

A Matter of Trust: Three Case Studies of
Chinese and Zambian Relationships at the Workplace

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ABSTRACT

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The dissertation challenges sweeping generalizations in media discourses about China and African relations. Using Zambia as one of the best-case scenarios due to its political stability, welcoming attitude towards foreign investors and overall popularity among Chinese investors, the dissertation aims to disaggregate “China” and “Zambia” by focusing on individual and small group working relationships. It does so by elaborating on the basis and nature of different types of workplace relationships among Chinese and Zambians working together. Myriad relationships include alliances, friendships, group collaborations and modes of conflict and competition. Contextualized in two urban areas in Zambia, the study examines these relationships in three case studies, including a Chinese telecommunications company, Chinese and Zambian entrepreneurial ventures, and a Zambian construction firm.

The Chinese telecoms company represents the best-case scenario of highly educated, skilled, and ambitious Chinese and Zambian technology professionals working side by side. This dissertation compares and contrasts interactions in this best-case scenario to more ad hoc individual and small group mining partnerships formed between Chinese and Zambian entrepreneurs. These cases highlight the diversity of Chinese and Zambian engagements at the ground level. Capturing the full complexity of their engagements also entail understanding Zambian-to-

Zambian interactions and relationships at the workplace. Thus, a third case scenario provides useful comparison data for how Zambian professionals interact with each other at a successful Zambian construction firm in comparison to the Chinese telecoms firm. Showcasing these three case studies illustrates the diversity of Chinese and Zambian engagements at the ground level and illuminates potential distinctive features in Chinese-to-Zambian workplace interactions and relationships missing or overlapping with Zambian-to-Zambian interactions.

This dissertation explores the different dimensions of workplace relationships by scrutinizing different perceptions of trust and how trust underscores the formation of groups. By understanding the basis and nature of these relationships and interactions, I identify the strategies that Chinese and Zambians use to achieve their desired professional goals. Assuming that Zambians are not victims, I explore how they use their experiences and relationships to make improvements in their lives. In doing so, I identify potential spaces for Chinese and Zambian alliances that provide benefits to Zambians by encouraging entrepreneurial aspirations and instigating the growth of domestic firms in the near future. The benefits are accompanied by serious challenges, mainly concentrated on perceptions and handling of money.

This study examines the challenges by analyzing how larger economic forces in China and Zambia play out in individual interactions and the effects of proper risks and rewards that have placed Chinese individuals and businesses at an advantage. As this dissertation illustrates through an analysis of business budgets as well as numerous court cases, the risks and rewards and complaints of labor violations are strongly tied to domestic policy and the weakening of

institutions, the state and enforcement of laws. Because of the challenges, trust and relationships figure prominently in reducing risks and substituting for the legal contract.

This dissertation relies upon grounded ethnographic methods, including participant observation, informal chats and 16 structured interviews with Chinese and Zambian employees at the Chinese firm and 12 structured interviews with Zambian employees at the Zambian firm. Interviews, documents and observations were used in a close case study of the establishment of Chinese and Zambian entrepreneurs in the mining industry. It also draws upon preliminary research conducted in 2007, 2008, 2010 and then a 13-month stint from 2011 to 2012. The initial inspiration was provided during a volunteer trip to The Gambia in 2003.

In sum, this dissertation aims to challenge generalizations made in the media about a unified and neocolonial “China” and a cohesive and victimized “Africa.” It challenges the generalizations by highlighting individual stories and exploring in depth the different kinds of relationships and interactions among Chinese and Zambian technology professionals and entrepreneurs. Since the pervasiveness of their interactions is a fairly new phenomenon, this dissertation uncovers the kinds of challenges and opportunities that emerge from the process of learning to work together. Finally, this dissertation seeks to identify the spaces where Zambians benefit from working with the Chinese and how they use different strategies to maximize the skills, experience and knowledge to their advantage.

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We shall not cease from exploration, and the end of all our exploring will be to arrive where we started and know the place for the first time.

-T.S. Eliot

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DEDICATION

*To my parents,
Lucy Tu and Sir Lin Chang*

To my informants,

And to those who came before me...

CHAPTER I

INTRODUCTION: THREE CASE STUDIES OF CHINESE AND ZAMBIANS RELATIONS

China and Africa Discourse

China's presence in Africa has reached unprecedented heights with two-way trade standing at \$55 billion in 2006 and foreign direct investments (FDI) for 2000-2006 reaching \$6.6 billion.¹ The diversity of Chinese investments in Africa extends to state-owned enterprises, small businesses, and private construction companies. Ian Taylor observes that "there are many Chinas and equally, many Africa's" and a top-down approach to analyzing Sino-African relations obscures the conflict of interests concerning the myriad of China's state-owned companies, from oil corporations to mining enterprises, to private investments in the telecommunications industry.²

Contrary to reports that a unified China is taking over Africa, the micro-processes that occur, especially in daily interactions among Chinese and Africans, reflect less coherence and more complexity. There are many facets to Sino-African relations, evidenced by burgeoning literature on China's involvement in growing tourism, the construction of Special Economic Zones, and the provision of aid devoid of

¹ Chris Alden, Daniel Large and Ricardo Soares de Oliveira, "Introduction," in Chris Alden, Daniel Large and Ricardo Soares de Oliveira, eds., *China Returns to Africa: A Rising Power and a Continent Embrace* (London: Hurst & Company, 2008), pp. 1-26, p. 13.

² Ian Taylor, *China's New Role in Africa*. (London: Lynne Rienner Publishers, 2009), p. 161.

conditionalities, as well as low-interest loans.³ Although recent publications attempt to probe and answer how the Chinese differ from former colonial powers in extracting resources and exploiting labor on the continent, fieldwork data on the complexity of social relations among Chinese and Africans and their everyday lives is still quite scarce.⁴

The literature on the Chinese in Africa indicates that this topic marks a relatively new terrain. Although Chinese migration from China to Africa have existed over the span of 500 years, and intensified in the last decade, research about this growing trend is still quite limited.⁵ Scholarship on Chinese and African relations tended to revolve around major institutions, governments, and international diplomacy more than grounded in-depth examination of more ordinary individuals and smaller groups. Earlier literature focused on China's role in Africa's economic and political development when China asserted itself as an ally by funding colonial liberation movements and

³ A common thread uniting the following authors is the argument that the Chinese model of development has been brought to African countries. For a fuller and detailed discussion of state projects, aid and private sector engagement, see Harry G. Broadman, and Gozde Isik, *Africa's silk road: China and India's new economic frontier* (Washington, DC: World Bank, 2007), Martyn Davies, "Special Economic Zones: China's Developmental Model Comes to Africa" in Robert I. Rotberg, ed., *China into Africa: Trade, Aid and Influence* (Baltimore, MD: Brookings Institution Press, 2008), and Deborah Brautigam, "China's Foreign Aid in Africa: What Do We Know?" in Robert I. Rotberg, ed., *China into Africa: Trade, Aid and Influence*. (Baltimore, MD: Brookings Institution Press, 2008).

⁴ Deborah Brautigam, *The Dragon's Gift: The Real Story of China in Africa*, (Oxford, UK: Oxford University Press, 2009).

⁵ Giles Mohan and Dinar Kale, *The invisible hand of South-South globalisation: Chinese migrants in Africa* (The Open University, Milton Keynes, UK: Rockefeller Foundation, 2007), <http://www.geography.dur.ac.uk/Projects/Portals/115/Rockefeller%20Report%20on%20Chinese%20diasporas%20PDF.pdf> (accessed Sept. 2008), Barry Sautman, "Friends and Interests: China's Distinctive Links with Africa, Center on China's Transnational Relations." Working paper No. 12 (Hong Kong: The Hong Kong University of Science and Technology, 2006), <http://www.cctr.ust.hk/articles/pdf/WorkingPaper12.pdf> (accessed Sept. 2008).

development projects.⁶ Positioning itself in opposition to the West and the Soviet Union further allowed China to make commitments that symbolized its identification with and leadership of the “third world.”⁷

This identification with the “third world” was evident in multiple development projects. For example, since 1956 China participated in approximately 900 projects of economic and social development in Africa. It also furnished scholarships for 18,000 students from 50 African countries to study in China, albeit experiences that were often documented by African students as unpleasant and racist overall. Prejudices, stereotypes and racism adopted by some Chinese individuals towards Africans remain crucial issues that must be addressed and rectified in the near future. At the individual level, greater exposure and opportunities for alliances will partly ameliorate these challenges; an additional solution rests in the creation of African studies research centers in China and Chinese research centers in African countries that promote student and scholar exchange. Forging positive relationships at the ground level remains a key ingredient to battling prejudices on both sides.

Another example of the history of China’s alliance with African countries was the Tanzanian-Zambian railway. In 1965, the rejection of Western powers to assist in the building of the proposed TanZam railway set the stage for China's dramatic entrance on the international stage into a triangular foreplay between China, Tanzania, and

⁶ Bruce D. Larkin, *China and Africa, 1949-1970; the foreign policy of the People's Republic of China* (Berkeley: University of California Press, 1971), Warren Weinstein and Thomas H. Henriksen, *Soviet and Chinese aid to African Nations* (New York: Praeger Special Studies, 1980).

⁷ Larkin, *China and Africa, 1949-1970*, p. 10-45, George T. Yu, “The Tanzania-Zambia Railway: A Case Study in Chinese Economic Aid to Africa,” in Warren Weinstein and Thomas Henriksen, eds., *Soviet and Chinese Aid to African Nations* (New York: Praeger Special Studies, 1980).

Zambia involving 40,000 plus Tanzanian workers and a minimum of 13,000 Chinese workers. This project must be examined within broader conceptions of China's African policy during this period in time. Li Ashan notes that during 1949-1977, China's African agenda focused on three areas: "supporting African people in their drive for national independence; uniting African countries in the struggle against colonialism, imperialism and hegemony; and helping African countries with economic development."⁸

These broader conceptions of cooperation and collaboration framed development project such as the TanZam Railway. Despite collaborative aims, workplace interactions were shaped by job positions and perceptions of difference. Monson argued that African workers who were in leadership positions were more likely to work closely with the Chinese management. African and Chinese non-supervisory workers conducted their lives in a segregated manner in their off-duty lives. Despite different policies and historical contexts, the similarities in the interactions among Chinese and Africans then and now are striking.⁹ For example, even against Tanzanian law that limited workers in government institutions to seven hours of work a day, Chinese supervisors working on the railway required workers to put in longer shifts. In addition to promoting long hours, Chinese supervisors tried to promote Mao Zedong's ideology in order to unite workers. According to Monson, if workers read Mao's red book, supervisors allowed them to sit for hours. Otherwise, workers were instilled with ideologies of brotherhood, personal

⁸ Li Ashan, "China's New Policy Toward Africa" in *China into Africa: Trade, Aid and Influence* (Baltimore, MD: Brookings Institution Press, 2008), p. 25.

⁹ Stephanie Rupp, "Africa and China: Engaging Postcolonial Interdependencies" in *China into Africa: Trade, Aid and Influence* (Baltimore, MD: Brookings Institution Press, 2008).

character, and hard work.¹⁰ Moving to the present, China no longer deploys a unified top-down approach; instead different Chinese groups and individuals have varied interests leading to diverse strategies and interactions.

To get a relatively comprehensive view, this study provides an examination of three settings where Chinese and Zambian professionals interacted on a regular basis: (1) at a large multinational Chinese telecommunications company, (2) within ad hoc partnerships between Chinese and Zambian entrepreneurs, and (3) in a Zambian construction firm.

One way that the Zambian government can maximally benefit from increasing Chinese engagement is to take elements from East Asian policies towards foreign investors. According to Deborah Brautigam, the Taiwanese government initially implemented liberal policies towards foreign investors and then reined in the controls within a decade.¹¹ They became selective about investors and allowed them in areas where Taiwan did not yet have technologies or capacity. Quality assurance of the products was aided through an export-oriented economy at both local and international levels. Backward and forward linkages were created through sub-contracting and employee training and most importantly, through government measures of accountability.¹² Using her insightful analysis, this dissertation argues that Taiwan's

¹⁰ See Jamie Monson's book on the Tan-Zam Railway that was financed and built by Chinese, Zambian and Tanzanian workers. Jamie Monson, *Africa's freedom railway: how a Chinese development project changed lives and livelihoods in Tanzania* (Bloomington: Indiana University Press, 2009). pp. 28-54.

¹¹ Deborah Brautigam, "What Can Africa Learn from Taiwan? Political Economy, Industrial Policy and Adjustment," 1994, *The Journal of Modern African Studies*, 32, 1, pp. 111-138.

¹² A potential backward linkage is the growth of industries that provide inputs needed to run a telecommunications firm, such as the building of roads and other types of infrastructural, which in turn could contribute to the growth of other Zambian industries. The training and skills enhancement of the

orientation towards foreign investment can be a useful model for African countries.

The purpose is to understand the nature of Chinese and Zambian relationships, including friendships, business partnerships, alliances and cliques through a deeply grounded and ethnographic approach. This dissertation unpacks differing perceptions, stereotypes and categories, which play a salient role in everyday interactions, by contextualizing them within broader organizational, historical and economic processes. The salience of these different perceptions hinged on particular contexts and the degree to which they were significant depended more on individual personalities, work tasks, positions, career ambitions and industries of the individuals involved than on perceived national and cultural differences. For example, software programmers bonded more through shared knowledge of programming languages and ability to read code than perceived cultural similarities. Future alliances among Chinese and Zambians will take time to develop, even though they may have some overlapping interests.

