolen.

Money

Making money was the main motivation pushing Chinese workers to travel to Cambodia. Before the sites scaled down the work due to the crisis, Chinese workers and their local counterparts worked an average of nine hours a day, with one day of rest a week, although their work hours were subject to the vagaries of construction schedules. For a day of work, a Chinese worker received in the range of US\$50 to US\$72 (350–500 yuan)—against the US\$8 to US\$20 earned by the Cambodian workforce. There was a lack of clarity among the workers as to whether their employers paid extra for overtime. This depended on the site, with private sites performing significantly worse in this regard. Bonuses for attendance or performance were extremely rare. Even more troubling was the fact that employers did not provide any insurance or pay any social security; only 14 per cent of the Chinese

workers, all employed by SOEs, said their company had provided private insurance for labour-related accidents.

Graph 1 shows the financial situation of Chinese workers in more detail. Just like their Cambodian counterparts, Chinese workers lived in basic accommodation provided by the employer, in the case of SOEs, or on the construction sites, in the case of most private companies. In all cases, they did not have to pay for rent, electricity, gas, or water. On average, they earned US\$1,530 (10,662 yuan) a month, compared with the US\$2,072 (14,437 yuan) that they deemed reasonable in light of their current workload and the US\$770 (5,365 yuan) that they calculated they needed to cover the basic living costs for themselves and their dependants. This shows that, in ordinary times, they were able to save substantial amounts of money. This is reflected in their spending patterns. Since most construction sites housed canteens that provided subsidised meals for Chinese employees—although the food was rarely to their taste—the expenses for food and drinks were relatively small in proportion to the actual wage, accounting for an average of US\$172 (1,199 yuan) a month. This allowed them to use substantial amounts



Graph 1: Wages and perceived needs for Chinese construction workers (per month)



Another construction site in Otres Village, Sihanoukville. PC: Ivan Franceschini.

of their earnings for remittances (US\$880, or 6,130 yuan) and for leisure (US\$116, or 809 yuan), which included alcohol, prostitutes, and occasionally gambling in one of the low-end Chinese casinos in the area.

But did Chinese workers receive a better deal compared with what they would have earned by doing the same sort of job in China, therefore justifying their decision to migrate? According to my survey, had they undertaken a similar job in their hometown, on average, they would have been earning US\$1,250 (8,710 yuan)—that is, 22 per cent less than what they were earning in Cambodia. With the benefit of hindsight, however, many had come to doubt whether such an amount was worth the hassle of coming all the way to Sihanoukville. In many cases, they believed it was not: the weather was harsh, cases of wage arrears were too frequent, the cost of living for foreigners was too high, and the place was too dangerous. Indeed, 34 per cent of the respondents who had a history

of employment on construction sites in a broad variety of countries in Africa, Asia, and the Pacific complained that Sihanoukville was the worst situation in which they had found themselves.

Law

A few days after my evening meeting with the bloody contractor, another worker from the same site, a 60-year-old man from Jiangsu Province, stopped me in the street. Screaming and swearing, he wanted to reiterate that he and a dozen of his coworkers had not yet been paid and did not know what to do. Their bosses simply kept ignoring their calls and the contractor was powerless. They were now living in horrible conditions in the unfinished building on which they had been working, hoping to be able to go home before Chinese

New Year. Some had already bought their tickets, but others did not have the money for that. Bitterly, he compared his current predicament with his experience in Libya a few years earlier. He was there when war erupted and remembered how the Chinese Government had promptly sent a boat to evacuate him and his colleagues—a glaring contrast with the neglect he was now experiencing. He had paid around 9,000 yuan to an employment agency to come to work in Sihanoukville along with his son, but his son left after less than three months due to health problems and wage arrears. He was owed four months of wages but did not hold out much hope. He repeatedly complained that in Cambodia there was no law, so everything was pointless.

‘There is no law’ was indeed a constant refrain in my conversations with Chinese workers. The perception of lawlessness was further exacerbated by the stories of kidnappings and attacks targeting Chinese nationals that swirled around the Chinese expatriate community in Sihanoukville. Although Otres Village was relatively quiet in this regard, some Chinese workers refused to go out in the evening for fear of being targeted. This, and an ensuing feeling of powerlessness, emerges clearly from the survey. When asked whether they believed the local labour law would provide them with some protection in the event of a labour dispute, 98 per cent of the Chinese workers replied negatively. When asked what they would do in the event of a dispute with their employers, 47 per cent of the Chinese workers stated that they would do absolutely nothing and keep working, while 4 per cent said they would quit and look for a new job; 49 per cent said they would attempt to stand up for their rights.

However, this willingness to resist took a very peculiar form. Of those Chinese workers who said they would put up a fight, 93 per cent said they would seek help from the Chinese Embassy in Phnom Penh, with a tiny minority saying they would seek help from labour offices or the media. Sadly, it was only workers who had no experience of labour disputes

who expressed this confidence in the ability of the Chinese diplomatic mission to help them. Those who had previously experienced problems of wage arrears were unanimous in saying that the embassy was useless: not only was it too far away (no worker could afford to pay for a flight to Phnom Penh, and it took at least six hours to get there by car), but also Chinese diplomats had bigger fish to fry than to help random construction workers recover their wages.

Solidarity

Organised solidarity in the form of trade unions was nowhere to be seen. No unions were active on the sites included in the survey—a finding that reflects the general situation in Sihanoukville. Although some Chinese business and provincial associations had been trying to fill this void by offering to mediate disputes related to unpaid back wages, organising flights home, paying visa-overstay fines, and even intervening in cases of kidnappings (Kijewski 2020), their reach was very limited compared with the extent of the problem, and none of the people we interviewed in Otres had heard about them.

