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UNIONS CAN MAKE A DIFFERENCE: GHANAIAN WORKERS IN A CHINESE CONSTRUCTION FIRM AT BUI DAM SITE



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Trade Union Solidarity Centre of Finland

**Kwabena Nyarko Otoo
Nina Ulbrich
Prince Asafu-Adjaye**

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A CHINESE CONSTRUCTION
FIRM AT BUI DAM SITE**

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LIST OF ABBREVIATIONS

ACET	African Centre for Economic Transformation
ALRN	African Labour Research Network
CA	Collective Agreement
CBMWU	Construction and Building Materials Workers' Union
CDB	China Development Bank
ESB	End of Service Benefit
EU	European Union
FGD	Focused Group Discussions
FOCAC	Forum on China-Africa Cooperation
GIPC	Ghana Investment Promotion Centre
GSGDA	Ghana Shared Growth and Development Agenda
GUTA	Ghana Union of Traders' Association
IRO	Industrial Relations Officer
ISSER	Institute of Statistical, Social and Economic Research
OECD	Organisation for Economic Co-operation and Development
PPE	Personal Protective Equipment
SASK	Trade Union Solidarity Centre of Finland
TUC	Trades Union Congress - Ghana
UN	United Nations
US	United States

SECTION 1: INTRODUCTION AND BACKGROUND

1.0 Introduction

In 2010 the Republic of Ghana and the People's Republic of China¹ celebrated their 50th anniversary of diplomatic relations. The occasion afforded the two countries the opportunity to offer mutual assurance of friendship and fruitful economic and political relations in the coming years and decades. China's commitment in Ghana, particularly its economic investments, has grown exponentially in the last decade especially since the discovery and subsequent production of oil and gas. In 2010 President John Evans Atta Mills of Ghana, welcomed the intensified collaboration between Ghana and China and was optimistic that it will lead to the acceleration of Ghana's development.

The increasing Chinese economic presence in Ghana has had significant impact on Ghanaian labour. While creating jobs for large sections of Ghanaians, many labour watchers have expressed grave concern about the poor working conditions in Chinese enterprises. The numerous complaints of labour rights abuses in Chinese firms have led to increased focus on the labour relations dimensions of the Ghana-China relations particularly in the media. The resulting sensationalism has fed into a growing cynicism of China's real motive in Ghana and for that matter Africa.

However, the actual impact of Chinese investments in Ghana on the countries industrial relations and on labour has not received enough empirical attention beyond the occasional media bashing. Most of the studies have focused on government to government interactions between China and African States and about the economic and technical relations. But there still remains a research gap regarding the social impacts of the relations between the two countries. And there is virtually no study on how ordinary Africans perceive the Chinese foray into the continent.

In 2008, the African Labour Research Network (ALRN)² undertook a comprehensive study on Africa-China relations with special focus on how the relations affect

¹ Following as Ghana and China:

² The study was conducted and published by the African Labour Research Network (ALRN) working in collaboration with the Labour Research and Policy Institute (LRPI) of the Trades Union Congress (Ghana) with the attempt to fill the existing information gap about Chinese investments in Africa from a labour perspective (Baah/Jauch 2009).

African labour. The Ghana chapter of the report focused on labour relations in the Bui Dam Complex which remain the largest Chinese investments in Ghana. The construction of the Bui Dam Hydroelectric Power Project commenced in 2007 and is expected to be completed in 2013. The Ghana report chronicled a number of labour rights abuses perpetuated on Ghanaians employed at the dam site by the Chinese State construction firm – SinoHydro Corporation.

In this report, we present the findings of a follow-up study of the 2008 study by the ALRN. The ALRN study of 2008 focused on two main issues: the impact of Chinese investments on Africa (in this case Ghana) and on labour standards in Chinese enterprises. The chapter focused on Chinese enterprises in the construction sector. Like most other things about Africa-China relations, the publication by the ALRN and the labour issues it uncovered generated a lot of media attention and discussions. The Ghana report prompted the formation of a union at the Bui Dam site to defend and protect the interests of the Ghanaian workers.

Among other issues, the follow-up study was intended to evaluate the impact (if any) of the formation of a union on the working conditions of Ghanaian labour in particular and on the conduct of labour relations between Ghana and Chinese firms in general. The study will contribute to efforts towards filling the knowledge that has attended the Africa-China relations, especially the labour impacts of the relations. Above all, the study will provide additional valuable information for trade unions in Ghana (and in Africa) to contribute meaningfully to the growing discourse on the Chinese influence in Ghana and Africa.

1.2 Research Methodology and Data Sources

This study relies on a combination of primary and secondary data. As indicated in the introduction, the study sought to compare the conditions of labour at the Bui Dam site in 2008 and 2012. Therefore, the information gathered from field work in 2008 as part of the ALRN report provided an important source of secondary data. To facilitate the comparison, primary data was collected as part of the present study. Direct interviews were conducted with workers' leaders at the dam site and officials of SinoHydro Corporation.

Interviews were conducted with the Industrial Relations Officer (IRO) of the Construction and Building Materials Workers Union (CBMWU). The CBMWU is a member national union of the Trades Union Congress-Ghana (TUC). Focused Group Discussions (FGD) were also held with workers employed in the construction of the dam and local union officials to obtain additional information.

Secondary information was also obtained from the collective agreement between the Sinohydro Corporation and the union; Sinohydro Employees' Booklet, press releases and other documents obtained from the Bui Power Authority and the Ghana Investment Promotion Centre (GIPC), as well as media reports on the broad subject of Ghana-China relations. The report is also based on macroeconomic data on the economic relations including investments between Ghana and China

To place the labour relations in context, an attempt was made to analyze in broad terms, the recent relations between Ghana and China. Therefore, interviews were also conducted with officials of the Ministry of Trade and Industry. Attempt to interview officials of the Chinese Embassy in Accra, the Ministry of Foreign Affairs and Bui Power Authority could not materialize.

This report was validated at a workshop attended by officials and members of the local union at the Bui dam site, the IRO and national officials of CBMWU. The validation workshop was also attended by officials from Sinohydro, the Economic and Commercial section of the Chinese Embassy in Accra, Bui Power Authority and the Ministry of Trade and Industry.

1.3 Structure of the Paper

This paper is structured in four (4) main sections. Section one (1) provides the background of the study. Section two (2) is devoted to Ghana-China diplomatic and economic relations drawing out their strength and weaknesses. Section three (3) provides analysis of the employment and working conditions of Ghanaian workers employed by Sinohydro Corporation in the construction of the Bui Dam Complex. The section makes comparison between the conditions of the Ghanaian workers now and in 2008 when the construction began. The last section – section four (4) – is devoted to summary and conclusions.

SECTION 2: GHANA-CHINA DIPLOMATIC AND ECONOMIC RELATIONS

2.0 Introduction

Ghana, like the rest of Africa, has had a long-standing relationship with China dating back to the 1960s. In this section of the report, we discussed the Ghana-China relations under two broad headings: political/diplomatic and economic relations. The section will also seek to explain the growing Chinese engagements in Ghana and conclude with the emerging concerns with that engagement.

2.1. Ghana-China Relations

2.1.1 Political/Diplomatic Relations

As pointed out earlier, the relations between Ghana and China date back to the 1960s⁴. July 2010 marked the 50th Anniversary of the formal establishment of diplomatic relations between the two countries. Ghana's first President, Kwame Nkrumah, made three official visits to China in 1960. This was reciprocated by the visit of the then Chinese Prime Minister Zhou Enlai in 1964. These diplomatic exchanges consolidated the political relations between the two countries. On each occasion, China affirmed her support for the post-independence efforts of Ghana. Indeed, the two countries signed a Peace Treaty of Friendship and Cooperation on August 18, 1961 (Peking Review, 1961).

The overthrow of Kwame Nkrumah in February 1966, led to cessation of diplomatic relations between Ghana and China. Diplomatic relations remained frozen until February 1972 when it was restored by the National Redemption Council that overthrew the second Republican Constitution of Ghana. For all this period, Ghana-China relations were anchored on shared opposition to imperialism and aspirations for rapid de-colonisation of Africa. At the same time, diplomatic relations made it possible for the two countries to cooperate on various issues of international politics in the United Nations. In return for the economic and political support that Ghana received from China, the country (Ghana) followed a consistent policy of recog-

⁴ The first Chinese Ambassador to Ghana, Mr. Huang Hua, presented his credentials to the President of Ghana on 5 July, 1960, while the first Ghanaian Ambassador to China, Mr. Kobina Kessie, assumed duty in Peking on 26 March, 1961.

nizing One China⁵. Ghana also supported China to reclaim its permanent seat at the United Nations (UN) in 1971⁶.