One of the reasons accounting for a minimal number of Chinese and Zambian friendships and alliances, even among software programmers, is that their interactions with each other are still new. They are just beginning to learn to work with one another. Over time, it is my belief that they will forge more meaningful and mutually beneficial relationships, but there is a steep learning curve. The dissertation explores the beginning of this process by examining the different perceptions of trust and friendship

employees also qualify as backward linkages fostered by Chinese firms. An example of a forward linkage would be the use of mobile phones to conduct money transfers and other acts of efficiency to improve Zambian business operations. The potential backward linkages cultivated through increased employee training could contribute to greater forward linkages in other industries by showing employees how to start their own companies and encourage a stronger entrepreneurial culture.

and how they played out in myriad workplace interactions and relationships.

Drawing on participant and engaged observations collected over the last seven years, my doctoral project aims to contribute to business anthropology as well as China and Africa studies. As a growing field that is heavily influenced by sensational media discourses, this dissertation hopes to challenge over-generalizations that label Chinese engagement as “colonial” or “exploitative” without disaggregating the multiple groups and interests involved. My hope is that this dissertation brings out the individual stories of Chinese and Zambian professionals and emphasizes the dynamic nature of their perceptions and relationships with each other. Another goal is to add to the exciting new body of work produced by academics and practitioners seeking to improve policies towards foreign investors in order to maximally benefit Zambians. The potentialities for knowledge spillover leading to the growth of domestic firms are great, but they will rely on the enforcement of key domestic policies. This is an area this dissertation project touches on and leaves for future research.

Key Findings

The primary focus of this study is a thorough examination of the ingredients making up and challenges arising from the formation of groups and collectivities, such as alliances, friendships and professional collaborations between Chinese and Zambian entrepreneurs, managers, and workers. One especially critical ingredient for the formation of different groups was trust. Trust operated in different ways and a substantial part of this study was ascertaining the different types of trust and the conditions for each type. Despite these differences, trust was underscored by a common emphasis on confidentiality, which related to a strong dislike of gossip. While gossip

was viewed negatively at the Chinese and Zambian firms, it served a useful purpose for entrepreneurs selecting mining venture partners within a high-risk and competitive environment. A history of interactions strengthened trust and mitigated perceived and actual risk.

Trust played a significant role in the formation of alliances and enemies among colleagues and collaborators in the workplace. Depending on the individual and his definition of trust, the groups were either varied and diffuse or consisted of overlapping and multiple cliques. Trust among co-nationals tended to take on different types of meaning and significance in some situations and overlapped in other circumstances. The degree and definitions of trust were also influenced by the organizational structure, policies and nature of competition. However, this was not deterministic, as individual attitudes and values towards relationships and friendships and the desire for support networks often trumped the aim to achieve a professional goal within a competitive environment.

Each case study examined the conditions of risks and rewards, the division of labor, and the hierarchy of offices and mechanisms of control, evaluations and promotions in the organization. This was in line with Peter Blau's formal organization analysis of the structure of work groups and the interactions between superiors and subordinates.¹³ By examining the nature and myriad principles of dyadic relationships and corporate groups and the benefits and challenges in these three cases, this dissertation aims to supplement the growing literature of China and African relations.

¹³ Peter Blau, "Formal Organization: Dimensions of Analysis," 1957, *American Journal of Sociology*, 63, 1, pp. 58-69.

Emphasizing the lived experiences of Chinese and Zambians, my research indicates the significant influence of broader economic pressures that compelled them to work with each other. Due to increasing costs of living and competition, many Chinese informants were driven by the lure of greater financial opportunities abroad. Similarly, many Zambian informants were motivated by the opportunity to make more money and advance in their careers by working with the Chinese.

The economic system that Chinese employees and entrepreneurs faced was much like a “pressure cooker.” It not only “heated” up the competition for scarce jobs and opportunities, its effect was palpable “pressure” on many Chinese, especially young single men severed from their families. The Chinese informants at the company consistently came to me with feelings of depression and anxiety and explained these feelings in terms of “pressure” or *ya-li*, a term in Chinese that has a negative connotation implying pressure that comes from external forces and has detrimental effects. Thus, *ya-li* creates feelings of anxiety that come to be associated with economic growth, with sacrifice, and with feelings of inadequacy in regards to making money.

They often expressed to me that in order to have a better life and for China to catch up with the West, they had to make sacrifices. Almost uniformly, the Chinese employees complained about skyrocketing housing prices in China. Many expressed concern that China was following in the footsteps of the US housing market. More often than not, they spoke of the pressures of purchasing homes in order to find a suitable spouse.

Many of the informants that I followed for more than two years demonstrated changes in their coping mechanisms, as they made friends, built support networks and

took breaks by going on outings on the weekends. The longer some informants stayed abroad, the more their reflective capacities grew as they traveled to different African countries and interacted frequently with colleagues of different national, cultural and ethnic backgrounds.

Many Zambian informants expressed mixed feelings about working with the Chinese and about the future of Chinese investments. While some perceived Chinese investments as favorable compared to the US and UK – they cited the Tanzania-Zambia Railway as an indication that China has helped Zambia when the rest of the world turned their backs – they perceived the Chinese as especially foreign. They discussed the lack of contact with the Chinese prior to working at the company as contributing to a lack of familiarity with them. Many expressed to me that at least with Westerners, they shared similar habits, such as friendly greetings, drinking tea, and going to Christian churches. Many Zambians explained that they had a longer history of interactions and familiarity with Westerners than the Chinese, so they found them to be quite foreign.

Overall, Zambian employees were preoccupied with retaining their jobs in an economy where many of their friends and families were unemployed. For most Zambian employees, working at the Chinese company was a stepping stone to either starting their own companies in the future or transferring to non-Chinese companies that would provide better pay and compensation for their skills. Their major complaint about the Chinese was their perceived lack of willingness and openness to learning about Zambia and the locals. Again, Zambian perceptions of the Chinese were also evolving and dynamic.

Both Chinese and Zambian experiences were underscored by a hierarchical development paradigm that is often criticized by some anthropologists, but nonetheless remain a pervasive part of their everyday lives. Marc Edelman and Angelique Haugerud (2005) summarize two major paradigms that dominate development discourse. They locate one paradigm of development in the enlightenment and transition from feudalism to capitalism and the second, rooted in poststructuralist work, in post-WWII discourse intended to contribute to the remaking of the “third world.”

Arturo Escobar and James Ferguson usefully challenge these paradigms of development pervasive among policymakers, practitioners and some of their informants by presenting alternatives. I find applicability in each of their arguments, although what I emphasize here is the meaning ascribed to the paradigms by my informants. Many believed in development and this belief shaped their decisions to move abroad to work.¹⁴

As Vanessa Fong illuminated in her ethnography, the hierarchical development paradigm which places the US and European countries on top and “third world” countries on the bottom, were internalized by many of her teenage informants from Dalian, China.¹⁵ Similarly, many of my Chinese and Zambian informants concerned

¹⁴ For more information about the competing paradigms, see Marc Edelman and Angelique Haugerud, “Introduction” in Marc Edelman and Angelique Haugerud, eds., *The Anthropology of Development and Globalization: From Classical Political Economy to Contemporary Neoliberalism* (London: Blackwell, 2005), pp. 1-74; Arturo Escobar, *Encountering Development: The Making and Unmaking of the Third World* (Princeton, NJ: Princeton University Press, 1994), and James Ferguson, *The Expectations of Modernity: Myths and Meanings of Urban Life on the Zambian Copperbelt* (Berkeley: University of California Press, 1999), and “Anthropology and Its Evil Twin: ‘Development’ in the Constitution of a Discipline,” in Frederick Cooper and Randall Packard, eds., *International Development and the Social Sciences: Essays on the History and Politics of Knowledge* (Berkeley, CA: University of California Press, 1997), pp. 150-175.

¹⁵ Vanessa Fong, *Only Hope* (Stanford: Stanford University Press, 2004).

about where they were positioned in the world order espoused this paradigm. My Chinese informants perceived China as trying to catch up to America and Zambia as trailing far behind. They wanted to move forward and saw themselves as making sacrifices to help their families and their nation advance. That is why, as one informant explained, he and his wife lived apart for over seven years. He quipped, “If you had a chance to make your life better, wouldn't you? We have to make sacrifices to improve our future and for the future of our children.” He finally had opportunities that his parents did not have.

As Fong highlights in her work, people internalize cultural models set forth by the government and enact them in their everyday lives. She also argues that cultural models have important psychological effects because the failure to achieve goals set forth by cultural models “causes suffering, while the attainment of these goals causes happiness.”¹⁶ As the example illustrates, the internalization of a particular cultural model, such as the hierarchical development paradigm, may have a profound effect on individual perceptions. In turn, these perceptions have deeply affected relations between Zambian and Chinese employees of the company. More generally, the Chinese perceived their situations as an inevitable part of China's efforts to catch up with the US. They also perceived their own sacrifices as part of an effort to improve their lives, the lives of their families and of future generations.

On the other hand, many Zambians viewed the US, Europe, and China as models of development, far ahead of Zambia and other African countries. This view was not confined to the elite population; here, I must also make clear that “elite” or “middle

¹⁶ Vanessa Fong, *Only Hope*, p. 13.

class” does not fully capture the realities of Zambian lives on the ground. Many Zambian families have members of different socioeconomic backgrounds, from the well-to-do politician uncle to the orphaned niece. Even elite or middle class Zambians easily find themselves struggling financially because they are obligated to provide for those less fortunate, including close friends, whom they call “family.” Therefore, the positive view of China’s engagement is not relegated to a particular group because it is essentially an opportunistic view; as long as Zambians can benefit from opportunities that the Chinese bring, primarily financial benefits, they will view it as positive engagement, regardless of socioeconomic backgrounds.

Certainly, those with capital to start with or more travel experiences may be more cognizant of the benefits of doing business with the Chinese. In many cases, the elites were the ones with more international experience and an interest and knowledge about China. My Zambian informants at the Chinese company may be considered “elite,” given their education and work experience as well as the prestige accorded to them for working at a multinational corporation (MNC); however, one must also take into account their previous struggles before arriving in their position, the challenges they faced in moving upward in the company, and the obstacles of trying to financially support family members who were unemployed with their salary. This will become more evident when I present the individual stories of the Zambian employees.

As I show in a later chapter, middle class and elite Zambians sometimes faced financial hurdles just to keep their businesses afloat and had to strategize to gain benefits from working with the Chinese. This maximization strategy is part of the entrepreneurial ethos that runs rampant in Zambia -- from the politicians to the vendors

to the bus boys. Nearly all the Zambians I met had a strong entrepreneurial streak and usually ran multiple businesses. Zambians are no victims; most will find a way to make the growing numbers of Chinese benefit them.

All the Zambian employees I interviewed at the firms, many of whom have traveled outside of Zambia for school or for corporate training, frequently lamented the lack of development in their country and emphasized the desire for more development associated with better infrastructure and educational opportunities. Many Zambian employees shared a general sense of skepticism with regards to their political and economic futures and attributed much of the problems they faced to corrupt politicians. This contributed to the mixed attitudes towards some Chinese companies' decision to bring in Chinese workers. Some Zambians expressed resentment of imported labor while others lauded it due to the lack of trust in their own government and domestic companies to complete infrastructural projects in a timely manner.

In yet another perspective, some Zambians explained that Chinese labor was often preferred by Chinese companies because they were not bound by Zambian labor laws which ensured that Zambian workers did not have to work on Sundays, when it rained, and when family members died. Chinese laborers were more easily exploited, rendering them favorable options for companies and individuals, including some Zambians with an abundance of financial capital looking to hire Chinese construction firms to complete their houses in a timely manner. I asked a Zambian judge, diplomat and wealthy businessman and all three stated that they hired a Chinese construction firm to construct their houses because it was more affordable and completed in a timely manner.

For some Zambians, the Chinese represented this dual possibility. On the one hand, the Chinese represented opportunities for career advancements, affordable products and a non-Western model of economic development for Zambia to emulate. Many Chinese and Zambian informants that endorsed China's model of development praised that way that the Chinese Communist Party (CCP) used strong government interference vis a vis foreign investors to protect the interests of their people. Some lauded the way that the CCP focused less on "democracy" in terms of individual rights and more on raising the economic living standards of the people, even in a relatively authoritarian context. Like a double-edged sword, the Chinese represented to some Zambians opportunities for upward mobility, while simultaneously presenting obstacles by competing with domestic firms, dominating local business niches and imposing unfair wages and harsh working conditions.

By using participants' educational and work histories, I attempted to deduce the social differentiation within the organization based on positions, roles and tasks as well as preferences for friendship and professional collaborations. I discovered that knowledge about cross-cultural communication and relationships formed the steepest part of the learning curve for Chinese and Zambian professionals. Trust remained the most effective vehicle for forging business partnerships and friendships between Chinese and Zambians.

I also found that a crucial part of working relationships at the firms was finding someone to emulate; for most participants, emulation of behavior was found in supervisors and colleagues. I gleaned insights about their backgrounds, how they arrived at the firms, their future aspirations and characteristics and skills of future collaborators.

On average, employees at the Chinese firm emphasized technical skills and complementary skills over personality traits more than employees at the Zambian firm. Employees at the Chinese firm adopted a strong achievement oriented mentality and entrepreneurial inclinations. In both firms, I found that having someone to emulate and forming corporate groups was an effective means of upward mobility. It encouraged them to have the confidence that they could choose among options and pursue similar paths to success.