Even more worrying was the lack of solidarity between Chinese workers and their local counterparts. My research showed the existence of significant barriers between the two groups. As one Cambodian worker remarked: ‘We and the Chinese workers are just like oil and water: we work and live together but don’t mix.’ A first critical issue was the problem of communication: none of the Cambodian workers could speak any Chinese and none of the Chinese workers could speak Khmer. While working together, they had to rely on hand gestures to understand each other even for the most complicated tasks. Interpreters were nowhere to be found and, when available, usually followed higher-level managers or were themselves contractors. This led to frequent misunderstandings between

coworkers of different nationalities, with subsequent shouting matches in which nobody could understand what the other was saying.

The lack of a common language also limited the social interactions between the two groups outside the workplace. While we encountered one mixed couple of a Chinese male worker and a Cambodian female worker, and at least one Chinese worker who regularly hung out with his Cambodian colleagues using a translation app on his phone to communicate with them, such instances of interethnic bonding appeared to be quite rare; in addition, as we have seen, accommodation was largely segregated according to ethnicity. In total, 72 per cent of the Cambodian workers and 73 per cent of the Chinese workers said they had no interaction whatsoever with their colleagues of the other ethnicity outside the workplace; 20 per cent of the Cambodian and 26 per cent of the Chinese workers said they rarely interacted with each other outside the workplace, with those rare instances involving having a drink together or going for a walk on the beach.

However, the biggest divide between the two groups was the perception of unfairness related to differences in pay rates. As mentioned above, Chinese workers were paid substantially more than their local counterparts. While 88 per cent of the Chinese workers were convinced that the wage gap was justified—the common refrain being that they were more qualified, skilled, efficient, and supposedly had to face higher living costs—64 per cent of the Cambodian workers believed the gap was not justified at all. While some Cambodian workers explained their dissatisfaction along nationalist lines, the most common complaint was that they were working the same hours and doing the same tasks as their Chinese counterparts. In addition, there was a widespread perception that, although some difference in compensation might have been warranted due to the fact that the Chinese had come a long way and were more skilled, the current gap was much too wide—‘as far apart as earth and sky’, in the words of one Cambodian worker—and therefore unfair. Nevertheless,

none of the Cambodian workers who expressed dissatisfaction with the status quo planned to leave; they believed that everywhere was the same, and if they ended up working for a Cambodian boss, they might earn even less.

Some Chinese workers were very critical of how Cambodian workers were treated, but they constituted a tiny minority. One Cambodian worker recounted how one day a Chinese colleague had used hand gestures to ask him how much he was getting paid. With his fingers, he had responded that he was getting US\$14 a day and the Chinese man had gesticulated that that was not enough even to eat and that if he was paid that amount he would just stay home and sleep all day. A Chinese worker on another site pointed at some Cambodian workers who were finishing up some work nearby and told me:

Look at them, they get paid \$15 a day—less than 100 yuan—to do that work, and it is very hard work because those boxes are very heavy. Once I tried to tell the boss that he wasn’t paying them enough, that he should have given them at least \$20 to \$30 a day. He said that it was none of my business and I shouldn’t care.

The truth is that they would do that job for \$10 or even less.

To assess the potential for solidarity, the survey included one final question: ‘In case your Chinese/Cambodian coworkers did not get paid and decided to go on strike, *but you got paid*, would you be willing to go on strike with them in solidarity?’ Some 52 per cent of the Cambodian workers and 78 per cent of the Chinese workers answered no. However, these figures are not really indicative of a lack of solidarity, as many workers said they would not do it simply because the situation described in the question was absurd. Many Cambodian workers believed it would be impossible for their Chinese coworkers to not be paid, as they spoke the same language as the employers and had a much better understanding of the terms of employment. Chinese workers, on the contrary, thought it was impossible that Cambodian workers would not be paid, as they could always pick up the phone and the

police would come to their rescue. And yet, the truth was that many workers on both sides were not being paid what they were owed. It was this misperception that the other side was more secure that contributed the most to undermining worker solidarity.

the future of Sihanoukville holds, one can only hope that the Cambodian authorities will not repeat past patterns of exploitation. ■

Broken Promises

Many Chinese workers who had come to Cambodia believing in the empty promises of employment agencies and labour contractors found themselves stranded in Sihanoukville, owed months of wages, and living in horrific conditions. Their Cambodian colleagues toiled at their side, paid only a fraction of their wage, and barely making ends meet amid the rising living costs in this coastal city. Neither Chinese nor Cambodian workers were given written contracts and almost none of them had insurance or any other safety net. Language and communication barriers and segregation were used to prevent the emergence of a common front among the workers. In a situation in which local institutions and trade unions were extremely weak—if not nonexistent—these divisions substantially undermined worker solidarity, giving employers a free hand to exploit their workforce.

The gambling ban of August 2019 followed by the COVID-19 outbreak in the early months of 2020 might have put an end to the dream of Sihanoukville as a new Southeast Asian Macau. With the fate of the area now more uncertain than ever, the Cambodian authorities are trying to reshape the narrative by presenting the city as a new Shenzhen, going as far as to bring in experts from that Chinese metropolis to draw up a master plan for the city as a new industrial hub (Kunmakara 2020). What is apparently missing from the current discussion is how Shenzhen was built through the systematic exploitation of a migrant workforce sourced from the Chinese countryside. No matter what

This essay draws from the paper 'As Far Apart as Earth and Sky: A Survey of Chinese and Cambodian Construction Workers in Sihanoukville', recently published in *Critical Asian Studies* 52(4)(2020): 512-29. The paper includes a fuller set of data, as well as a more detailed discussion of the situation of Cambodian workers toiling in the construction sites at the centre of this essay.

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