In his message to President Mills of Ghana on the occasion of the 50th Anniversary of Ghana-China relations, China's President, Hu Jintao emphasized the point that "Ghana was one of the earliest to establish diplomatic relations with New China among Sub-Saharan countries [...] China and Ghana share similar historical experiences. He emphasized the commonality of the challenges that face the two countries and their peoples including the tasks of developing their respective economies, improving the livelihoods of their peoples and maintaining stability. The Chinese President reiterated China's determination to promote friendly cooperation between China and Ghana founded on mutual trust, equality and mutual benefits.

2.1.2 Economic Relations

Trade

In the first decades following Ghana's independence, Ghana-China relations were more political and less economic. United in their common opposition to Western imperialism, the two countries forged a relationship that provided support for the liberation struggles in Africa. Economic relations were low-keyed. Trade was even conducted on barter terms. The focus of the Ghana-China relations began to change in the 1990s with the abolishing of the trade and payment agreement of 1961 in 1991. And since 2000, the focus of Ghana-China relations has radically shifted from international politics to economics.

The numbers in terms of trade have been phenomenal. Total trade between the two countries increased from US\$117.86 million in 2000 to US\$2.45 billion in 2011 representing an increase of over 2000 percent. China's share of Ghana's total exports increased from 2.88 percent in 2000 to about 4.4 percent in 2011. Overall, China is the main source of imports to Ghana accounting for about 19 percent of Ghana's total imports. During this period, Ghana's exports to China grew by about 965 percent while her (Ghana) imports from China grew by over 3200 percent. Despite this unprecedented growth, China is ranked sixth in terms of the overall

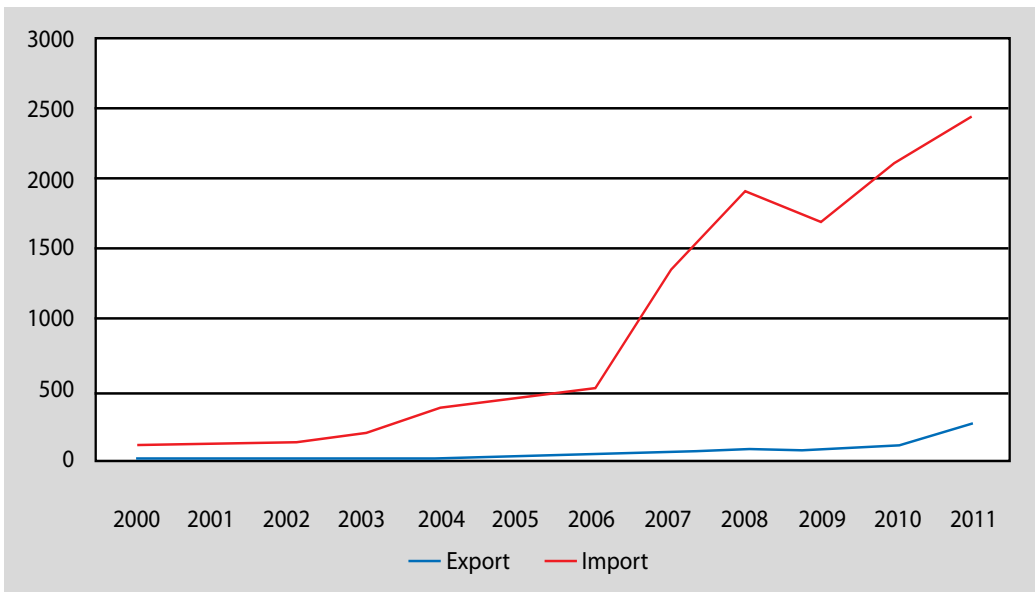
⁵ By this Ghana joined the comity of African countries that refused to recognize the independence of Taiwan.

⁶ In 1949, China lost its permanent seat on the United Nation's Security Council to Taiwan.

destinations of Ghanaian exports (ISSER, 2012). In 2011, Ghana's exports to China grew by about 150 percent to reach US\$400 million. In comparison, imports from China reached over US\$3 billion.

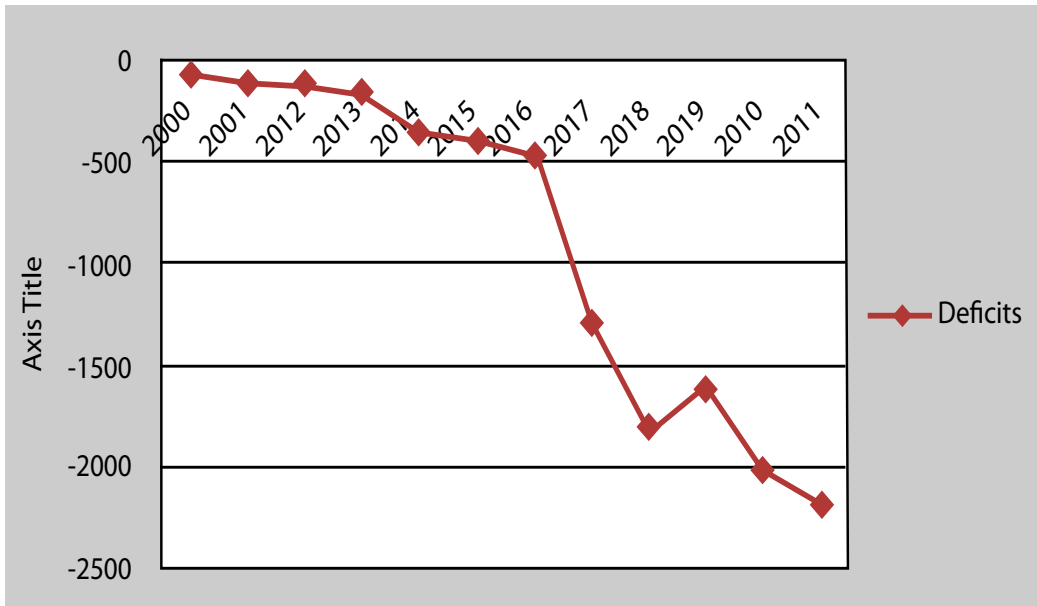
What immediately comes up is the large and growing trade deficits that Ghana maintains with China. This brings into sharp focus the view that the economic relationship between Ghana and China is lopsided with China "appropriating" for herself much, if not all the gains. Generally, Ghana continues to register a significant trade deficit with the rest of the world. But its deficit with China is too steep for the trade relations between the countries to be seen as being in the comfort zones of diplomacy as win-win.

Figure 1: Ghana's Export to and Import from China



Source: Ministry of Trade and Industry

The large and growing trade deficit is explained by the value added content of the products that exchange between themselves. Ghana continues to export low value raw materials. In return, the country imports manufactures from China. And it has been at all historical times, the terms of trade between manufacturers and raw materials tilt in favour of manufacturers. Thus China reaps the gains and Ghana picks up the cramps.

Figure 2: Ghana Trade Deficit with China

Source: Ministry of Trade and Industry

Such large trade deficit has implications for Ghana's development and her ability to create jobs for the large number of jobseekers. As indicated in the 2008 report, the large-scale imports of cheap manufactures from China could potentially enhance the welfare of consumers. At the same time, cheap imports could harm the country's manufactures with ominous implications for job creation. China remains highly competitive in low-end manufactures, exporting them in large quantities to poor developing countries making it difficult for such countries to build or even main their nascent domestic industries.

Ghanaian officials within the Trade and Industry ministry are concerned with the negative impacts of Chinese manufactures on domestic industry. Ministry officials pointed to the Ghanaian textile industry as one major casualty of Ghana's increased trade relations with China. At the same time, China's textile to these countries including Ghana, has been noted for poor quality in comparison to Chinese textile export to other countries. The Minister of Trade and Industry, Ms. Hannah Tetteh, is reported to have also noted the divergence in the quality of Chinese exports to Ghana and Western countries, like the United States (US) and the European Union (EU), and has requested the Chinese government to retract this unequal treatment.