Through narratives of their future aspirations, I discovered that there was a great possibility for spin-offs in the near future. Most Zambian participants expressed the desire to start their own companies and intended to use the knowledge and connections they made at the Chinese firm to pursue this endeavor. The success of these endeavors will depend greatly on the chances for upward mobility and efforts to expand marketable skills at the firm. On the other hand, since employees' ability and motivation remain integral to the potential for future spin-offs, some challenges also arose from interactions with Chinese firms. For example, some impediments were the transience of Chinese employees and the repetition of tasks assigned to Zambian employees. The repetition of tasks, a common complaint, rested on what was perceived to be a lack of trust on the part of Chinese employees towards Zambian employees, and also bore the consequence of limiting their skills and knowledge repertoire.

These challenges were not only confined to Zambian employees. Chinese employees complained about them as well. Since I kept in touch with most of the informants at the firm, I found out in 2013 that a newly installed Managing Director (MD) along with policies oriented towards cutting costs have caused many Chinese

and Zambian employees to quit the firm.

In a recent email exchange, I was told that a handful of Chinese employees had quit due to strenuous work schedules and lack of advancement opportunities. Similarly, some of the Zambian employees quit as well due to the recent elimination of training programs, the pressures of having to rebuild relationships with colleagues and supervisors due to the constant rotation of Chinese employees and the lack of advancement opportunities. Some of the employees stated that they were promised promotions but when their supervisors left, they had to start over again and prove themselves to new management. This points to a recent phenomenon that was diminished or absent during my fieldwork in Zambia – a severe reduction in training and weakened transitional mechanisms that ensure employees on the promotional path stay on course, even with new, incoming colleagues and supervisors. Despite recent discoveries of major changes at the firm, this study is focused primarily on data collected prior to 2013.

The case study of the Zambian company also indicated that employee training was limited. This was further constrained by the nature of competition in the construction and mining industries and increasing challenges in gaining a competitive edge in winning bids against foreign competitors. Nonetheless, employees strategically tapped into their networks and resources to achieve a desired outcome.

The emphasis on being friendly or forming friendships at the firm was an example of the strategies that employees used. The case study of the Zambian firm showed that the emphasis on personal relationships helped provide emotional and inspirational support for employees. Their admiration of the CEO and the soft power

that extended from his authority provided further inspiration to employees striving for upward mobility at the firm or planning to start their own company in the future.

Similar observations can be found in studies of kinship and social networks in British colonial anthropology associated with the Rhodes Livingstone Institute. Studies of migration and occupational patterns found in urban work and network analysis¹⁷ and the effects of resettlement on the network structures of the Plateau Tonga¹⁸ provide important points of departure for this study. They demonstrate continuity in engaged responses of Zambians to greater urban development and increased foreign investment. They also suggest a re-configuration of kinship networks that place a stronger emphasis on the role of workplace relationships and friendships.

Background

Chinese and Zambian relations can be conceptualized as the intersection of two major structural economic processes. The Chinese emphasis on persistent economic growth rooted in ideas that justify the exploitation of cheap labor pools is one of the main compelling forces that have pushed the Chinese outward to Zambia to work and develop the telecommunications industry. China's main aim is economic growth and development. Leaders are pressured to keep economic growth in order to ensure social stability among its roughly 1.3 billion people. Thus, while its policies and reforms aimed at economic growth may not be characterized as complete neoliberalism, its

¹⁷ Elizabeth Colson and Max Gluckman. 1951. *Seven Tribes of British Central Africa*. Ed. E. Colson and M. Gluckman. London: Oxford University Press (for the Rhodes-Livingstone Institute); J. Clyde Mitchell. 1969. *Social Networks in Urban Situations*. Manchester: Manchester University Press for the Institute for Social Research, University of Zambia; Elizabeth Colson. 1971. *The Social Consequences of resettlement: The impact of the Kariba*. University of Zambia: Institute for African Studies.

¹⁸ Elizabeth Colson. *The Plateau Tonga of Northern Rhodesia: Social & Religious Studies* (Manchester, UK: University Press, 1962).

acceptance that growth must come from its cheap labor pool of expendable workers is a repercussion of the dominance of the aim towards rapid economic expansion and maintenance of consistent growth.

One of my informants echoed similar sentiment when I asked him about his views on harsh conditions facing Chinese and Zambian workers in Zambian mines. “They're exploited and that happens everywhere in China, but that's what it takes for us to get ahead. If you had the opportunity to improve your life, wouldn't you?” This informant alluded to exploitation that “happens everywhere” in China as the consequence of policies directed towards rapid economic growth and as the result of living within a highly populous society. He and many other informants often pointed out that they were accustomed to intense competition and “exploitation” in China due to living within a large population. It is no wonder that among many Zambian friends, the Chinese were often compared to Nigerians in terms of a common stereotype – their assertiveness and competitive attitudes in business and trade. They stated that the Chinese and Nigerians shared this very important commonality of living in a highly populous society that forced them to compete and to stand out. Having to fight for scarce resources among so many people actually strengthened their competitive capacity and honed their survival skills. Both groups were accustomed to a cutthroat environment, where fellow citizens were easily overlooked, replaced or exploited. As this informant explained, “exploitation” was quite common in China; the response was to aggressively seek and capitalize upon opportunities to improve one’s lot in life.

This informant also stated that exploitation was necessary for improving overall living standards. The major focus on economic growth has primarily benefited

government and party officials and elites, at the expense of expendable rural-urban migrant.¹⁹ However, the close guidance of government officials in shaping and intervening in market forces renders the Chinese economy partially rooted in capitalist ideas and yet adopting unique “Chinese,” and communist characteristics inherited from its tumultuous past.

My analysis of Chinese entry into Zambia consists primarily of exporting minerals in the mining industry and wholly owned subsidiaries in the telecommunications industry. In the general context of Chinese investments in Zambia, Austin Muneku and Grayson Koyi compiled data from the Zambian Development Agency and concluded that Chinese commitments with formal investment licenses reached roughly US \$24 million in the construction industry and US \$10 million in the mining industry.²⁰ This data, which was obtained through the Ministry of Labor in Zambia, is captured in Table 1.1. Although the data is outdated, it is one of the few consolidated reports compiled by well-known Zambian researchers attached to the University of Zambia and can be substantiated through their thorough research. I obtained the report through a key contact in the Ministry of Labor. It is not published on the Internet, and can be obtained by visiting Zambia or contacting the authors. Other reports, for example, “Chinese investments in Africa: Catalyst, competitor, or capacity builder?” by Peter Kragellund also report FDI numbers up until the year 2006.²¹ The

¹⁹ David Harvey, *A Brief History of Neoliberalism* (Oxford: Oxford University Press, 2005)

²⁰ Austin Muneku and Grayson Koyi, *The Social and Economic Impact of Asian FDI in Zambia: A Case of Chinese and Indian Investments in Zambia (1997-2007)* (Lusaka, Zambia: Friedrich Ebert Stiftung, 2007), p. 1. The original data was collected for the Zambian Development Agency database. Table 1.1 was lifted directly from the report.

²¹ Peter Kragellund, “Chinese investments in Africa: Catalyst, competitor or capacity builder?”

United States Department of State does report more recent statistics, but they are quite general and not divided by industry. This chart is captured in Table 1.3.

Table 1.1

Chinese Investment Commitments for the period 2000 to 2006 by Sector

Sector	No. of Projects	Investment (US\$)	Employment
Agriculture	9	497,757	421
Construction	11	23,945,243	877
Engineering	1	476,000	12
Health	4	439,617	28
Manufacturing	62	272,505,529	5,209
Mining	4	9,918,899	480
Services	5	2,962,000	830
Tourism	6	2,511,206	186
Total	102	313,256,251	6481

Source: Compiled by Austin Muneku & Grayson Koyi from ZDA database (2007)

Since the data was compiled in 2007, we can assume that the numbers have increased substantially in the past six years. I must also emphasize that the chart only captures investment commitments, which means that in the context of the Chinese government's pledges of at least \$2 billion, we can expect the total amount of investments to be different than the figures reflected in the chart. Despite potential discrepancies in figures, the chart still serves as a useful guide to examine the specific industries that indicate burgeoning Chinese interests.

We can place the percentage of Chinese investments in a broader GDP chart divided by industries in Table 1.2.

(Copenhagen, Denmark). Danish Institute for International Studies, 2007.

Table 1.2

Sectoral Contribution to GDP, 2006-2010

	2006	2007	2008	2009	2010	Period Average
Agriculture, Forestry and Fisheries	20.2	19.8	19.8	20.8	20.1	20.2
Mining and Quarrying	4.2	4.4	3.6	2.6	3.7	3.7
Manufacturing	10.4	9.7	9.4	9.3	8.7	9.5
Electricity Gas and Water	3	2.9	2.8	2.8	2.8	2.9
Construction	12.2	14.5	16.1	18.3	20.2	16.3
Wholesale and retail trade	16.9	16	15.6	15.3	14.4	15.7
Restaurants, Bars and Hotels	2.9	2.9	2.9	2.4	2.4	2.7
Transport Storage and Communications	4.2	4.3	4.1	3.6	4	4
Finance and Insurance	8.4	7.9	8	8.6	8.7	8.3
Real Estate and Business	6	5.8	5.7	5.7	5.5	5.7
Community Social and Personal	9	9.4	10	10.3	10.5	9.8
TOTAL GROSS VALUE ADDED	92.6	93.1	93.4	95.2	96.1	10.7

Source: Table 8.3 in CSO National Accounts Statistical Bulletin 2010, p. 42.

Table 1.2 shows that in 2010 mining and quarrying made up 3.7 of the total GDP, while construction made up 20.2 percent, which exceeded wholesale and retail trade at 14.4 percent and manufacturing at 8.7 percent. Since the GDP was estimated at US \$16,190.66 billion in 2010, then the construction industry accounted for approximately US \$3.27 billion. According to Sebastian Kopulande and Chileshe Mulenga, the top fifteen sources of foreign direct investment (FDI) to Zambia in 2009 included Canada at 19 percent, India at 17 percent, Australia and Switzerland at 11 percent and China at 8 percent. Netherlands had 7 percent and South Africa had 6.8 percent of the proportion of total FDI stock.²² The authors estimate that “most of Zambia’s FDI stock is still held by

²² Sebastian Kopulande and Chileshe Mulenga, *The Least Developed Countries Report 2011: The Potential Role of South-South Cooperation for Inclusive and Sustainable Development. Impact of South- South Cooperation and Integration on the Zambian Economy: The Case of Chinese Investment* (Lusaka, Zambia: Zambian International Trade & Investment Centre, 2011). Also see Chileshe L Mulenga, *The case of Lusaka, Zambia. Understanding Slums: Case Studies of the Global Report on Human Settlement* (London, UK: United Nations Habitat, 2003).

firms from the UK, South Africa and China in that order.”²³ China is only one of multiple foreign investors in Zambia. Table 1.3 shows the different countries and their actual FDI flows into Zambia in 2010 and 2011. As shown in Table 1.3, compared to the previous tables, China’s FDI has decreased since 2006. In 2010, China’s actual FDI inflow was \$32.4 million and in 2011, \$6.60 million. In 2010, Canada had the highest FDI inflow, at \$443.40 million, followed by Australia at \$389.40 million and British Virgin Islands at \$271.80 million. In 2011, Canada once again had the highest FDI inflow at \$590.70 million, followed by the British Virgin Islands at \$87.30 million and the Netherlands at \$59.30 million. This may be due to the construction of Kansanshi mine in the Northwest Province, which is partly owned by Canada. The report states that the drop in FDI in 2012 can be attributed to numerous reasons, including the re-acquisition of Zamtel from Libya, as well as investor concerns regarding the current government’s management of the economy, “de facto business expropriations, and the deportation of several foreign investors without due process.”²⁴ The report also states that the FDI data is incomplete, as other data acquired through the Ministry of Mines and Mineral Development may account for more FDI data, but this is the *only* FDI data available in Zambia. Therefore, although our charts may not be up to date, or complete, they are the only ones available for now.

²³ Sebastian Kopulande and Chileshe Mulenga, *The Least Developed Countries Report 2011: The Potential Role of South-South Cooperation for Inclusive and Sustainable Development. Impact of South- South Cooperation and Integration on the Zambian Economy: The Case of Chinese Investment.* (Zambian International Trade & Investment Centre. Lusaka, Zambia, 2011), p. 14.

²⁴ 2013 Investment Climate Statement – Zambia. Bureau of Economic and Business Affairs. February 2013. <<http://www.state.gov/e/eb/rls/othr/ics/2013/204763.htm>> , Accessed March 1, 2014.

Table 1.3

National Level Actual FDI Inflows by Source Country - 2010 to 2011

Country	2010 US\$ millions	2011 US\$ millions
Australia	389.40	40.00
British Virgin Islands	271.80	87.30
Canada	443.40	590.70
China	32.40	6.60
France	-2.30	28.00
India	-17.00	19.80
Mauritius	1.90	8.10
Netherlands	78.80	59.30
South Africa	-51.30	21.20
Sweden	18.40	2.00
Switzerland	-15.20	19.20
Tanzania	36.20	-0.90
United Arab Emirates	18.00	-3.90
United States	250.60	-24.40
United Kingdom	-3.20	5.70
Zimbabwe	-6.60	-2.90

Source: Private Capital Flows and Investor Perceptions Survey, 2010 and Reports

It follows from these analyses that the major national players of FDI stock in the construction industry follow in a similar order. The construction industry is significant because it is the context in which I conducted part of my fieldwork. My forays into both

the construction and telecommunications industries make statistical data about them incredibly important. In 2012, the Zambian Road Development Agency granted a nearly US \$207 million contract to China's Henan International Corporation to build the road between Mansa-Luwingu in Luapula and Northern provinces over 40 months.²⁵ Among other major players included an Italian company Fratelli Locci Construction, which regularly submitted tenders against Chinese and South African companies received a contract worth US \$23 million for road construction.²⁶ This contextualizes the role of Chinese companies in the construction industry, for they are one among a handful of dominant foreign investors.

The aforementioned companies were strictly road construction firms; the most lucrative construction projects were in the mining industry. Constructing a copper leaching plant in the mines, which involved converting copper into a water-soluble form followed by dissolution, cost an upwards of US \$100,000.²⁷ More capital could be generated in maintaining the plants. Construction firms that specialized in roads and bridges tended to win bids for the Zambian government, while the firms that specialized in mining sought to win bids for private mining companies.

²⁵ Kaiko Namusa, "Zambia: RDA Awards China Henan K1.1 Trillion Road Deal," Times of Zambia, <<http://allafrica.com/stories/201212280750.html>> , Accessed March 15, 2013.

²⁶ I interviewed and spoke with Fratelli Locci employees in Ndola before this occurred. Most of the employees were from Sardinia. Their setup was very similar to the Chinese telecommunications firm. The challenges the firm encountered were also quite similar to the challenges facing Chinese firms. Supervisors regularly crossed into the DRC to manage road construction. For more information about the termination of the road contract, see "Fratelli Locci pedicle road contract terminated," Lusaka Times, September 25, 2012, <http://www.lusakatimes.com/2012/09/25/fratelli-locchi-pedicle-road-contract-terminated/>, Accessed March 15, 2013.

²⁷ This estimate came from payment documents that I compiled at the Zambian construction firm. I have permission to release an estimate; however, detailed projects and costs must be kept confidential.

Construction firms specializing in mining projects some times expanded to residential and building construction. They also increased profit margins by renting out equipment for road construction. Companies rarely pursued specialties in both road *and* mining construction. The niches were so specialized that companies like Sandvik, a Swedish firm that also had a branch in the Copperbelt in Zambia, split into two companies specializing in specific niches -- Sandvik Mining and Sandvik Construction.

In the mining industry, the major players were the Canadian, UK and South African mining companies and they gave preference to construction firms within their professional circles along national lines. Additional preferences by most major mining firms were given to South African companies. This was evidenced by the large number of South African mechanical engineers recruited to work for the Canadian, UK, Indian and South African companies in the northern and northwest part of Zambia. Because the Chinese were relatively new players on the scene, they were regarded with suspicion and frequently deprecated among South African mining circles. This exclusion meant that the Chinese in the mining areas were more likely to depend on each other for support and also were more willing to partner and work with Zambians.

Providing the context of the dominant industries in Zambia is essential to understanding how Chinese companies fit into the overall picture. Now I will provide the contextual background of my own research trajectory that led me to this project.

My Background

I have been interested in the topic since volunteering in the Gambia in 2003 and meeting Chinese and Taiwanese fishermen in the area. It was not what I expected. Having grown up mostly in Los Angeles, which is a fusion of multiple cultures and

ethnic enclaves, and identifying as a second-generation immigrant, I was very intrigued by the intersection of different racial, national and ethnic groups. In particular, I was interested in the idea of change – change in identity, change in perceptions and worldviews, and change in stereotypes – precipitated by the interactions and friction from working with people from different backgrounds.

In 2003, I had not anticipated that there would be Chinese or Taiwanese people living in West Africa and knew I wanted to return to the continent to explore this fascinating intersection. What I wanted to know was very simple: how do people change when they migrate somewhere and how do the people they encounter change when they work together? What kinds of relationships are forged in the process, why do conflicts occur and what are the outcomes of the conflicts?

I chose anthropology as the discipline I wanted to pursue by way of Kirby Moss's work in *The Color of Class: Poor Whites and The Paradox of Privilege*.²⁸ Not only did I find the storytelling elements in his book enthralling; it also prompted a paradigm shift in my own assumptions about race, class and privilege among people I knew very little about and who were understudied as a group. His work, along with my adamant intention to study the intersection of Chinese and Africans in their daily lives in an interdisciplinary way, prompted me to pursue anthropology. It was always clear to me from the beginning of my academic career that I was interested in intersections, fusions and change and while it may have been easier to focus on one group or

²⁸ In particular, Moss discussed the different and sometimes, contradictory positions of privilege and social class status. His work challenged stereotypes of poor whites and examined whether and how racial privilege operated on a daily basis for the whites he studied. This was the first ethnography I read and drew me into the discipline of anthropology. Kirby Moss, *The Color of Class: Poor Whites and the Paradox of Privilege* (Philadelphia: University of Pennsylvania Press, 2003).

nationality, my passion was in the overlaps and the changes.

The other area of passion was in business activity. I gravitated towards the professional world because my background in computer science at the University of California, Irvine, where I was a Regents Scholar and member of the Campuswide Honors program, undoubtedly shaped me. The entrepreneurial ambitions of my colleagues and the professional training of the program, constantly oriented towards improving our resumes, sharpening our interview skills and securing jobs, gave me an appreciation of the resources we had as 18 to 22 year olds. I began working for a startup company, while holding multiple jobs, when I entered university at 18 years old.

By the time I graduated, I had two full-time job offers and along with my colleagues, felt equipped to face the job market. We were trained to be professionals from day one, although schooled in programming theory and complicated mathematical topics like 3-dimensional calculus. This meant that I like many of my colleagues, harbored entrepreneurial aspirations and admired the energy and abundant resources that resided in the technology realm. There was a sense that we were at the cusp of a revolution and this sense of hope has always stayed with me, even when I left computer science and became a social scientist.

This worldview and work experience explains why I naturally gravitated towards technology professionals in Zambia. They reminded me of people I had gone to school with, many of whom have started their own businesses or worked their way to the top in well-known technology companies. The work ethic and business acumen of the Zambian CEO and the managers at the construction firm reminded me of the group of men I

worked for at a startup venture in Orange County, California. There was no doubt that I was “studying up,” as most of the professionals befriended in Zambia had more work experience and specialized knowledge than I did, and I learned immensely from them. More than that, they were also familiar to me. They were my kinfolk.

Goals of Study

The purpose is to understand the challenges and opportunities that arise from Chinese and Zambians working with each other. I hope to contribute to this growing field by challenging over-generalizations about China and African relations and offering the first study of its kind on corporate research among Chinese and Zambian professionals. Another goal of this research is to help improve policies towards foreign investors and strengthen relationships forged at the ground level in order to maximally benefit Africans.

To put it another way, I wrote this dissertation with an applied focus in mind and with the hope that I will return to Zambia and other African countries on technology projects that will enable me to work with Chinese, Zambians and other Africans. Because of this very applied and ameliorative focus, I have found it challenging to support grand theories of new colonialism, knowing that the people I study are the ones who are dealing with the challenges and triumphs in their everyday lives. They do not have the luxury of the anthropologist or the journalist who gets to come and go as she pleases. Many are fully engaged, on the ground, and experiencing the highs and lows of their relationships and experiences.

Often times, they are just trying to financially support their families, like the rest of us. Caught between their loyalties to the organizations for which they work and to

more altruistic endeavors, the existence of my informants defies simplistic categories. Since my focus is also long-term, and not just confined to this dissertation, the possibility of severing ties or burning bridges also becomes a challenge. I intend fully to continue research and applied work in Zambia and the continent of Africa for many years on end. It is my hope that this dissertation raises more questions than answers – about the future of China and Zambian relations as they occur between individuals and their families. It is this everyday complexity that I hope this dissertation captures.

Methodology

This study relies primarily upon ethnographic data collected over 13 months in Zambia. Data collected on the Chinese company took place in 2010 for three months and in 2011 for two months. While I conducted research at the Chinese company, I also went to the courthouses – the Magistrate’s Court, the Supreme Court and the International Relations Labor Court – and for two months, I interviewed magistrates, judges and recorded court cases by hand. In 2011, I spent about one and a half month in Chongwe town learning Nyanja. I then worked for the Central Statistical Office as an enumerator conducting surveys and interviewing all types of organizations in Lusaka. The census lasted for three and a half months. The final five and a half months was spent at the Zambian company.

My involvement with the entire research project actually began in 2007, when I first visited Zambia during the summer for preliminary research. I then returned in 2008, 2010, and lived in Zambia from 2011 to 2012 for 13 consecutive months. Most of the data collected in 2010 were based on informal and unstructured interviews. This changed when I returned in 2011 when I implemented formal and structured interviews

and collected life histories from 16 employees in the Chinese company and 12 employees in the Zambian company.

Formal and informal interviews were focused on perceptions of trust, friendship, work relationships, and future aspirations. Because I knew the participants at the Chinese company for a longer period of time, I had better rapport with them than the participants at the Zambian company. The Managing Director (MD) was not pleased with my presence and at one point, had me followed. Yet the participants, whom I met and befriended in 2010 volunteered to be part of my study. Although I offered financial compensation, all but one refused to take it. At the Zambian company, my role was more involved, as I worked closely with the CEO. Interview questions were submitted in advance to be approved by the CEO. Participants at the Zambian company were more reluctant to provide interviews, so I provided 50,000 kwacha or roughly \$10 for each interview. Some opted out, while others chose to participate. The data may include biases stemming from my relationships with the employees and the leaders of the companies.

Some of the limitations include the following: the small sample size of the study, the researcher's own involvement in working for the companies, which may bias interview data, and possible emotional biases stemming from identifying as an American of Chinese/Taiwanese descent and reacting during fieldwork to frequently being misrecognized as either "too Chinese" by Zambians or "not Chinese enough" by the Chinese. I have deeply reflected and written in private journals about the micro aggressions experienced in the field. Other limitations have to do with the nature and scope of technical and personal data, which I was bound to protect due to trade secret

obligations, general ethics to protect her informants, and above all, the dictates of my own personal conscience. Any inaccuracies or oversights in the dissertation are mine alone.

Outline of Chapters

Using three case studies, the dissertation focuses on the relationships and groups among Chinese and Zambians at the workplace. I wanted to understand the nature of their relationships, under what conditions Zambians were benefitting from increased Chinese presence, and the source of misunderstanding and conflicts that arose at the corporations.

With a focus on the benefits and challenges of increasing Chinese investments in Zambia, the chapters are divided into the following sections:

- **Background Information.** Chapter II provides contextual information about Zambia and in particular, compares Lusaka and Kitwe, the two field sites of study. Chapter III furnishes background information about the companies and general overview of the employees at the companies.
- **Case Study I.** Chapter IV focuses attention on workplace relationships and the role of affect, especially trust, and instrumentality in business friendships. Using interview data about friendship and trust, this chapter looks at the intricacies of social dynamics at the workplace among Chinese and Zambians. Who do they trust, how do they define friendship and who would they want to collaborate with among their colleagues? This chapter tackles these

questions.

- Chapter V examines the working relationships at the Chinese company by 1) looking at the construction of towers and project management and 2) exploring employees' educational and work backgrounds and whom they identified as people they admired at work and potential collaborators.
- **Case Study II.** Chapter VI provides context for Chinese and Zambian relationships at the workplace by using the relationship dynamics at a Zambian firm as a point of comparison. In this chapter, I examine the organizational structure of the Zambian firm, including employee backgrounds, their upbringing and educational histories and their workplace relationships. The chapter divides the employees into three tiers and examines the role of friendship, trust and collaboration among Zambian professionals in the mining and construction industry. The chapter concludes that the future of strategic alliances with Chinese firms and Zambian spin-off firms will depend on the mid-level managerial employees, who possess years of work experience along with pertinent schooling, as well as the exposure to different kinds of work environments and cultural backgrounds.
- **Case Study III.** Chapter VII explores the role of money, trust and risk-taking among Chinese and Zambian entrepreneurs in the mining sector. This chapter delves into life histories of Chinese and Zambian entrepreneurs and the opportunities and challenges they face. The

chapter also explores the risks they face in the mining industry. These risks are offset in the short term by close relationships or references provided by people within their social circles. The chapter introduces the opportunities *and* challenges facing Chinese and Zambian entrepreneurs working together.

- Chapter VIII examines the opportunities and challenges posed by the increase of Chinese companies in the construction industry in Zambia. The chapter investigates the reasons behind increasing competition in the industry. Relying on ethnographic data, the chapter introduces past and possible construction projects that demonstrate the potential for strategic alliances between Chinese and Zambian firms. Using the Zambian company as a model for other domestic companies, I look at how Chinese and Zambian relationships can move from buyer-supplier alliances to joint ventures. Sustainable strategic alliances, the chapter concludes, can raise the standards in industry, making the process and equipment more cost-efficient, as well as contribute to the growth of Zambian-owned construction firms.
- The conclusion summarizes the benefits and challenges of increasing Chinese investment. Pointing to a rich and growing body of literature on China and African studies, the chapter ends on the enthusiastic note that this dissertation builds upon the insights of other scholars and is one of many volumes of work that are yet to come. The dissertation concludes that the future resides in the hands of these

Zambian technocrats and entrepreneurs who, with the intention of taking advantage of Chinese resources and the potential tourist and technology market, can use their contacts and training to spearhead the growth of domestic firms and fuel the expansion of the technology sector in the vast African landscape.