Table 1: Value of Ghana's Imports (US\$ Million and Percentage) by Major Origin 2007-2011

Country	2007	2008	2009	2010	2010 (3qs)	2011 (3qs)
Total	9457.7 (100.0)	12246.5 (100.0)	10235.6 (100.0)	12775.9 (100.0)	9294.7 (100.0)	12833.7 (100.0)
China, P.R.: Mainland	1346.5 (14.2)	1906.9 (15.6)	1687.6 (16.5)	2126.0 (16.6)	1505.7 (16.2)	2444.8 (19.0)
Nigeria	1364.6 (14.4)	1793.7 (14.6)	1249.3 (12.2)	1636.6 (12.8)	1194.7 (12.9)	1517.2 (11.8)
United States	457.5 (4.8)	669.6 (5.5)	697.7 (6.8)	1080.97 (8.5)	772.1 (8.3)	988.7 (7.7)
Cote d'Ivoire	181.3 (1.9)	500.1 (4.1)	630.2 (6.2)	800.4 (6.3)	725.35 (7.8)	812.4 (6.3)
Netherlands	351.6 (3.7)	430.0 (3.5)	314.3 (3.1)	472.99 (3.7)	268.3 (2.9)	667.2 (5.2)
India	792.7 (8.4)	614.6 (5.0)	399.1 (3.9)	563.42 (4.4)	394.2 (4.2)	587.3 (4.6)
European Union	2563.3 (27.1)	3111.0 (25.4)	2683.9 (26.2)	2980.9 (23.3)	2054.43 (22.1)	3036.7 (23.7)
Africa	2115.9 (22.4)	3094.3 (25.3)	2557.9 (25.0)	3261.3 (25.5)	2555.1 (27.5)	3022.2 (23.5)

Source: Institute of Statistical, Social and Economic Research 2012

Table 2: Value of Ghana's Exports (US\$ Million and Percentage) by Major Destination 2007-2011

Country	2007	2008	2009	2010	2010 (3qs)	2011 (3qs)
Total	3421.8 (100.0)	4354.4 (100.0)	3465.1 (100.0)	4512.0 (100.0)	3086.6 (100.0)	5965.7 (100.0)
France	202.4 (5.9)	242.7 (5.6)	199.4 (5.8)	260.94 (5.8)	180.6 (5.9)	1087.76 (18.2)
Netherlands	357.2 (10.4)	576.5 (13.2)	458.7 (13.2)	532.27 (11.8)	374.7 (12.1)	671 (11.2)
Italy	81.81 (2.4)	83.94 (1.9)	63.48 (1.8)	78.22 (1.7)	52.84 (1.7)	563.1 (9.4)
United States	192.7 (5.6)	219.4 (5.0)	131.3 (3.8)	257.18 (5.7)	192.7 (6.2)	442.28 (7.4)
United Kingdom	293.1 (8.6)	340.9 (7.8)	268.4 (7.7)	321.13 (7.1)	253.1 (8.2)	267.34 (4.5)
China P.R. Mainland	48.16 (1.4)	85.03 (2.0)	72.41 (2.1)	111.96 (2.5)	74.84 (2.4)	263.41 (4.4)
European Union	1428.5 (41.7)	1660.2 (38.1)	1385.2 (40)	1745.84 (38.7)	1270.4 (41.2)	3133.46 (52.5)
Africa	355.1 (10.4)	409.9 (9.4)	360.9 (10.4)	488.7 (10.8)	363.6 (11.8)	405.4 (6.8)

Source: Institute of Statistical, Social and Economic Research

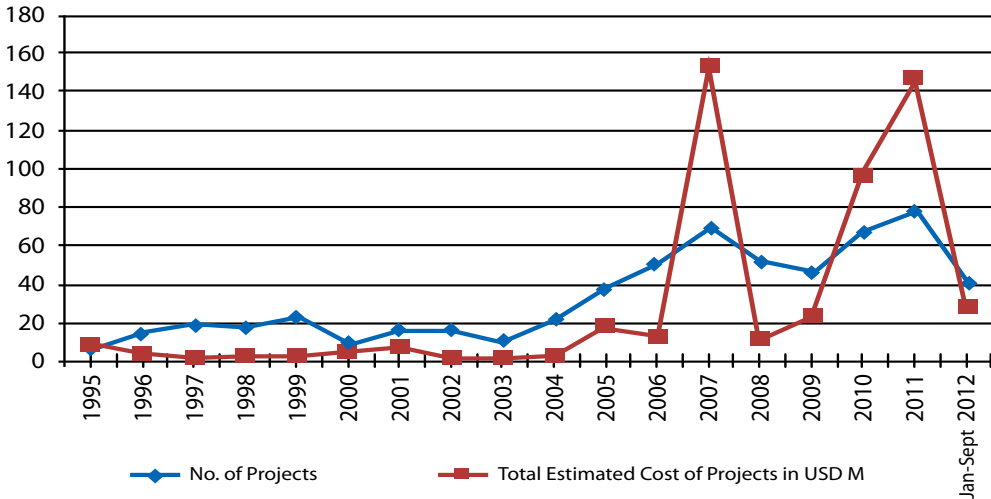
Chinese Investments in Ghana

In its Investor Targeting Strategy, the GIPC selected China as one of the ten countries for increased and focused investment generation activity. The strategy has paid-off. China and Chinese investors have played a significant part in the growing foreign direct investments in Ghana. Ghana's Foreign Minister, Alhaji Mohammed Mumuni stated at the opening of the 5th Forum on China-Africa Cooperation (FOCAC) in July 2012 that

“Chinese financial investment in Ghana is very significant for Ghana's economic development. It has brought in much-needed capital, technology transfer, creation of jobs, a competitive business environment, new markets, innovation, promotion of trade, etc. These advantages have ultimately contributed to Ghana's economic growth and poverty alleviation efforts.”

Precise estimate of the actual numbers of Chinese investments in Ghana is difficult to make (Marfaing and Thiel, 2011). Yet, available data suggest a growing trend of Chinese investments in Ghana. In total, the GIPC has registered some 602 investment projects with Chinese origin. The value of these investment projects is estimated at US\$530.71 million. In 2011, 79 Chinese investment projects were registered with the GIPC. The total value of the projects is estimated at US\$145 million. In 2011 the Chinese investment projects included the renovation of parts of the Korle-Bu Teaching Hospital in Accra, the construction of a US\$ 42 million gold refinery at the Trasaaco Village in Accra, a US\$ 25 million oil palm refinery and processing factory in the Central Region and investment in infrastructure for oil production. In 2007 the Shenzhen Energy Group Company Ltd. invested US\$134 million in the Sunon Asogli Power Project situated in Tema. For 2012 (January to September), 40 Chinese investment projects were registered in Ghana. The investment projects covered construction, mining, manufacturing and agriculture sectors.

As indicated by the figure below, available data show step decline in the value of Chinese investment in Ghana in 2008 and 2012. This may be explained partly by the general investor uncertainty and apprehension in elections years in Africa, including Ghana.

Figure 3: Foreign Direct Investments From China by Number and Value of Projects

Source Ghana Investment Promotion Centre

In terms of number of projects, the available data show Chinese dominance of foreign direct investments in Ghana. But in terms of value, investments from the United States leads the pack (GIPC, 2012). According to the African Centre for Economic Transformation (ACET), Chinese investments in Ghana are mostly into low value projects and are concentrated in small and medium enterprises. They are mostly owner-managed projects or branches of Chinese parent companies. Therefore China invested in more projects in Ghana from 1994 to 2008 than any other country (20% of the total), but the value of these investments was only 2 percent of the total Chinese investment outwards.

The sectoral composition of Chinese investments in Ghana shows that the manufacturing sector continues to register the greatest proportion of Chinese investments in Ghana. For the period, 1994-2012, about one-third (31.86%) was registered in the manufacturing sector⁷. This was followed by the general trade which took 26.4 percent of all Chinese investments in Ghana. Among the sectors, agriculture sector receives the lowest amounts of Chinese investments in terms of number projects. In terms of value, export trade receives the lowest share of Chinese investments to Ghana.

⁷ For the period, 1994-2007, the proportion of Chinese investments that went into the manufacturing sector was 34.8 percent

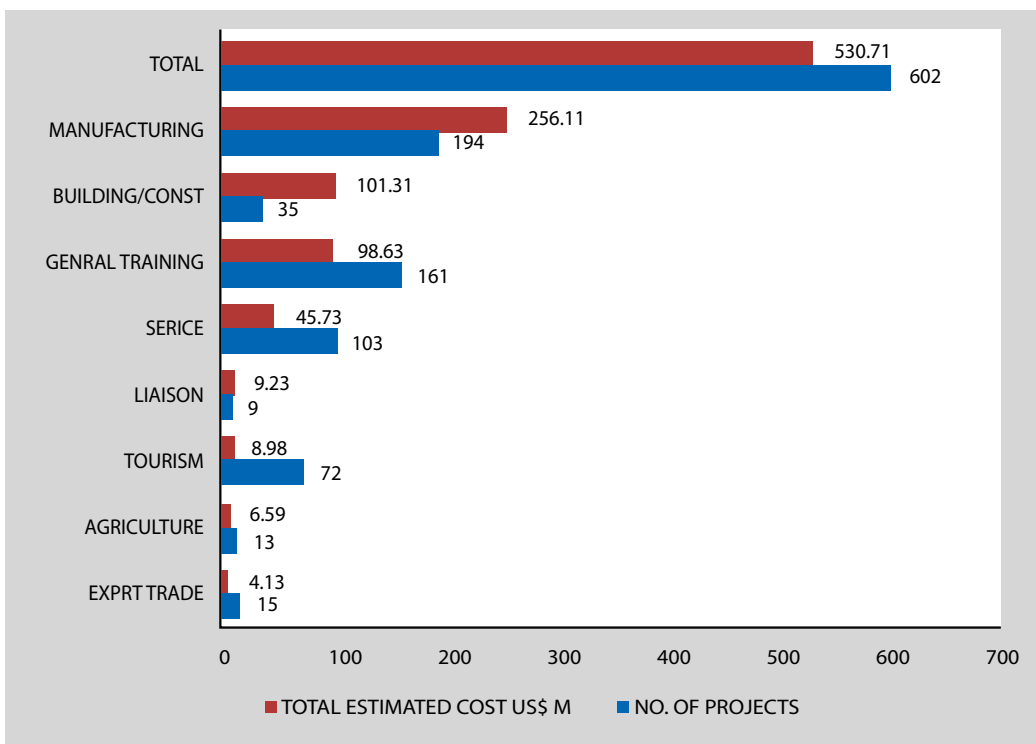
Table 3: Sectoral Composition of Chinese Investment in Ghana (2008-2012)