CHAPTER II

CONTEXTUAL BACKGROUND OF THE CASE STUDIES

Introduction

In this chapter, I will discuss the context of the study, including the physical location of Zambia, its colonial history, and overall demographics. I also examine the differences between Lusaka and Kitwe, the objects of study and contrast the Chinese population within each location. Finally, I situate Chinese groups within a diverse and broader expatriate community, lodged within the continued legacy of British colonialism

Context

Situated between 8 ° and 18 ° south latitudes and 22 ° and 34 ° east longitudes, Zambia is a landlocked country containing 752,614 square km of land. The population, according to the 2010 census, stands at an estimated 13 million with 73 ethnic groups.²⁹ Formerly known as Northern Rhodesia, Zambia was ruled by the British South Africa Company (BSAC) from the 1890s until it transitioned to rule by the British Colonial Office in 1924. After independence from the British was achieved in 1964, Northern Rhodesia became the modern state of Zambia.³⁰

The Northern Rhodesia colonial government moved the capital city from

²⁹ Zambia: General Information,” Geohive Website. Accessed May 19, 2013.
<http://www.geohive.com/cntry/zambia.aspx>.

³⁰ Kate Crehan, *The Fractured Community: Landscapes of Power and Gender in Rural Zambia* (Berkeley, CA: University of California Press, 1997).

Livingstone to Lusaka in 1935 because the climate was cooler and it was centrally located. Originally intended to be a “model garden city” for Africa, plans to develop Lusaka were disrupted by recession in the 1930s, patterns of labor migration and the struggle for independence.³¹ Capital city plans, which were envisioned by Professor Adhsead, a University of London professor appointed by the colonial government, were subsequently revised by P.J. Bowling, an engineer.³²

On Lusaka and Kitwe.

The bulk of my research activities in Zambia occurred in two locations, namely Lusaka, which is the political and financial capital of Zambia, and the Copperbelt (especially the city of Kitwe), which is the center of its mining industry and is Zambia’s biggest and most lucrative industry. Lusaka has a rich history of settlement, as the first Europeans who settled in the area in 1905 were missionaries. Traders arrived later in 1908, and by 1913, Lusaka had become a bustling village.³³ It consisted of a few stores on Cairo Road and a market for agriculture and banking coming from the Belgian Congo. It was not until the 1920s that Lusaka chose representatives to the Lusaka Management Board and organized town meetings.³⁴

In the 1950s, the town grew rapidly. In 1931, the population stood at a mere 470, but by 1951, it had increased to 4,615, primarily constituted by an influx of the

³¹ Myers Garth, “Colonial and Postcolonial Modernities in Two African Cities,” 2003, *Canadian Journal of African Studies/ Revue Canadienne des Etudes Africaines*, 37, 2/3, pp. 328-357.

³² Myers Garth, “Colonial and Postcolonial Modernities in Two African Cities,” p. 335.

³³ Elizabeth Wilson, “Lusaka – a City of Tropical Africa,” 1963, *Geography* 48, 4, pp. 411-414, p. 412.

³⁴ Richard Sampson, *So this was Lusaaka: The Story of the Capital of Zambia* (Cambridgeshare, UK: Hereward Books, 1964), p. 47.

white population which led to large residential developments in Rhodes Park and Woodlands.³³ During this time, commercial and government buildings were erected along the main road and a new post office, police station and power station were constructed along the east side of the railway station.

By 1960, Lusaka had grown from municipality status to a city, although from 1955 until 1965, population decreased due to the birth of the Federation of the Rhodesias and Nyasaland, the transfer of capital city functions from Lusaka to Harare and decline in copper prices in 1957. In 1963, the city's ethnic composition included 11,810 Europeans, 73,645 Africans, 1700 Asians, mostly Indians, and 340 Coloreds as well as the indigenous ethnic groups, Lenje, Sala and Soli.³⁵ Currently, Lusaka stands at 360-square kilometer, with a population of 1.57 million. Mulenga shows the population growth of Lusaka in Table 2.1.³⁵

³⁵ Chileshe L. Mulenga, *The Case of Lusaka, Zambia. Understanding Slums: Case Studies of the Global Report on Human Settlement.* (London, UK: United Nations Habitat, 2003), p. 3.

Table 2.1

Table 1: Population of Lusaka 1963-2000

Year	Population	Annual Growth Rate	Percentage of National Population	Percentage of Total Urban Population	Percentage of Large Urban Areas
1963	123,146	-	3.5	17.2	18
1969	262,425	13.4	6.5	22.0	23.5
1974	421,000	9.9	9.0	25.3	27.2
1980	535,830	4.1	9.4	21.9	28.2
1990	769,353	3.7	10.4	26.5	
2000	1,103,413	4.0	10.7		

Sources: Wood et al (1986) and Central Statistics Office (1994; 2001)

According to Mulenga, Lusaka’s economy is primarily dominated by three sectors: manufacturing, commerce and finance, and administration.³⁶

In contrast, as a United Nations Habitat report explains, in Kitwe 80 percent of the workforce depends on mining. It is also the third largest city, with a total population of 376,124 in 2000. Residents are mostly young, with over 66 percent of the population under the age of 25 years. The report also explains that Kitwe was formed in 1928 as a mining township and given city status in 1967. With an area of 777 square kilometer, it

³⁶ Chileshe L. Mulenga, The case of Lusaka, Zambia. Understanding Slums: Case Studies of the Global Report on Human Settlement, p. 4.

had a population of 468,682 in 2009.³⁷

The differences between Lusaka and Kitwe are important because they represent different contexts that shape the dynamics of business relationships. For many young Zambians, there is a rivalry between the two cities. Kitwe is known to be the place where hard work gets done and Lusaka is considered the place where the money earned from hard work in Kitwe is spent. Many Zambians expressed that they would rather live in Lusaka because with movie theaters and shopping malls, there was more to do. Kitwe, on the other hand, was spoken of as a “boring” place that was just beginning to regain economic activity in the past few years. Old movie theaters and clubs that were shut down and a huge lot of land where a shopping mall was supposed to be built years ago are symbolic and serve as reminders of a deserted town that has recently revived in the last five years.

The characteristics of the cities also shape the Chinese population. According to data provided by an immigration officer in Zambia captured in Table 2.2, an overwhelming number of Chinese who enter Zambia do so under the auspices of employment permits. In 2010, out of 7,121 total entries documented, 2,702 were issued employment permits followed by 769 temporary permits. From 2008 to 2010, most of the permits that were issued were employment and temporary ones. This indicates that the majority of Chinese who enter and stay in Zambia are only there provisionally. In Lusaka and Kitwe, there are a total of around twelve and five families, respectively, which might be considered more permanent settlers, having lived there for ten years or longer. The family-run restaurant in the Showgrounds in Lusaka is a case in point. This

³⁷ Chileshe L. Mulenga, pp. 4-6.

particular family can trace its roots to Zambia back to the 1960s when the owner's father, a medical doctor, was sent by Mao Zedong to help treat Zambians. Although many of the earlier migrants returned home to China or died, he was one of the few that remained and later sent for his entire family. His children and grandchildren are well integrated in Zambian society.

As shown in Table 2.2 below, around 7,386 entries of Chinese nationals into Zambia were documented for 2008. The data for entries include multiple or repeat visits. Of the total number of permits at 1,869 in 2010, around 1,127 or 60 percent were temporary permits and 647 or 35 percent were employment permits. The number of employment permits more than doubled in 2009 and by 2010, reached 2,702, which comprised around 76 percent of the 3,578 total number of permits issued that year. The total number of entries remained quite consistent in 2008, 2009 and 2010, with 7,386 and 6,920 and 7,212 total entries documented. The year 2010 reflected a decrease in temporary permits and an increase in employment permits granted to Chinese nationals by the Zambian government. The increase in establishment of large Chinese enterprises in Zambia in mining, telecommunications and construction could explain the increase of employment permits.

Table 2.2 confirms the following observations made during repeat visits to Zambia.

Table 2.2

Immigration Data for Chinese Nationals							
Year	Entries	Entry Permits	Employment Permits	Self-Employment Permits	Study Permits	Visiting Permits	Temporary Permits
2008	7386		647	69	0	26	1127
2009	6920	52	1928	76	9	17	1081
2010	7121	43	2702	42	28	36	769
Totals	21427	95	5277	187	37	79	2977

The following observations can be made concerning the Chinese population in Zambia:

- 1) Most Chinese nationals in Zambia are highly mobile, making visits to China at least once or twice a year and each entry was documented by the Zambian Immigration Office.
- 2) While the data only reflect documented entries and formally granted permits, a good estimate of the total number of Chinese nationals in Zambia would not exceed 10,000. My observations indicate that the number of Chinese nationals may be much less than 10,000. Newspaper reports tend to inflate the numbers.

The differences in population size and dominant industries in Kitwe and Lusaka influence the size and nature of networks in the cities. The social and professional networks in Lusaka are more diffuse than in Kitwe. Due to the larger population and segmentation of industry, Lusaka could be said to have a more individualistic orientation. The population of Lusaka and Kitwe is captured in Table 2.3. The

Copperbelt province includes the following 10 districts: Chililabombwe, Chingola, Kalulushi, Kitwe, Luanshya, Lufwanyama, Masalti, Mpongwe, Mufulira and Ndola. Kitwe and Ndola are the most populated districts. Lusaka province has four districts, including Chongwe, Kafue, Luangwa, and Lusaka.³⁸

Table 2.3
Population for 2010 by Province/District

Province/District	Population for 2010
Copperbelt Province/Kitwe	522,092
Lusaka Province/Lusaka	1,742,979

The Chinese population in Zambia was segmented, divided and competitive among various groups. In Kitwe, the Chinese networks were smaller; most competitors had personal relationships or knew of each other and could sometimes be seen lending each other a helping hand. The two Chinese restaurant owners in Kitwe, though in competition with each other for business, could be seen giving each other advice or sharing gossip details. Frequent run-ins at the two Chinese restaurants made it easy for newcomers to access information about the construction and mining industries. One of the restaurants was also a lodge and housed many Chinese entrepreneurs as well as Chinese engineers that came to service the *Zambian construction firm's* machines.

Chinese employees attached to state-owned enterprises (SOEs) such as ZCCM were usually confined to their residences on campus. I spoke to a young lady working at

³⁸ The Research and Dissemination Branch of the Central Statistical Office in Lusaka, Zambia provided this data.

ZCCM who said she was not allowed to leave the company premises unless her supervisor accompanied her. She left the company premises, which was at least 45 kilometers from Kitwe, once every two weeks or less. Recreational fun for employees like the young lady was eating out at a Chinese restaurant. Young men who gained permission to leave the premises – a rather rare occurrence – sought recreational fun at the casino housed in the Edinburgh Hotel. The independent entrepreneurs and the male workers on temporary contract could be seen at Chisokone Market, near the Heavy Industrial area in Kitwe. This was strictly a Zambian market in the sense that I had never observed expatriates or white Zambians wandering through the market. Even elite Zambians considered the market too inferior and dirty for their tastes.

Housed in Chisokone Market was the Zambian Lotto, an enterprise owned by a Lebanese family of the Druid sect who had lived in Zambia for over a decade. The Lebanese and Indians had a strong presence in Kitwe, though not as strong as the white South Africans. Some of the Indians in the eastern province spoke fluent Nyanja and were very integrated in Zambia. Otherwise, Punjabis and Gujaratis dominated Zambia and this was divided into the Muslims and Hindus. The Hindus had their own community and regularly hosted cultural dance events. The Hindus seemed to occupy a higher status position with one of the most influential families well connected to the company that owned one of the five-star, upscale hotels in Lusaka. Most of their children in Indian families studied or later settled in the United States.

In Lusaka among the settlers, there were the Chinese, the Indians, the white Zambians, white South Africans and the Greek Cypriots, the Serbians, Italians and Croatians, among other groups. The powerful Greek Cypriot clan was connected

through marriage to the Serbians and Zambian Coloured women. The Greek Cypriots and Greeks looked out for each other and formed strong alliances with the Greeks in South Africa, some of whom they brought in to open up new businesses such as nightclubs and gyms in Zambia. Despite the seemingly cosmopolitan composition in Lusaka and Kitwe, loyalties were based on national lines. I rarely saw a group of Chinese, Italian, Serbian and Indians socializing with each other. National loyalties were highly influential among the settlers.

There were more than seven Chinese restaurants in competition with each other in Lusaka. Restaurants played a crucial role because it was the place where business deals were made and relationships cemented. Eating out and gambling were the favorite hobbies of Chinese employees. Employees at the Chinese firm had their favorites, preferring to frequent the restaurants that catered to more “authentic” tastes. They were not inclined to dine at the restaurants owned by the Chinese settler families.

The restaurants of the settler Chinese families tended to cater to expatriates or Zambian elites. One of the owners, whose family had settled in Zambia, said that they did not like or get along with the incoming Chinese nationals. Although one of the uncles played weekly soccer with some Chinese employees from the embassy and from the Chinese telecommunications firm, they did not convene for any other reason. It was clear that employees from the Chinese telecommunications firm and embassy occupied a higher status position because of the prestige and high salary associated with the firm in China. Independent entrepreneurs and restaurant owners, unless they received business from the employees, expressed dislike or jealousy of them.