SECTOR	TOTAL ESTIMATED COST US\$ MILLION		
	1994-2007	1994-2012	2008-2012
EXPORT TRADE	0,96	4,13	3,17
AGRICULTURE	5,15	6,59	1,44
TOURISM	4,18	8,98	4,80
LIAISON	-	9,23	-
SERVICE	12,74	45,73	32,9
GENERAL TRADING	44,03	98,63	54,60
BUILDING/CONSTRUCTION	7,20	101,31	94,11
MANUFACTURING	164,58	256,11	91,53
TOTAL	238,84	530,71	282,55 (+ Liaison)

Source: Ghana Investment Promotion Centre

The large proportion of Chinese investments targeted at the manufacturing sector needs to be put in context. For one thing, the requirement for registering a business in the manufacturing sector is low for foreign investments compared to other sectors like retail trade. It is most likely, therefore, that most investors including Chinese investors, use the manufacturing sector as the entry point. But once registered, they branch out into other sectors given the general laxity in the enforcement of investment rules in Ghana. This proposition is buttressed by the fact that in a 2008 study by Baah et al, attempt to interview Chinese manufacturing firms registered in Ghana proved futile as the registered manufacturing firms contacted for the study declined on the basis that their employee strength does not exceed five (5).

Figure 4: Sectoral Distribution of China Registered Projects (September 1994 to September 2012)



Source: Ghana Investment Promotion Centre

2.1.3 China's Development Assistance to Ghana

China's development assistance to Ghana has increased sharply in the last few years in line with the increased political/diplomatic and economic relations. Estimating the exact amount of China's official development assistance to Ghana is difficult because the details of financing agreements often remain unpublished or the amounts show a high variation (Baah/Jauch 2009). Pieces of information obtained from the Ministry of Finance and Economic Planning and other sources show that Ghana continues to attract huge financial resources from China. In 2011, government of Ghana reached an agreement for about US\$283 million in grants and concessional loans plus several donations in the form of technical assistance. Furthermore, the Government of Ghana agreed on two major loans valued more than US\$8 billion with the China Export-Import Bank (EXIM-Bank) and the China Development Bank in 2010 and 2012. Because of their commercial component they do not meet the Organisation for Economic Co-operation and Development (OECD) criteria for development assistance but still offer financial aid under much

better conditions than regular credits. Below is a list of some of the major projects that have been undertaken in Ghana with financial and technical assistance from China.

- At the FOCAC in 2006 Ghana and China signed six agreements, including a US\$66 million loan for the expansion of Ghana's telecommunication infrastructure and a National Fibre Optic and E-government project.
- In 2007 China increased its financing of infrastructural projects in Ghana with the agreement to extend a loan facility of US\$562 million for the Construction of the Bui Dam Complex. The first part of the loan comprising US\$292 million was contracted by the Government of Ghana as a buyer's credit facility from the Chinese EXIM-Bank. The second part of US\$270 million is a concessionary loan extended by the Chinese Government to Ghana via EXIM-Bank. Ghana is to provide a counterpart funding of US\$60 million or 10 percent of the total project costs. The project is executed by the Ghanaian Bui Dam Authority and constructed by the Chinese Sinohydro Corporation (see Baah et al. 2009 and chapter 3).
- Grants for the construction of offices for the Ministry of Defence and the Ministry of Foreign Affairs and Regional Integration.
- In August 2011, the Ghanaian Parliament approved a US\$3 billion loan from the China Development Bank (CDB). This facility is the largest Ghana ever secured and will be used to finance the infrastructure gap identified in the national development strategy, the Ghana Shared Growth and Development Agenda (GSGDA), including rail rehabilitation, gas infrastructure, road building, and the expansion of the harbour at Takoradi.
- So far, China has granted two debt relief packages to Ghana. In 2003 China cancelled US\$ 66 million bilateral debt and in 2007 US\$ 24 million (Baah et al. 2009: 95).

2.1.4 Technical Support

China's technical support for Ghana involves many different areas and different actors. Sectors that have benefited from China's technical support are education (three schools), the public sector and military cooperation, youth volunteers, Chinese-language teachers and agricultural experts (Chinese Embassy 2010; Mohan et al. 2010: 872). In the last three years, China has trained 1300 officials as well as professional and technical personnel in various sectors of the Ghanaian society, offered 80 government scholarships to Ghanaians, and sent to Ghana, two groups of

medical teams with more than 20 doctors⁸. Also private Chinese actors are involved in the delivery of technical assistance to Ghana. One example is the Memorandum of Understanding with Huawei Technologies, through which the company is donating telecommunications equipment worth US\$3 million including conferencing and laboratory equipment for the three main public universities and the presidential and other executive offices⁹

2.1.5 Growing Concerns about Ghana-China Relations

In 2008, the authors of the Ghana chapter of the “Chinese Investments in Africa” report drew attention to the “negative effects of Chinese investments in Ghana”. The authors mentioned the “large and growing trade deficit Ghana is recording with China...” Five years after the publication of that report, the available data lead the current authors to conclude that the concerns over China have only intensified. The evidence shows that the trade deficit has ballooned (see figure 2) signifying that Ghana is losing out at least in the area of trade between the two countries.

The influx of cheap Chinese imports has decimated the domestic manufacturing base. The problem is made worse by the increasing number of Chinese that are entering Ghana and taking up activities such as retailing that are by law reserved for Ghanaians. Officials of the Ministry of Trade and Industry recognize the challenge pointing to the fact that so far the competition between China and Ghana has been unfair. This is threatening the livelihoods of many Ghanaians that make a living from these activities.

The Ghana Union of Traders’ Association (GUTA) has organized a series of demonstrations against the intrusion of the retail segment of the Ghanaian market by Chinese petty entrepreneurs¹⁰. Members of GUTA are calling for stricter enforcement of Ghana Investment Act to regulate the increasing competition at the local market place. Sections 17, 18 and 19 of the Act reserve retailing of certain volume for

⁸ Gong Jianzhong (2012): New Prospects for China-Africa Cooperation, URL <http://gh2.mofcom.gov.cn/aarticle/chinanews/201209/20120908365000.html>, 01.12.2012

⁹ Ghana Government (2012): Infrastructural Development for Accelerated Growth and Job Creation, URL <http://www.ghana.gov.gh/documents/2012full.pdf>, 9.11.2012

¹⁰ Members of GUTA are also concerned with the activities of Nigerians and other West African nationals in the retail sector.

Ghanaians. Foreigners who want to do retailing are required to register with the GIPC with a minimum capital requirement of US\$ 300,000. But the real problem is the increasing influx of Chinese products large majority of which are imported by Ghanaians themselves (Marfaing and Thiel, 2011).

Beyond, trade and the influx of cheap Chinese products is the large contingent of Chinese that have entered the small scale mining sector popularly known as *galamsey*. With their heavy machinery, these Chinese miners are not only depriving *indigenes* of their livelihoods but more importantly, they are wrecking serious damage on the environment of the local populations. Farm lands are being destroyed wantonly and river bodies are under serious threat thus endangering the source of drinking water for local people. These activities have fuelled resentments and hostility between people in the mining communities on one hand and the Chinese on the other. Local media have reported the death of two Chinese nationals as a result of the growing tension¹¹.

Even so, conflicts between the Chinese and the local populations have been on a small-scale and often at individual level. Analysts, however, reckons that conflicts could escalate on account of latent or real (and even perceived) negative impacts of the economic activities of the Chinese (Giese and Thiel, 2012). Media accounts of the Ghana-China relations portray underlining tensions and anti-China sentiments that require careful management to forestall major conflicts.

¹¹ Kokutse, Francis/Nkwanta, Manso (2012): Ghana: Illegal Mining Gets Chinese Rich and Locals Mad, All Africa, 31 July 2012, URL <http://allafrica.com/stories/201208010109.html?viewall=1>,

Box 1: China's Approach to Development Assistance: Serving Genuine Needs or Jeopardizing Long-term Development?

The Chinese say 'to end poverty, build a road'" (Brautigam 2009: 309). On the basis of this, disproportionate amounts of Chinese aid to Africa and for that matter Ghana, has been allocated to the building of infrastructure including roads, hospitals, schools, power generation and telecommunication among others. China's aid delivery framework is based on a system of giving aid/credit for infrastructure projects that are tied to Chinese machinery, equipment and construction services. The system is also linked to China's growing need for raw materials. Therefore, loans are frequently repaid in the form of oil or other resources including cocoa. Part of the credit granted for the construction of the Bui Dam is to be repaid in the form of cocoa. The US\$3 billion credit granted in August 2011 is to be repaid in the form of oil. In addition, the loan agreement allocate 60 percent contract emanating from the infrastructure development to Chinese Companies.

Many people including government officials share the perspective that Chinese investments and development aid to Ghana are serving genuine infrastructure needs of the country. Mohan et al. quoted one think tank as saying that "Chinese also got it right from the beginning as countries must get infrastructure in place before any development can take place" (2010: 872).

Another, unique aspect of China's relations and in particular its "way of donating" is the claim that it (China) does not impose political and economic conditionalities in exchange for aid. Inherent in this approach is the notion that China affords countries predictability and sovereignty in the use of resources. While the West regularly changes its development advice, programmes and approach, China remains consistent in its policy of "no interference" with the important caveat that it does know what Africa must do to develop.

However, the fusion of aid, investments, trade relations, and the secrecy in which aid delivery is shrouded make it difficult to evaluate if Chinese aid is mainly motivated by solidarity or commercial reasons. It is fair to say that these motives are intertwined since the Chinese regard development aid as part of its commercial relations with countries. According to this rhetoric, countries are best placed to find their own pathway out of poverty. This "no-strings-attached-policy" has made development aid from China an interesting alternative to aid of established donors from the West.

SECTION 3: EMPLOYMENT, LABOUR RELATIONS AND WORKING CONDITIONS IN CHINESE COMPANIES – THE CASE OF THE BUI DAM COMPLEX

3.1 Background Information

The Bui Dam Hydroelectric Power Project is the third hydro-power plant to be developed in Ghana. It is meant to increase power supply to meet the growing consumer and industrial demand. The project is expected to generate 400 megawatts. The Bui project is the biggest on-going construction project in Ghana. It is also the largest Chinese-funded project in Ghana and indeed the Bui project is the largest foreign investment in Ghana since the construction of the Akosombo Hydroelectric Power Project in the early 1960s (Baah et al., 2009).

The construction of the Bui Dam begun in 2008 and is expected to be completed in 2013. The total cost of the project is estimated at US\$622 million. It is jointly funded by the Government of Ghana counterpart funding of US\$60 million and a concessional loan of US\$263.5 million as well as a buyers' credit of US\$298.5 million all from the Chinese Exim-Bank. These loans are expected to be repaid in part by the supply of cocoa at the current market prices.

Consistent with the Chinese practice of linking their aid to Chinese construction services, the Bui project is being undertaken by the Sinohydro Corporation – a State-owned Chinese Construction firm. The Bui Power Authority (BPA) established in 2007 is mandated by Act 740 (Bui Power Authority Act) to supervise the project. The BPA is expected to ensure that the construction of the dam is done in accordance with the contract document and that Sinohydro Corporation adheres to the laws of Ghana including environmental laws. The supervisory role of the BPA includes ensuring that the construction firm adheres to the labour laws in its relations with workers employed on the project. This includes ensuring that workers are not paid below the minimum wage and that they are provided with the appropriate health and safety gadgets in the performance of their duties.

As we have already indicated, the Bui project is the largest Chinese-funded project in Ghana. It is expected to play significant role in the Ghanaian economy upon completion. At the same time, the construction of the dam was expected to generate large number of jobs. In 2008, officials of Sinohydro indicated that at its peak, the

project was expected to employ about 3000 workers. At the start of the project in 2008, labour-related disputes were frequent and were threatening to overshadow the economic significance of the project. These and many other reasons informed the choice of the Bui Dam project as one of the two case study areas for the Ghana chapter of Chinese Investment in Africa research in 2008. The 2008 report led to the formation of a union at the dam site. The Chinese contractors had themselves recognised the need to act on the looming labour crisis. The contractors had brought in a labour expert to help address the challenges that face the project.

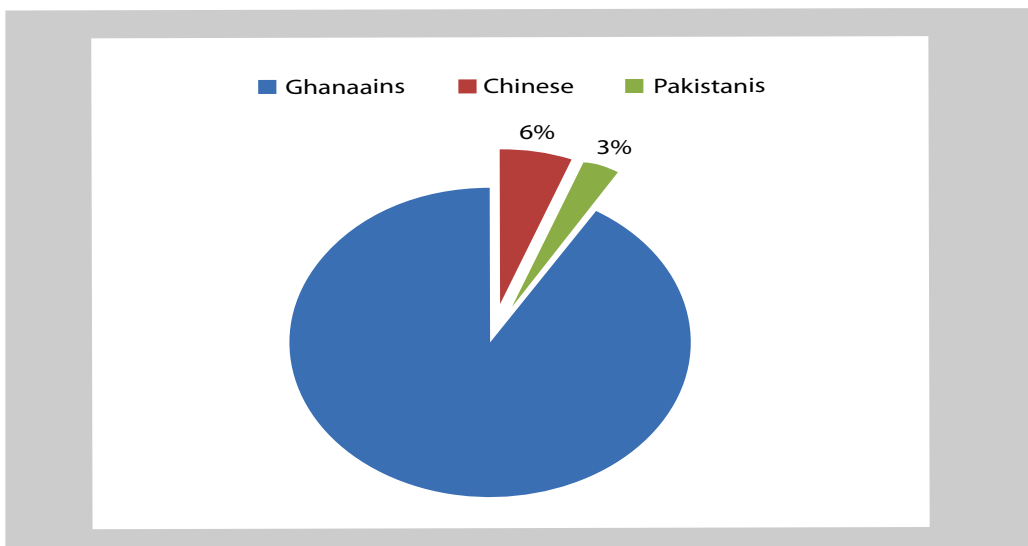
The main conclusion of 2008 was that unionization can make a difference in the employment and working conditions of the workers. The study concluded that “Once workers are able to form or join a union, they can exercise other labour rights including collective bargaining rights which most workers employed in Chinese companies are denied” (Baah et al. 2009: 119). This follow-up study seeks to evaluate the impact of these measures in particular the formation of the union.

3.2 Employment and Working Conditions

3.2.1 Employment

As at January 2013, a total of 1,836 workers have been employed directly in the construction of the dam. This is made of 1,676 Ghanaians (including 22 women), 100 Chinese and 60 Pakistanis. Fifteen (15) of the 100 Chinese are women¹². There are no women among the 60 Pakistanis working on the project. The project had reached its peak indicating that the target of 3000 workers was not realised.

¹² Most of the working on the project are working in the offices.

Figure 5: Employment at the Bui Dam Site

Source: Fieldwork

In 2008, Baah et al. observed that almost all the Ghanaian workers who were working for Sinohydro on the Bui Dam project were casual workers. None of the workers had a written contract of employment. Job insecurity was, therefore, identified as an important decent work deficit at the time.

The current study shows that all the Ghanaian workers of Sinohydro have one (1) year renewable fixed term contract. According to the workers, renewal of contract is not automatic; it depends on performance. One of the workers puts it this way:

It is not compulsory that your contract will be renewed. If at the end of the year your performance is not satisfactory, your contract shall not be renewed. I know someone whose contract was not renewed.

The presence of employment contract has ensured job security. The current situation certainly is an improvement over what was observed in 2008. This improvement is further buttressed by the involvement of the local union in dismissal and termination processes. The researchers cited some dismissal and termination letters that have been co-signed by the local union chairman. Workers also gave instances when the union intervened to avoid dismissals and termination.

3.2.2 Unionization and Industrial Relations

Section 24 (3) of Ghana's Constitution provides that *“every worker has a right to form or join a trade union of his choice for the promotion of his economic and social interests”* In addition, Section 70 (1) of the Labour Act (Act 651) also guarantees workers the right to form or join trade unions.

In 2008 Baah et al. reported that there was no union at the Bui Dam site. This was attributed to anti-union strategies by the Chinese contractors through open intimidation and victimization. Already in 2008 Ghanaian worker's at the Bui Dam site started fighting for their right to form a union. In 2009, the efforts by the workers resulted in the formation of a union which is affiliated to the Construction and Building Materials Workers Union of the TUC. Currently, the CBMWU organizes Ghanaian employees of Sinohydro (junior staff) at the Bui Dam site. The union currently operates a closed shop for all junior staff of Sinohydro at the Bui Dam site although union members can decide to opt out of the union.