The Chinese firm had a state-owned competitor within the same industry. The

competition between the two firms was so intense that employees were not allowed to socialize with each other. One of the male public relations managers from the private firm dated a female engineer from the state-owned firm.³⁹ They had to keep their relationship a secret. Once details leaked out, she was fired and sent back to China. The larger Chinese firms had clout in China and in Zambia, enabling employees to maintain good relations with Zambian politicians and elites and officials from the Chinese embassy. Smaller to medium-sized enterprises operated independently and forged these relationships on their own. Overall, Chinese nationals in Lusaka gathered based on professional, regional and status-based networks.

Although whites were present in Lusaka, they seemed more dominant in Kitwe and Ndola. Ndola was filled with Irish whites and Kitwe housed most of the white South Africans. White South Africans owned homes in Kitwe and regularly flew to their second or third homes in Johannesburg and Capetown. Some of the white South African engineers from large companies stayed in Kitwe for a few months constructing a leach plant or other temporary projects and went home to South Africa, where they stayed for another three to four months until they were either sent back to Kitwe or other parts of Africa.

I was told that they were compensated upwards of US \$60,000 per year or \$20,000 to \$30,000 every few months on short-term projects. White South Africans were divided into the Afrikaans and the English and they did not seem to mingle well with each other. The white Zambians did not seem to be part of this group, either. The white Zambians either stayed to themselves, for example, I was told that older

couples played bridge once every fortnight, or they integrated with elite Zambians.³⁹

We must examine the Chinese population in Zambia within the context of racial and national dynamics left behind by the British colonial legacy. The Chinese are simply a small piece of a larger puzzle characterized by the Black and White binary.

For example, the Copperbelt was a vision of racial apartheid since mining began in the 1930s. As Andrew Sardania, a long time friend of former President Kenneth Kaunda and powerful Greek Cypriot-Zambian noted in his observations of living in the Copperbelt in the 1950s, “There was complete racial separation between blacks and whites. They met at work, the whites as masters and the blacks as servants. But in everything else they had a separate existence. African shops, European shops; African schools, European schools; African hospital, European hospital.”⁴⁰

The whites had access to the mine club complex and luxurious facilities while the blacks had access to the beer halls and open sheds. The reason that this is significant is because Kansanshi mines in the Northwest province of Zambia as well as others continue this segregated arrangement to this day. Although Kansanshi is Canadian and Anglo- owned, it is important to note that Chinese investments, including the mining companies, fit into this larger context of historical domination and racial discrimination of numerous industries. The question of whether colonialism ever ended was brought up in conversations with many Zambians, particularly in the Copperbelt. Contextualizing increasing Chinese investments in Zambia within this historical context of unequal

³⁹ See Chapter II for Artie’s story and his role as a public relations officer at the Chinese firm.

⁴⁰ Andrew Sardanis, *Africa: Another Side of the Coin: Northern Rhodesia’s Final Years and Zambia’s Nationhood* (London: I. B. Tauris, 2003), p. 23.

access to resources and power is essential to understanding the reasons for resentment against the Chinese in some quarters.

Bernard Magubane indicated that “in 1972, the copper industry’s engineering operation division, out of 352 engineers only 11, or 3%, were *Zambian*, and of the 1,073 engineering foremen and their assistants only 19, or 2%, were *Zambian*. None of the 14 mine superintendents were citizens. None of the 65 underground managers and only 24 of the 220 mine captains were *Zambian*.”⁴¹ Magubane’s observation shows that even after independence in 1964, the color bar principle still operated in the mining industry.⁴² The fact that British colonial rule did little to provide education for *Zambians*, save for the one hundred university graduates and over twelve hundred Africans with secondary school certificates, out of four million people, at independence was not helpful.⁴³

Coercive means of controlling and disciplining mineworkers have been well documented in literature on mining in Africa.⁴⁴ The historiography of African labor has

⁴¹ Bernard Magubane, “Review,” 1974, *American Journal of Sociology*, 80, 2, pp. 596-598, p. 597.

⁴² This statement was captured in Bernard Magubane’s review of Michael Burawoy’s work, *The Colour of Class on the Copper Mines: From African Advancement to *Zambianization** (Manchester, UK: Manchester University Press, 1972). See Bernard Magubane, “Review,” 1974, *American Journal of Sociology*, 80, 2, 1, pp. 596-598, p. 597.

⁴³ Michael Burawoy, *The Colour of Class on the Copper Mines: From African Advancement to *Zambianization** (Manchester, UK: Manchester University Press, 1972).

⁴⁴ Frederick Cooper was primarily interested in the dominance of empire. Keeping in mind the African urban crisis of the postcolonial era, Cooper was writing to fill what he perceived to be a gap in scholarship on the ways in which the ideology of work was created by the colonial state and used to transform “floating” casual workers of the 1930s into a permanent working class. Colonialists learned their lessons from the industrial revolution in Europe and so much of the discussion of labor revolved around the problem of migratory labor in the Copperbelt. Casual laborers were simply too unruly, chaotic, and undisciplined. Furthermore, they not only hindered productivity to meet economic demands but also posed a significant threat to the machinations of the colonial state for mobility was equated with trouble and crime. Thus the state propagated its ideology of order and work to manipulate workers into conforming to their image of time, space, and freedom through a variety of methods. Changing notions of work time involved isolating workers from their village life, tightening of managerial controls at the workplace, and monitoring their performance according to strict disciplinary standards. Later solutions to retaining maximal labor from workers included higher wages, housing policy, and unionization. The Dockworkers Union, for example, which required that workers commit a fixed number of hours, was

concentrated on migration and stabilization, and how the colonial state propagated the ideology of order and work and tightened managerial controls at the workplace to retain maximal labor from workers. Colonial labor practices in gold mines were particularly draconian, placing mineworkers in locations where they would be easily watched and disciplined by managers and workers alike.⁴⁵ Some scholars have emphasized the totalitarian control, which dominated nearly every aspect of the mineworkers' lives and was first implemented in the diamond mines in South Africa.⁴⁶ Racial discrimination

partly the result of the state and capital to "modernize" work. Yet for all the mechanisms the colonial state unleashed onto African workers, they responded with resilience through the strikes of 1934, 1939, and 1947. For more on colonial empire and labor, see Frederick Cooper, *On the Urban Disorder and the Transformation of Work in Colonial Mombasa* (New Haven, CT: Yale University Press, 1987).

⁴⁵ Charles Van Onselen's work posits that within the brutal compound system of the gold mining industry in Southern Rhodesia, there was conscious resistance against exploitation. In combating the system, *chibaros* (slaves) would avoid work or work at a leisure pace. Van Onselen concentrates more on the role and policies of the British colonialists working in alliance with the mining capitalists than on African workers' forms of resistance. Yet for Van Onselen, the workers' subtle forms of resistance attested to the draconian labor system, rather than to their own strength. The labor compound system, van Onselen explains, had existed at Kimberley but was ultimately crystallized. The compound system entailed a three-tiered system in the large mines. In the form of concentric circles, the least proletarianized, unskilled and lowest paid workers, were stationed in the inner compounds. As the ones considered most likely to leave, they were situated in the location where they would be easily watched and disciplined by managers and workers alike. More proletarianized workers with greater skill and average wages, were then stationed in the huts outside of the inner compound. Finally, apart from both of these tiers resided the huts of the married workers and their families, who constituted the group least likely to desert. This system, which was advantageous to the mining companies, was designed to give them great control over the workers by preventing desertions and reducing labor turnovers. In the late 1920s or 1930s, the system also aimed at keeping the workers from becoming involved with trade unionists or political organizers. For more on this fascinating discussion of space and *chibaros*, see Charles Van Onselen, *Studies in the Social and Economic History of the Witwatersrand 1886-1914* (New York: Longman Group, 1982).

⁴⁶ William Worger's *South Africa's City of Diamonds* shifts attention away from the gold mining industry to the diamond mines, where he argues the repressive compound system was originally initiated. Worger shows that many of the tactics used by gold-mining capitalists were first implemented on diamond mines. Emphasizing the Kimberley as the precursor to all other major mines, Worger makes the case that the diamond industry is where white domination originated. Much of his work is devoted to the changes in the diamond industry and concentrates on the motivations of Cecil John Rhodes in pursuing capital investment and eventually monopoly of the mines under De Beers. One particular limitation of this book is the intensification of the hegemonic power of the state and mining companies, whose policies seem to infiltrate not only every aspect of worker life, but the jails in Kimberley as well. The image of totalitarian control becomes evident in Worger's argument that by the mid-1880s, nearly every aspect of the black worker's life was governed by the systems of labor control implemented by Kimberley industrialists. Moreover, there were little recognizable differences in the systems of the

dominated the mines and towns in Zambia, with whites assuming the managerial positions and Zambian workers given limited training and opportunities.

After independence, Zambians were finally promoted to managerial positions. Michael Burawoy's study of effects of Zambianization processes at Anglo American Corporation and Roan Selection Trust showed the prevalence of factions and clashing interests during this process. In particular, the Zambian successors were resented by the black subordinates and in some cases, saw them as inferior to their former white bosses. The expatriate manager's authority diminished, but his power was enhanced because his expertise was highly valued and the ideology that whites were superior still existed in minds of many. At the same time, the trade unions representing the rank and file workers were more interested in improving wages and working conditions than the upward mobility of Zambian workers and this conflicted with the interests of the Zambian successors and government.⁴⁷

The situation highlighted competing interests and factions in the mines. This was further confirmed by Andrew Sardanis in his observations of post-independence workplace dynamics in government sectors.⁴⁸ Sardanis points out that Zambian ministers fell into two categories: the freedom fighters and the new graduate elite.⁴⁹ The British were demoted to civil servants, yet they continued to "browbeat their ex-clerks,

workplace, compound, and jails, which were all controlled by the same system of labor control. Nonetheless, his work is seminal and salient to our analysis of the mining industry in Zambia. See William Worger, *South Africa's City of Diamonds: Mine Workers and Monopoly Capitalism in Kimberley, 1867-1895* (New Haven: Yale University Press, 1987).

⁴⁷ Michael Burawoy, *The Colour of Class on the Copper Mines: From African Advancement to Zambianization* (Manchester, UK: Manchester University Press, 1972).

⁴⁸ Andrew Sardanis, *Africa: Another Side of the Coin*, pp. 162-180.

⁴⁹ Andrew Sardanis, p. 162.

who were now their bosses, into following them.” Their thinking was “we are the ones who will run the country. If left alone they will ruin it.”⁵⁰ The freedom fighter group ignored the civil servants’ behavior. The new graduate group, insecure with their power, sought to create nationalist credentials and resented the civil servants’ attitudes. Meanwhile, the ministers, subsumed under the category of political elites, later came into conflict with the economic elites who later became upwardly mobile through entrepreneurial activities.

Economic elites are a growing group and so is the Zambian middle class – the businessmen, the professionals, and executives, and the entrepreneurs. Whites no longer dominate Zambia, and the settler community currently estimated at 50,000 people⁵¹ does not compare to the 60,000 Europeans in 1964.⁵² The black Zambian economic elite is growing and the CEO of the Zambian firm, among many others, is one of them. This is the group that, I believe, will likely use the training and knowledge acquired from working with foreign firms to form their own entrepreneurial ventures in the future.

⁵⁰ Andrew Sardanis, *Africa: Another Side of the Coin*, p. 163.

⁵¹ Andrew Sardanis, p. 325.

⁵² Andrew Sardanis, p. 123.

CHAPTER III

THE COMPANIES

Introduction

In this chapter, I will provide a general overview of the two companies. I will discuss the organizational structure, history and relational dynamics at the Chinese and Zambian firms. I will also provide background information about the employees and examine the role and influence of the leaders within each firm.

The Chinese Company

The first company was a Chinese privately owned enterprise (POE) located in Lusaka, specializing in telecommunications infrastructure and support. I interviewed and collected life histories from 16 employees at the company. The employees' pseudonyms, province of origin, positions at the company and department affiliation are listed in Table 3.1. Two comprehensive charts presenting employee's name, position at the company, department affiliation, origin, education, foreign experience and company training information are listed in the Appendix as Figure 1 and Figure 2.

Table 3.1

Details about Informants at the Chinese Company

Name	Position at Company	Department	Origin
Jenny	Contracts Handler	Administration	Southern Province
Frank	Tower Site Supervisor	Technical Services	Lusaka Province
Mark	Network Engineer	Technical Services	Copperbelt Province
Ben	Software Programmer	Technical Services/Also at Client Company	Lusaka Province
Charlie	Architect	Technical Services	Copperbelt Province
Roz	Verifications manager	Administration	Originally, Southern Province, but moved around a lot
Shelley	Lawyer	Under MD	Copperbelt Province
Carla	Documentation Controller	Administration	Copperbelt Province, but moved around a lot
Bart	Logistics and supply chain manager	Marketing	Szechuan Province
Parker	Transmission Engineer	Technical Services	Shandong Province
Gary	Project Manager	Technical Services	Inner Mongolia
Zack	Chief Financial Officer (or financial	Finance	Hubei Province
Sam	Interface between technical experts	Marketing	Henan Province
Martha	Events and gifts coordinator	Administration	Henan Province
Will	Systems Engineer	Technical Services	Hubei Province
Gil	Information Engineer	Technical Services	Shandong Province

The company was a multinational corporation (MNC) with branches in 39 African countries and expanding. The Chinese telecommunications company was focused on physical telecommunications infrastructure such as fiber optic networks. It grew and spread to 39 Sub-Saharan African countries.⁵³ In 2001, the company obtained a \$62 million deal with Madagascar and Mauritius to provide telecommunications equipment and technical services. In October of 2008, the company secured a \$48 million contract with Zamtel, the leading fixed-line and Internet service provider in Zambia to build a national fiber optic backbone for the country.⁵⁴

When the company was established in African countries, it obtained a \$62 million deal with Madagascar and Mauritius, providing telecommunications equipment and technical services. The Zambian division was created in 2001. By 2007, the Zambian division had increased profits by 200% and reached an all-time high of \$2 billion in sales in Sub-Saharan Africa.⁵⁵ The company's economic expansion coincided with the increase in Chinese investments in African countries.