However, interestingly, some of the workers interviewed for this report did not consider themselves union members although they pay union dues. To such participants, only the local union officials are the union members.

A Collective Agreement (CA) has been signed between Sinohydro and CBMW on behalf of Ghanaian employees. However, only five (5) copies of the CA were reported to be available at the Bui Dam site. In addition, review of the CA over the years has not been consolidated into one document. All the workers who participated in the study indicated that they do not have copies of the CA. The workers covered by the CA get to know of the provisions in the CA by either seeking information from the union officials or by reading those provisions in the CA which are captured in the Employees' Booklet¹³. Currently, the union ensures that various subsections and supervisors at the Bui Dam site have copies of the CA in order to keep both workers and their supervisors informed about their rights and obligations.

Some cases of non-compliance with some provisions of the CA were reported by the participants of the study. Lack of information among the workers and intransigence of some Chinese supervisors as well as communication challenges mostly explain these instances of non-compliance. Another challenge with implementation of the agreement was captured by a local union officer as follows:

¹³ Each worker of Sinohydro is given a copy of the Employees' Booklet upon appointment

Where the agreement makes reference to the labour law, the problem comes with the interpretation, they [Chinese] want to interpret it on their behalf [to their benefit]. We [local union] will also want to interpret it on our behalf [to our advantage]. This brings stalemate and since they [management] are in the position of power, they prevail.

Overall, workers interviewed for this report had positive assessment of the union. In Particular, workers were upbeat about the union's ability to fight against unfair treatment, terminations and dismissals. The union also supports workers in accessing their benefits and entitlements. In the words of one of the respondents:

The union is playing their part, you see one of our colleagues was injured by his supervisor and they wanted to terminate his [worker's] appointment. The union fought for him. He was not compensated for the injury but at least his appointment was not terminated.

However, participants of the study felt the local union can achieve more if it gets the required support from the national union (CBMWU) and the TUC. In the words of a worker:

Sometimes the union people [local union officers] require some support from Accra. Sometimes such support does not come. So they [local union officers] push and sometimes come to a standstill. The local officials will need the support from the top [national officers] to empower them so that they can also empower us the workers.

Compared to the situation observed in 2008, the current study showed considerable improvements in the relations the Ghanaian workers and their union on one hand and the management of Sinohydro on the other. Sinohydro has provided an office for the local union at the dam site. The chairman of the union is relieved of his Sinohydro work schedule and this allows him to dedicate his time to union work. Management of Sinohydro finds the CBMWU very useful in promoting industrial harmony. In an interview, a representative of Sinohydro mentioned that:

Mr Quainoo (General Secretary of CBMWU) always keeps an eye on us. We have good relations with the workers through the union. It is better with the union, any problem, you can talk, negotiate and you can know the demand of the workers. This eases tension.

The Chinese embassy in Ghana was also mentioned as playing a role in promoting compliance with labour standards in Chinese enterprises. The Embassy now requires Chinese enterprises to adhere to labour standards. A manager at Sinohydro asserted that:

The Chinese embassy requires that all [Chinese] companies [in Ghana] respect the rules, treat the workers better and respect the cultures.

3.2.3 Working Hours and Overtime

The standard hours of work in Ghana is forty (40) hours a week or eight (8) hours a day. This includes rest periods. After five (5) days of continuous work every worker is entitled to forty-eight (48) hours of rest. In addition, the law allows for overtime which must be paid for. Generally, the law makes overtime voluntary. But there are instances when the law allows for compulsory overtime¹⁴. The current situation at the Bui dam is consistent with the labour law in respect of the standard working hours. This is confirmed by the collective agreement and the employee's booklet.

In 2008, Baah et al., observed a minimum working hours of nine (9) per day from Monday. The additional one (1) hour is considered overtime and compulsory¹⁵. There was also overtime work for Saturdays and Sundays which at the time, management indicated were optional. Workers interviewed in 2008 indicated wide variations in terms of working hours. For example, security guards work twelve (12) hours a day, seven (7) days a week. At the same time, they receive no overtime pay. It was also not clear to the workers how overtime work on Saturdays and Sundays was remunerated.

This follow-up study revealed that overtime work is pervasive at the Bui dam site. Most of the artisans continue to work seven (7) days a week in contravention of the law. But at least, this time, overtime work is paid for and indeed overtime work and pay form a significant proportion of the income of the Ghanaian workers. The maximum hours of overtime work allowed at the Bui Dam site, is four (4) hours per day.

¹⁴ This is when overtime is necessary for that particular undertaking to be viable or in cases of emergency to avoid threat to life of property (see articles 33-35, Act 651, 2003).

¹⁵ At the time, management explained that compulsory overtime was necessary to meet the project completion deadline.

Although the participants acknowledged the importance of overtime work and pay in enhancing their incomes, they raised concerns about induced or “compulsory overtime work” by some supervisors of Sinohydro. The workers explained that job security and future opportunities for overtime work, especially on Saturdays and Sundays, can be threatened by an immediate supervisor due to failure to do requested overtime work during Monday to Friday. A respondent bemoaned that:

[Your] supervisor will ask you to do overtime. If you don't do it, know that your job security is at stake.

Another worker lamented that:

When you decline to do overtime at your supervisor's request during the weekdays, he will not allow you to come and work on Saturdays and Sundays. You know Saturdays and Sundays pay higher rates.

Also, although the formula for calculating overtime pay is specified by the Employees' Booklet, the participants generally exhibited limited knowledge on calculation of overtime pay. This is not much different from the situation in 2008 where workers complained that it was not clear to them how much they earn for working overtime. However, currently, Sinohydro's pay slips differentiate between standard and overtime payment which is an improvement to missing details about overtime payment in 2008. But the respondents in unison complained about the high level of taxes on overtime pay.

3.2.4 Wages and Benefits

Wages

In 2008, the biggest problem at the Bui dam site was low pay. The pay level was below the expectation of the workers. The situation was compounded by the rising costs of living at the dam site. In general, the low pay mirrored the situation in the Ghanaian labour market which is noted for ridiculously low pay.

However, the current study reveals remarkable improvements in the pay levels of the Ghanaian workers employed by Sinohydro. The minimum pay at the dam site has risen by 150 percent between 2008 (GH¢3.00 per day) and 2012 (GH¢7.50 per day). For the same period, the National Daily Minimum Wage increased by 99.1

percent from GH¢2.25 to GH¢4.48. The minimum pay at Bui dam site in 2008 was 33.3 percent higher than the national minimum wage. In 2012, the minimum pay at the Bui dam site was 67.4 percent higher than the national minimum wage. This shows that pay level has risen faster at the Bui dam site than at the national level.

Table 4: National Minimum Wage and Lowest Pay at Bui Dam site

Year	National Daily Minimum Wage		Minimum Daily Wage (Bui Dam site)	
	Ghana Cedis	Percentage Change	Ghana Cedis	Percentage Change
2008	2.25	18.42	3.00	-
2009	2.65	17.78	4.25	41.67
2010	3.11	17.36	5.10	20.00
2011	3.73	19.93	6.00	17.65
2012	4.48	20	7.50	25.00

Source: Fieldwork and TUC

In 2008 the national minimum wage was the benchmark for pay at the Bui Dam site but currently the minimum wage plays no such role. In the words of a local union officer:

At the beginning [2008], they [the Chinese] just used the national minimum wage in determining our pay. But currently we no longer use the national minimum wage in determining wages here.

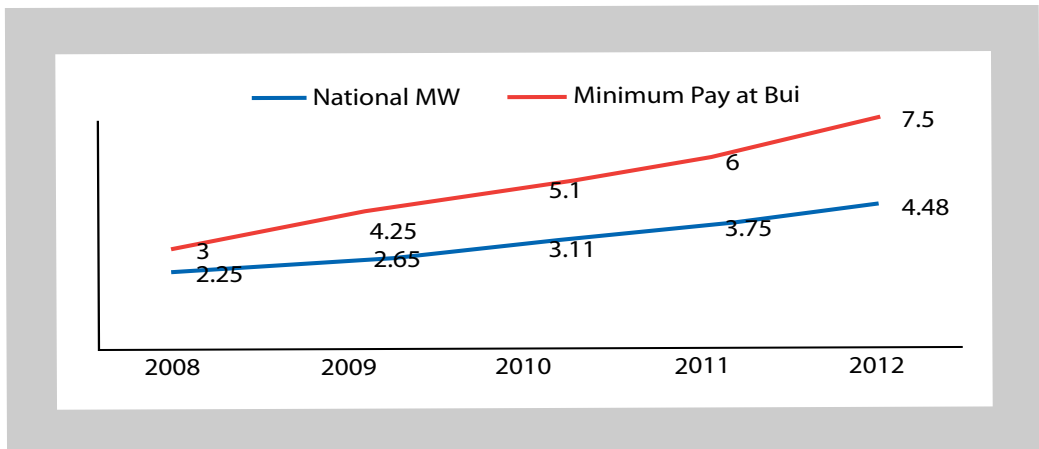
In 2008, the maximum pay was GH¢7.00 a day or GH¢189.00 per month. In 2012, the maximum pay increased to GH¢17.5 per day or GH¢472.50 per month. This represents an increase of 150 percent, same as the increase in the minimum pay. However, pay differential between the lowest earner and highest earner (Ghanaians) has remained at 133.3 percent since 2008.