Founded in 1987, the company was inaugurated as a private enterprise in a special economic zone in Shenzhen, China. From its inception, its founder and current CEO sought to deploy Mao's Chinese revolutionary war strategy, which involved "encircling the cities from the countryside."⁵⁶ By concentrating on the rural areas

⁵³ Chris Alden, *China in Africa* (Cape Town and London: Zed Books, 2007).

⁵⁴ Russell Southwood, "Government Reinforces Zamtel Monopoly as Country Heads of Competition" in *AllAfrica.com*, 2010, Accessed 8 Feb 2010. <<http://allafrica.com/stories/201002050911.html>>.

⁵⁵ Mr. Lee, a pseudonym for one of the head managers at the Chinese company, provided this data during an interview in Lusaka, Zambia, July 5, 2008.

⁵⁶ Beiguang Zhu, *Internationalization of Chinese MNEs and Dunning's Eclectic (OLI) Paradigm*.

overlooked by larger companies, the company gradually accumulated clients and established itself as a reputable corporation. Subsequently, it began to penetrate the urban areas. The CEO's domestic strategy was later applied to the company's internationalization plan, which entailed encircling the markets in developing countries and gaining a stronghold there. This enabled the company to circumvent the competition in markets with advanced technologies and severe competition.

In 1997, the company entered the Russian market, set up business in Brazil, and then entered Yemen and Laos a year later. By 1999, the company began to penetrate Africa. In 2004, it acquired a \$34 million deal to update Kenya's SAFARICOM's Intelligent Network and earned revenues of \$5.58 billion and yearly increases of 45 percent, most of which derived from international markets including Latin America, North Africa, the United States, and Europe.⁵⁷ In that same year, it won bids in Nigeria, Zimbabwe, and Zambia. By 2007, it reached new heights of \$11.5 billion in sales in Africa, with 8 regional headquarters around the world in Asia, Latin America, Russia, Africa, and the UK.⁵⁸

The internalization tactic, premised on Mao's guerrilla war strategy, was aligned with the CEO's leadership of the company. Employees were trained to adopt the idea that "developing enterprises are like hungry wolves. Wolves have three significant characteristics – keen sense of smell, unyielding and never-tired offensive spirit, as well

Master's Thesis (Lund University, Sweden: School of Economics and Management Department of Economics, 2008), p. 45.

⁵⁷ Beiguang Zhu, *Internationalization of Chinese MNEs and Dunning's Eclectic (OLI) Paradigm*, p. 25.

⁵⁸ Jizhong Zhou, "About [Chinese] Corp. CEO – Ren Zhengfei." Plenary Session 6: High Tech Entrepreneurship in China. Graduate University of Chinese Academy of Sciences. (Beijing, China, 2007).

as group-fighting awareness.” The CEO proceeded to state that enterprises “must possess the three characteristics of wolves so as to expand.”⁵⁹ Enconced in the wolf-like spirit was the ability and willingness to adapt.

The Zambian branch of the MNC occupied one floor of a posh two-story building owned by the Kaunda family in one of the largest and most popular shopping centers. The company was composed of two types of Zambian employees: temporary and formal staff. Included in the Zambian staff were approximately 36 formal employees and 18 temporary employees. Chinese employees comprised approximately 67 total employees, nearly all-formal staff, excluding those who stayed in Lusaka for a few weeks to months temporarily for business. The Human Resources (HR) manager, a Zambian woman who was part of the team that launched the branch in Zambia over a decade ago, reported this information in 2010; when I returned in 2011, the company was moving towards granting permanent contracts to some of the temporary Zambian employees. The number of Chinese employees had decreased by about 25 percent.⁶⁰

According to Artie the public relations officer whose background I will explore further in Chapter IV, the Chinese government paid the Chinese firm the principal

⁵⁹ Beiguang Zhu, *Internationalization of Chinese MNEs and Dunning's Eclectic (OLI) Paradigm*. Master's Thesis, p. 62.

⁶⁰ When I spoke to the sales manager who was my point of access to the company in 2010 and the public relations officer in 2011, both good friends, they confirmed that the Chinese company wanted to have Zambians run the branch in Lusaka because it was cheaper than providing contracts (and large bonuses) to Chinese employees. The issue that they raised related to matters of trust. For instance, they mentioned that one of the managers, a Zambian man I met in 2010, who had an MBA from the United States and excellent credentials and was also one of the largest chicken sellers in Zambia, had stolen from the company and was fired. By the time I returned in 2011, he was no longer there. The trajectory of eventually having a nearly all-Zambian staff at the company remains a long-term goal, but it may take a while for trust to be established.

amount for technology projects implemented for the Zambian government. The Chinese firm was more interested in capturing the international market, particularly in developing countries, in order to assume the top position in the telecommunications industry. As he explained in the following statement, the Chinese government gave loans to the Zambian government for the technology projects. The Zambian government paid off interest for the loans. The Chinese government paid the principal amount to the Chinese firm. This enabled them to report higher profits in their bi-yearly reports, which boosted their position among competitors in the telecommunications industry. The same model was adopted in Malawi, where Artie the public relations manager previously worked before transferring to Zambia.

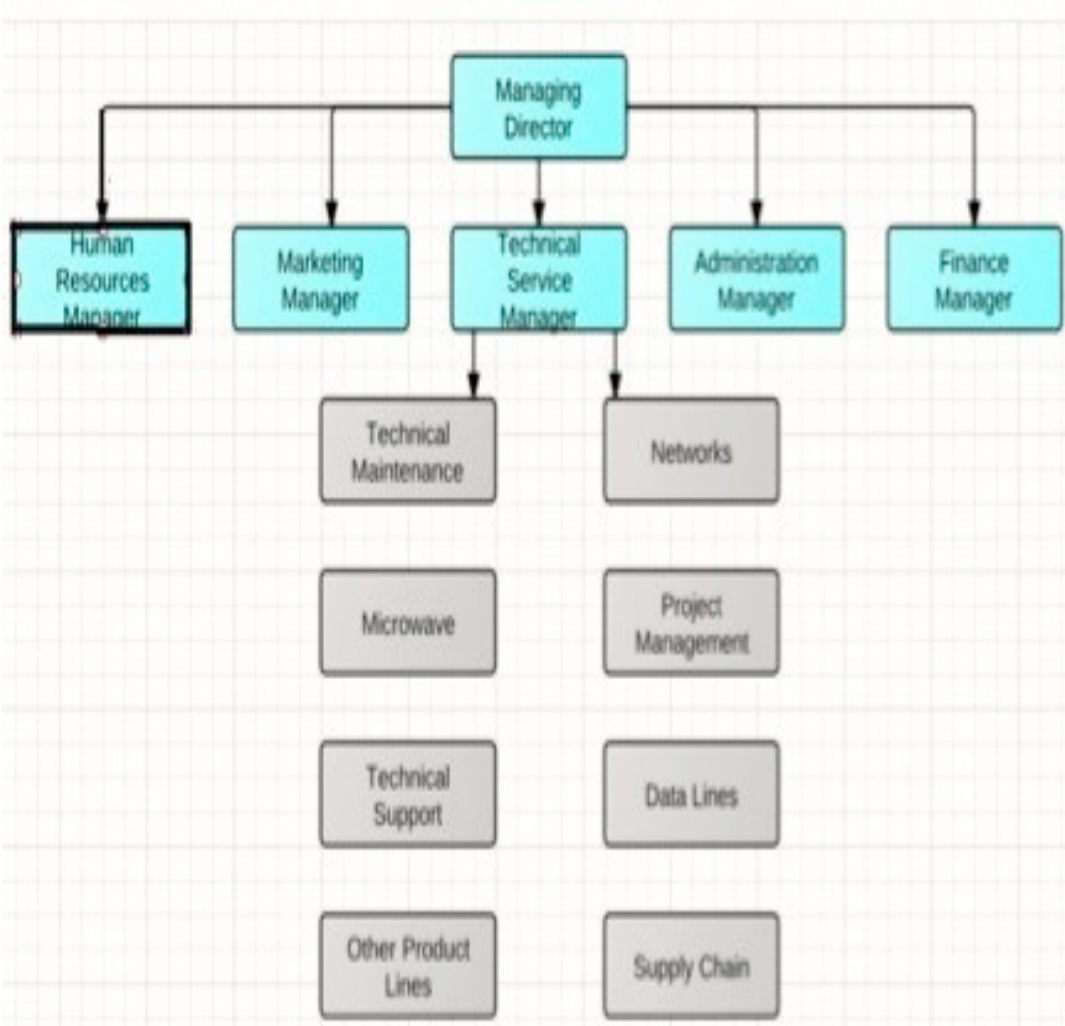
In Zimbabwe I was the connection between the embassy, community, council office and immigration office. In Malawi, I also handled projects, for example, to help government find end solution in term of software and hardware. The Chinese government gives loans to Malawian government in the form of a contract. The loans are directed into [the Chinese firm's] account. African governments have no money so it pays interest off the loans. Technically, we get money from the Chinese government. For example, in Zambia we also service a government project for [a Zambian firm] which is state-owned. The Zambian government wants an enterprise network so that all government institutions are linked together. We are the solutions provider for that. We handle 3G networks and we oversee the building of over 100 towers. Here, I manage contracts. I have to get people to sign them. We also handle government projects here. As a public relations person, I have to get contracts signed, so I'm also partly sales. Now that we're second in the whole telecommunications industry, [this Chinese firm] wants to be global. It will take a long time. We're at the experimental stages. We're focusing on CSR right now. For example, we've helped build orphanages and schools here. We believe in giving back to the community.

The employees were distributed among five major departments in the company: technical service, finance, marketing, human resources and administration. The organizational structure is illustrated in Figure 3.2. In the Chinese company, most of the Zambian employees had extensive experience working for NGOs and foreign firms or

received their education and training abroad. They were frequently referred to by the MD as “cream of the crop” and exceptional among Zambian professionals. Over 90 percent of the employees at the Chinese company were university-educated.

Figure 3.2

Corporate Structure of Chinese Company (Zambia Branch)



As Figure 3.2 shows, the managing director (MD) occupied the top position at the Zambian branch. Below the managing director were the human resources manager, marketing manager, technical service manager, administration manager, and finance manager. Departments were then divided into the following sections: technical maintenance, microwave, technical support, other product lines, networks, project management, data lines, and supply chain.

In the Chinese company, the eight participants grew up in Inner Mongolia, Henan, Shandong, Sichuan and Hubei provinces, as shown in Figure 3.3. This is significant because it provides a general context of where the Chinese employees originated, and illustrates the salience of provincial identities in some cases. Although it was not deterministic, Chinese employees did occasionally express closeness with colleagues that hailed from the same province, much like the way some Zambian employees expressed closeness with colleagues of the same ethnicity or whom they identified as “tribal cousins.” Their rhetoric when discussing these affiliations shaped the dynamic of their interactions. The square boxes represent the individual Chinese participants. One can look at Henan province and see two square boxes, indicating that there were two participants from Henan province.

Twenty participants were Zambian nationals, most of them coming from the Copperbelt provinces. Figure 3.4 shows the provincial origins of the Zambian participants in both companies. In Figure 3.4, the square boxes also indicate the number of Zambia participants from that specific region.

Figure 3.3

Provincial Origins of Chinese Participants



Figure 3.4

Provincial Origins of Zambian Participants



The Zambian Company

The second company, a Zambian company, specialized in construction of mining plants and schools and residential buildings. Technical services included mechanical engineering, civil construction works, industrial plant installations, mining and construction equipment supply and sales of equipment. The civil construction works

included the following:

- Foundation and building construction (of schools, hospitals, embassies, houses)
- Repairs of cracked concrete structures, columns, equipment bases
- Water treatment plant installations
- Water reservoir rehabilitation
- Demolitions and drainages

The mechanical engineering works included the following:

- Steel fabrication and erection
- Sheet metal works
- Plant installations
- Pipe manufacture and installations
- Equipment repairs, such as pumps, gearboxes, and agitators, structural steel, cyclones, overhead cranes, and leakage repairs on pipes
- Site machinery works, line boring and drilling and roofing works
- Refurbishment of process plants

The company also offered underground mining equipment and dump trucks for rent. The mobile equipment included six light trucks and vans, 15 heavy duty trucks, such as tippers and flatbed rigs, eight four-wheel drives and SUVs, one 10-ton forklift, one 10-ton mobile crane, one 110-ton mobile crane, one 2.5-ton fork lift, three excavators and three front end loaders.

Incorporated in 1999, the company had a total of 250 employees, with approximately twenty employees working in the main office located in the Heavy Industrial District of Kitwe. The CEO was a trained engineer and had 19 years of experience in corporate management, mechanical works and civil construction. He was known to be very hardworking, brilliant in business and very secretive; thus, it was difficult to obtain any information about his life.