In line with the provisions of the collective agreement, wages at the Bui dam site are paid every last Friday of the month. Workers interviewed were unanimous in their response that wages are paid regularly and on time. In assessing their pay, the

participants (especially those who have been with Sinohydro for the past four years) acknowledged improvements in their wages over the years. But as expected, they called for further pay enhancement and reduction in personal income taxes. The workers complained about the prevailing personal income tax regime particularly tax on overtime work. This was summed up by one worker as follows:

Look at this payslip [showing a payslip to the researchers] the taxes are our biggest problem. You can see that if the bulk of the amount on the payslip was going into our pockets, it would have been okay. The taxes are too much, especially the overtime tax.

Figure 6: National Minimum Wage and Minimum Pay at Bui Dam site



Source: Fieldwork

Again, as expected, there is pay differential between the Ghanaian workers and their counterparts from China and Pakistan. To some extent the pay differential can be explained by differences in skill levels and degrees of responsibility. But local union officials at the Dam site indicated that some Ghanaians and Pakistanis with comparable skill levels and doing the same or similar work are paid differently. Sinohydro officials explain these differentials by the differences in the experience levels of the Pakistanis compared to the Ghanaians, their long-term commitment to the corporation and the bonuses they (Pakistanis) receive for living abroad.

Benefits¹⁶

The laws of Ghana require employers to provide certain benefits to their workers. These benefits include social security, paid annual/sick leave, paid maternity leave among others. Beside these mandated benefits, employers often provide other benefits such as free or subsidized accommodation and transport, subsidized meals and training.

Social Protection/Social Security

The Pensions Act (Act 766) requires that employers pay social security contributions on behalf of the employees. Social security in Ghana is contributory. Employers pay 13 percent on behalf of each worker while the worker pays 5.5 percent. Thus, the total contribution on behalf of a worker is 18.5 percent. In 2008, all the workers of Sinohydro at Bui had been registered with the social security fund and the company was making regular payment on behalf of the workers. The situation has not changed. Sinohydro continues to pay social security on behalf its workers.

However, in addition to basic social security, the Ghanaian workers are currently enjoying End of Service Benefit (ESB) at the end of their contract. This represents an improvement over the situation in 2008. Sinohydro continues to operate a medical facility at the dam site that provides free medical care to workers. All the Ghanaian workers have also been insured against occupational injuries. However, Sinohydro does not pay for medical bills outside of the Bui dam clinic. In the words of one respondent:

Oh, if your treatment requires that you go to other hospitals like the Sunyani hospital, you pay yourself.

Although medical check-up is a prerequisite for employment, there are no provisions for an exit medical check-up. Given that some occupational diseases take time to manifest, the absence of medical check-up on dismissal/termination or resignation portends a health risk for the workers of Sinohydro. Also, medical care provided by Sinohydro does not cover spouses and dependents.

¹⁶ See Appendix one for the full range of Benefits provided by Sinohydro Corporation to the Ghanaian workers.

Annual Leave

Every worker in Ghana is entitled to at least fifteen (15) working days of leave with full pay in any calendar year of continuous service (see section 20, Act 651). As part of their collective bargaining negotiations, the workers have secured a minimum of eighteen (18) days of paid annual leave. The present study reveals that some workers have actually exercised their right to annual leave. In 2008, none of the workers at the Bui dam site had gone on leave because they were not aware of their right to paid annual leave. In fact some of the workers perceived that the management of the company would not grant them that right.

Yet, the current study reveals that forfeiture of annual leave is common practice at the dam site. Workers who voluntarily forgo their annual leave are paid for the leave period in addition to the work done during the period that they are supposed to be on leave. Workers' need for income leads them to forgo their annual leave in return for money. One worker interviewed for this report indicated that:

For annual leave, we [workers] don't want to go for annual leave because you find that this work, if you go on annual leave, for two months you will not get proper pay. When you resume from leave, the first month you will get small pay, the following month you will get small pay except the third month. So we the workers we don't want to go on annual leave.

The above situation is explained by the fact that among the Ghanaian workers of Sinohydro, overtime work provides the bulk of monthly earnings. But, workers also reported instances where they are forced to forgo their annual leave. Power asymmetry between workers and their immediate supervisors and concern for job security explain induced forfeiture of annual leave. This phenomenon was articulated by a respondent:

Sometimes your supervisor will urge you not to go on leave. You know that if you don't agree and you go, when you come back, the relationship is spoilt and the least mistake you make, you are fired.

The Ghanaian workers also enjoy study leave with pay. However, enjoying study leave with pay depends on whether Sinohydro or the employee initiated the study process. In the words of a local union official;

There have been some instances, although few, where some workers have gone on study leave. If they [Sinohydro] themselves require you, say a worker has to be trained for a particular position, they [Sinohydro] pay you while on training. But if you want to go yourself, they will not pay you. They will allow you to go for the training and you can return to your job.

Paid Sick Leave

Sinohydro provides sick leave with full pay of eight (8) working days for employees who are absent from work due to short illness. To enjoy this, a worker should have an excuse duly certified by the medical officers of the clinic located at the dam site or by other government-approved hospitals in case of emergency (Employees' Booklet). According to a respondent:

If you are sick, you have to go to the hospital for sick leave. If you do that you will be marked, you will be given your eight (8) hours basic pay.

This is an improvement over the situation in 2008 when workers were not entitled to paid sick leave whether or not the sickness has been certified by the resident Chinese doctor. Also, unlike the situation in 2008, workers are now largely aware of the procedure for accessing sick leave and the local union officials are always on hand to assist injured and sick workers in going through the required procedures.

Paid Maternity Leave

The Labour Act, Act 651 (2003), provides that a woman worker upon producing a medical certificate issued by a medical practitioner or a midwife indicating the expected date of her confinement is entitled to a period of maternity leave of at least twelve (12) weeks. In 2008, there were fifteen (15) female workers at the Bui dam site. None of the female workers had gone on maternity. But the management assured the research team that when a maternity situation arises they will go by the provisions of the law.

Consistent with the assurance in 2008, the collective agreement between the construction union and Sinohydro provides that ***“the company shall grant any female employee who prior to her confinement has twelve (12) months continuous service, twelve (12) weeks of maternity leave on full basic salary”***. And most significantly,

male employees of Sinohydro are entitled to five (5) days of paternity leave. The above provisions notwithstanding, the study reveals uncertainties among workers when it comes to practical realization of these rights. Most workers were not aware of the provisions in the first place. Also concerns over job security leads many workers to forgo these entitlements. A female participant bemoaned that

One thing is that the collective agreement, we do not know the provisions in it; we don't know whether or not we are entitled to maternity leave. So once a woman gets pregnant she leaves the job.

Accommodation and Recreational Facilities

There are three (3) camps (accommodation and canteen facilities) at the Bui Dam site for Sinohydro employees. These are the Chinese camp, the Pakistani camp and the Ghanaian camp. Based on distance to toilet facilities and access to air-conditioning, camp quality can be ranked as follows; Chinese, Pakistani and Ghanaian.

In 2008, Baah et al. reported poor ventilation and congestion (12 people per room) at the Ghanaian camp. Compared with the situation in 2008, some improvement has been made at the Ghanaian camp. Currently, the number of persons per room at the Ghanaian camp has been reduced to a maximum of 6 persons and ceiling fans have been provided for each room. One of the respondents summed up the improvement in these words:

[In 2008] when you came here to do the research there were no ceiling fans in the rooms but now they have given us fans in the rooms.

However, although there are designated male and female toilet facilities at the Ghanaian camp, both male and female residents of the Ghanaian camp share common toilet facilities. The female participants find sharing of bath facilities with the males inappropriate and inconvenient and sometimes their privacy is compromised. This was summed up by one female worker as follows:

Sometimes you will be bathing and man will open the door and will say sorry.

Why Male & females share Toilet Facilities

“We have male and female toilet facilities. But because the females are few in number, we use the facilities together. You just have to ensure that the clothes hanged on the doors of the bathroom are for females or male. We use the facilities together.”

Local union officer

Sinohydro has developed a football field and a TV area with DSTV connection at the Ghanaian camp. In 2011, the local union organized an inter-departmental football tournament dubbed “Sinohydro Union Challenge Cup” which had the support of the Chinese management and supervisors.

Health and Safety

Ghana’s labour law provides that “it is the duty of any employer to ensure that every worker employed by him or her works under satisfactory, safe and healthy conditions” (see section 118 of Act 651). Sinohydro has developed elaborate health and safety programme at the Bui Dam site, these include:

- Daily Health and Safety briefings
- Provision of Personal Protective Equipment (PPE) required for routine work
- Visible health and safety information/signs
- Health and safety provisions are captured in Collective Agreement
- The safety unit works in collaboration with the union
- Emergency/evacuation plans

In addition to the above, personnel of the health and safety unit move around the construction site to ensure compliance with health and safety regulations. In the words of a worker:

If you don't wear your safety boot or helmet and the safety people [officers] find you, you are in big trouble¹⁷.

Another worker asserted that:

In my section, some of the workers work with cement. Those working with cement are given nose maskThe carpenters are also given ear plugs to protect themselves from excessive noise.

¹⁷ The researchers observed the situation of a local union officer who was riding a motorbike at the construction site contrary to the health and safety rules of Sinohydro. The local union chairman had to intervene on behalf of the worker.

Medical examination is a pre-requisite for employment at Sinohydro. All the Ghanaian workers of Sinohydro are insured against industrial accident by the company. Also the corporation keeps statistics on accidents to aid learning and prevent recurrence. It is instructive to note that Sinohydro attaches extreme importance to the observance of health and safety. The corporation regards health and safety as not only important for safety of workers but equally importantly of the corporation. Therefore, Sinohydro would promote and enforce the health and safety procedures among workers.



Like in 2008, there was no Health and Safety Committee at the Bui Dam site. However, the union reported that it was involved in some the safety activities through collaboration with the Health and Safety Unit at the Dam site.

The above notwithstanding, some participants of the study bemoaned some breaches of health and safety provisions by some Chinese supervisors. This is most particularly evident when a worker requests for PPE for a non-routine work. A worker shared his experience as follows:

You see, each supervisor has been assigned particular equipment [PPE]. So if the equipment is not part of what has been assigned to him and the worker, example if the worker is assigned to weld in a dusty area which is not routine, all those who work in dust and smoke are given a nose mask. But when you ask for the equipment for a non-routine work, that is where the problem comes.

The workers attributed the above attitude by some supervisors to the potential stoppage or lost time that may occur with the requisition process. This is an indication that some supervisors prioritise their deadlines over the health and safety of workers.

Discussions with the workers suggest that most of the serious industrial accidents at the Bui Dam site occur at night while the most common disease reported by the workers was malaria.

The study found that some of the health and safety challenges at the Bui Dam site are attributable to worker non-compliance.

The lack of designated smoking areas at the construction site constitutes a health hazard for non-smokers, the so-called passive-smoking effect. Although the union in collaboration with the Health and Safety unit made some efforts, including posting of “NO SMOKING” signs, these have not achieved the desired result. A participant bemoaned that:

*A Story of Non-Compliance to H&S
Ghost is reported to have failed to attend the regular morning health and safety briefings before work. He walked barefooted in water although he has been provided rubber boots. Ghost was electrocuted and died.*

Sometimes smoke come into your office and I hear that the effects are even severer for the non-smoker.

SECTION FOUR: SUMMARY AND CONCLUSION

4.1 Summary, Conclusion and Recommendation

Ghana-China relations have been growing steadily in all spheres – economic, political and development cooperation. The frequency of diplomatic exchanges has strengthened political relations between the two countries. This has fed into increasing cooperation in the areas of economics and development assistance.

China has scaled up its development aid to Ghana particularly in the area of infrastructure development. In return, China has secured access to key natural resources including cocoa and oil necessary for its industrial production. In the area of economics, trade and investments relations between the two countries have been boosted in the past decade especially since 2000. As expected the deepening relations have brought benefits in some respects but equally importantly the relation has imposed considerable costs.

The growing flow investments from China have created jobs for a significant number of Ghanaians. At the same time, the pattern of investments has led to a situation where Chinese investments have largely become a conduit for the importation of manufactures that have flooded the Ghanaian market. In the process the domestic manufacturing base has been decimated. This has manifested strongly in the large and growing trade deficits between Ghana and China.

A more fundamental concern that has arisen out of the deepening relations between Ghana and China has been the labour practices of Chinese enterprises and corporations that have employed Ghanaians. Instances of worker abuses and disregard for the labour laws of Ghana by Chinese enterprises have pervaded the media landscape of the country. In 2008, analysis of the labour practices Sinohydro Corporation in the construction of the Bui dam as part of the Chinese Investments in Africa report of the African Labour Research Network chronicled several instances of abuse of the rights of Ghanaian workers.

In this follow-up study, the evidence is that the formation of a union at the dam site which was a key recommendation of the previous study has made important difference in the working and living conditions of the Ghanaian workers employed

by Sinohydro. Equally importantly, the formation of the union has significantly improved the relations between the Chinese and the Ghanaians working on the project. This has enhanced and sanitized the industrial relations atmosphere and considerably reduced tension. The workers have been able to exercise their constitutional right to form a union. A collective agreement has been negotiated. Employment security of the Ghanaian workers has improved. Wages have increased by more than increases in the national minimum wage. The workers now have access to important benefits. The state of their accommodation has improved. Sinohydro Corporation has recognized the importance of having the union. The corporation admits that the union has helped in resolving labour disputes and reducing tension and these, according to the corporation has saved it time and money.

Our study makes no claim that all the problems of the Ghanaian workers have been solved. A number of challenges remain. Instances of non-compliance with the provisions of the collective agreement were reported. Workers also raised a number of concerns in respect of their health and safety. The issue of compulsory overtime work has not been completely resolved and a sense of job insecurity remains among sections of the workforce.

These notwithstanding the available evidence from this study and in comparison to the situations observed in 2008, lead to the conclusion that the unions do make a difference in the working and living conditions of workers.

4.2 Recommendations

The study has uncovered important improvements in the working conditions of the workers employed by Sinohydro Corporation in the construction of the Bui Dam. Clearly, important lessons have been learnt which could be used to improve the situation of the workers in other Chinese enterprises. At the same time, there are significant decent work deficit even in the midst of the successes at the Bui Dam site which if addressed could go a long way to further improved the situation of the workers there.

On the basis of the findings and the conclusions, we make the following recommendations for improving the working and living conditions of workers employed in Chinese firms including workers in Sinohydro corporation.

First, the local union working with the Sinohydro Corporation should endeavour to consolidate all the agreements so far reached into a single document. As it is, yearly reviews of collective agreements are not incorporated in to the entire CBA. This means information about working conditions are not found in a single documents. This hampers understanding and appreciation of the issues that confront workers and how they are being dealt with. Consolidation of all agreements will make it easy for workers to find information about their work.

Second, the local union and the management of the corporation must work together to improve workers access to collective agreement. Upon recruitment workers must be provided with copies of the collection agreements in addition to the employers' booklet.

In addition, there must be structured education programmes targeted at both workers and their immediate supervisors. For the most part, workers and their supervisors lack knowledge of their rights and obligations as contained in the collective agreement. In most cases reported abuse and violations are perpetuated by supervisors who have no practical knowledge of the issues contained in the collective agreement. Constant education will help in improving compliance on the part of workers and the corporation.

The results brings to the fore important improvements not only in the working conditions of the workers at the Bui Dam but equally importantly the relations between the workers and the Chinese employers. This is an important improvements that has to be replicated in other Chinese enterprises. The Chinese embassy and the unions should cooperate to ensure early replication and to improve the relations between Chinese enterprises and their Ghanaian workers and also the relations between Ghana and China.

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Appendix: Benefits by SinoHydro Corporation

BENEFITS/CONDITIONS	AVAILABILITY	COMMENT
Paid annual leave	Available	Minimum of 18 working days
Paid sick leave	Available	8 days
Paid Maternity leave	Available	Just 1 case at the Dam site, 1 at head office, concerns for job security
Social security contribution	Available	
Medical care (self)	Available	Medications are provided, Ghanaian workers report on unequal treatment of Ghanaian and expatriate workers
Medical care (dependants)	Not available	
Overtime pay	Available	Reports of compulsory overtime
Free/subsidised Accommodation	Available	Improved from 12 to max 6 per sons per room, still too little space for storing etc.
Risk allowance	Available	
Free/Subsidized meals	Not available	Comparably high living costs at Dam site
Study leave	Available	
Severance pay	Available	
Pre-employment	Available	
Medical examination	Available	
Periodic examination	Not available	
Special examination	Not available	
Exit examination	Not available	
Canteen	Available	
Toilet	Available	In practice no designated m/f
Recreational facilities	Available	
Water	Available	

Legend

Available	Available
Not available	Not available