The company was composed of employees from predominantly Bemba-speaking backgrounds. The majority of Zambians know how to speak or at least understand several languages. There are 73 different ethnicities in Zambia and Bemba-speaking groups constitute one of the largest ethnic groups in the country. Most employees were educated up to high school levels, except for those who occupied the management positions. Those who received a university education were mostly educated at the University of Zambia (UNZA) and had personal connections to the CEO, who also graduated from UNZA. Almost all employees at the Zambian company who received a university degree or above occupied managerial positions. Details indicating the employee's pseudonym, position at the company and a brief description is included in Table 3.5. The number in parenthesis in the position column indicates the corresponding position in Figure 3.6.

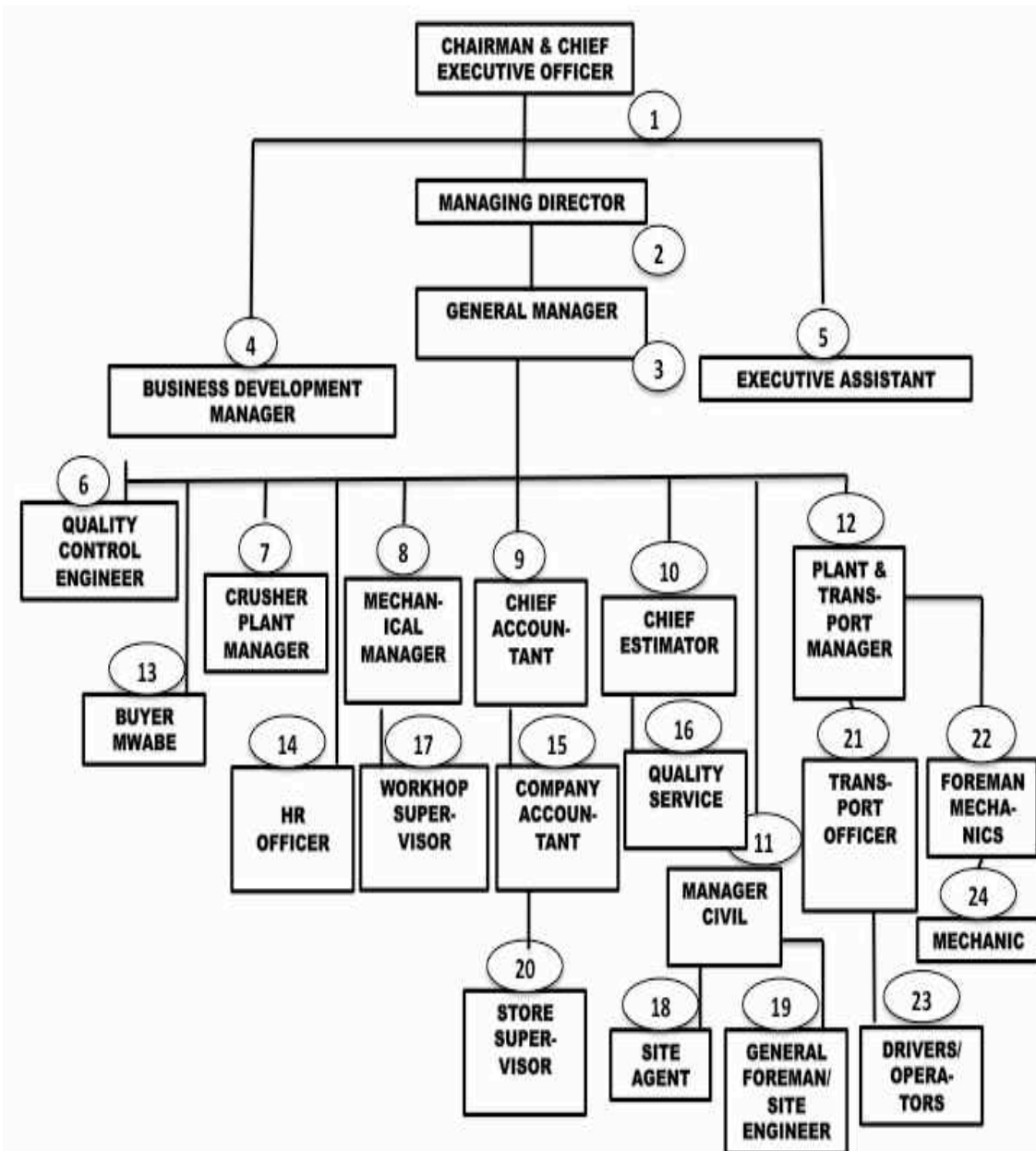
Table 3.5

Details about Informants at the Zambian Company

Name	Position	Description	Number in Figure 3.6
Abe	Purchasing and Supply Clerk	Low level, less specialized knowledge	20
Barry	Storeman	Low level, some specialized knowledge	20
Carl	Driver	Low level, less specialized knowledge	23
Don	Workshop Staff Member	Low level, less specialized knowledge	17
Enoch	Computer Engineer	Mid level, highly specialized knowledge,	Not Listed
Faye	Human Resources Officer	Mid level, medium specialized knowledge	14
Gavin	Payroll clerk	Low level, less specialized knowledge	14
Harold	Boilermaker/Chief Estimator	High level, highly specialized knowledge	10
Ian	Project Manager/Consultant	High level, highly specialized knowledge	Not listed
Jack	Marketing Specialist	Mid level, medium specialized knowledge	4
Ken	Technical Project Manager	High level, highly specialized knowledge	3
Larry	Assistant Accountant	High level, highly specialized knowledge	15

Figure 3.6

Corporate Structure of Zambian Company



As Figure 3.6 of the organizational structure of the Zambian company shows, the CEO occupies the head position. Although the Managing Director is the only position listed underneath him, in practice, all the managerial and consultant positions were fairly structurally equivalent to the Managing Director position. Thus, referring back to Table 3.5, I must emphasize that Enoch, Harold, Ian, Jack, Ken and Larry all reported directly to the CEO. Although this was the case, Harold, Ian and Larry possessed extensive managerial experience equivalent to the CEO, so they were treated more or less as business partners.

Enoch's position is not shown in Figure 3.6 because he took care of the computers and servers and this was a more recent addition to the company. Abe, Barry and Don worked together in the store and workshop. Carl was one of the drivers. Faye, Gavin and Larry worked together to distribute payrolls. Although Larry worked closely with the CEO, he was the assistant account to the chief accountant marked as position 9 in Figure 3.6. The chief accountant declined to be part of this formal study. Harold, Jack, and Ken supervised many employees, while Ian was an independent consultant working primarily alone. Therefore, in Figure 3.6, I have described their positions as high level combined with highly specialized knowledge.

Enoch and Ian's positions were not reflected in Figure 3.6 because they were more recent additions to the company. The CEO made use of consultants and independent project managers such as Ian. They brought projects to the CEO and earned commission on them. Ian's project consisted of marketing coke as an attractive product to offer as well as purchasing equipment from bankrupt Chinese companies for the CEO.

Another project manager was Paul, whose story is showcased in Chapter VII. Paul specialized in corporate social responsibility and coke projects for the Zambian company. I also brought Paul in as a consultant for Chinese and Zambian mining partnerships, where I served as the translator. This partnership is explored later in detail. These were side projects not affiliated with the company and were forged through my own initiative and research interests. I discovered during my stay in Kitwe that there was a demand for Chinese-Zambian liaison and was approached by several people to work for them; since it was part of my research, I consented and due to my relations with colleagues at the Zambian firm, I asked them for advice; in the case of Paul, I introduced him to some of the Chinese investors looking to hire a consultant.

My position at the Zambian firm was executive administrative assistant, human resources manager and Chinese mining liaison. Another independent consultant who was not a formal part of the study because he was based in Lusaka, Zimbabwe and South Africa introduced me to the CEO. During my time there, he had a positive relationship with the CEO. However, he had an antagonistic relationship with Ian and the other consultants; in 2013, I received notice that the CEO severed ties with him.

Paul, Ian and employees at the project management level operated on an equal yet slightly subordinate manner with the CEO. The CEO permitted them to exercise discretion. The rest of the employees, myself included, were subordinate to the CEO. There were very few intermediaries, with the exception of the Managing Director whom I will call Adam, indicated in position number 2 in Figure 3.6. This position was occupied by a long-time colleague of the CEO who served dual positions, including crusher plant supervisor, shown in position number 7 in Figure 3.6. He was the go-to

person when the CEO was not present in the office and was reputed to be someone who preferred to be in the field rather than in the office. He declined to be a formal part of this study.

Organizational Analysis

Using the typologies proposed by Blau and Scott, the two companies qualify as business organizations whose main beneficiaries were the owners and the challenges lay in maximizing profits through the efficient use of resources. The owner of the Zambian company was the CEO.⁶² He previously co-owned the company with another Zambian man who had received his university degree from Manchester University and was also trained as an engineer for nearly twenty years. By 2013, for reasons unbeknownst to the employees, the CEO became the sole owner.

The ownership of the company may change as the CEO considered putting the company under the Lusaka Stock Exchange (LuSE). Should the company be listed under LuSE, at least 25% of issues shares would rest in the hands of the public. The Chinese company was an MNC, with the company's founder owning 1.4% of shares. Public media reports indicate that most of the company is owned by Chinese nationals who have spent more than two years at the company through stock options. The company, boasting over 140,000 employees worldwide has 60,000 employees who are part owners. Employees who leave the company have to sell back their shares unless they worked there for over ten years. The company is not publicly listed and the founder is contemplating allowing non-Chinese nationals to have stock options too. In 2013, the company's branch in India allowed non-Chinese employees the equivalent of stock options.

Power in the Companies

Another framework to analyze the two companies is through the classifications put forth by Amitai Etzioni, who identified three types of power in organizations, including coercive power, remunerative power, and normative power.⁶¹ Coercive power involved the threat of being fired or expelled. Remunerative power referred to the use of bonuses and increases in salaries. Normative power involved the use of symbolic rewards such as praise or other expressive activities. The Chinese company employed all three types of power. Coercive power was evidenced in interviews with employees that expressed their anxieties about being fired if they did not meet their Key Performance Indicators (KPIs). Each position had specific KPIs. Performance appraisals occurred twice a year, around May or June and then at the end of the year. During this time, the company evaluated whether employees were meeting their quotas. Employees failing to meet their quotas were fired. Those who met or exceeded their KPIs were granted bonuses or if they frequently met or exceeded their KPIs, they were promoted. Salary increases and bonuses were examples of remunerative power exercised in the company.

Normative power was used through employee orientation, which attempted to elicit commitment and loyalty to the organization through promotion of its values and company culture. This was further reinforced through online exams given regularly to employees testing their knowledge of corporate values or about the latest technical products released by the company. The primary goal of the Chinese company was to increase profits; rules and regulations were created from the main headquarters in China,

⁶¹ Amitai Etzioni, *Complex Organizations* (New York: Holt, Rinehart and Winston, 1961).

but more closely enforced from the continental headquarters in South Africa. Although the Zambian branch followed decision made elsewhere, everyday rules and regulations were adjusted on an ad-hoc basis, thus giving some Zambian employees who had worked for European NGOs or firms that the Chinese company was quite disorganized.

The Zambian company primarily exercised remunerative and normative power. Material rewards such as salaries and bonuses were strong incentives for employees to comply with the organization. Although the Human Resources (HR) officer was starting to implement procedures for performance evaluations and salary increases, it was not yet standardized. Rather, it was done in an ad-hoc fashion whereby employees would meet with the CEO directly and ask for a raise, an advance or a bonus. All incurred expenses, such as transport, lodging and anything relating to business for the company, were written on ledgers in the Accounts department and reimbursements approved directly by the CEO. Employees were required to pay their own way and reimbursed later. In some circumstances, the CEO allowed advanced payments.

He had an open door policy, so employees from rank and file could set up a meeting and ask for a pay increase. The CEO's power was not visible through his behavior or actions. He was indeed a quiet man. There were cases of CEO firing employees if they stole money from him. This happened several times when I worked there. Although this does show some coercive power at work, it does not fully explain their incessant expression of admiration of the CEO or the CEO's tremendous power over the employees even in his absence.

The only plausible explanation using Amitai Etzioni's framework is normative power manifested through employees' admiration of the CEO and seemingly total

respect for his position. Some of the rank and file workers showed audacity by entering his office and asking for an advanced payment. Those in the administrative quarters, including all my informants, rarely made requests of the CEO, stating that he was their “bwana,” and they would not disagree with or speak up to him. The project managers and independent consultants bickered with each other and vied for his attention.

Everyone sought his approval. This was not a matter of presenting a strong image when he was present; certainly, as in the Chinese company, employees postured themselves as hardworking and loyal to him when the MD was present.

One major difference between the Chinese and Zambian company was employee loyalty to the CEO even in his absence. In the Zambian company, even when the CEO was not present, employees lavished him with praise. In the Chinese company, most employees disliked the MD but expressed respect for his work. When present at the company, he instilled fear in the employees. When he was not present, employees gossiped about him and wondered whether he had a life. Chinese employees at the company became adept at bending the rules; for example, they invited me on weekend excursions and asked that I keep them a secret from the MD. The Zambian employees that worked at the company for a longer period of time also demonstrated a willingness to bend the rules, for example, extending lunch breaks and using the drivers for non-work purposes when the MD was absent. Both Chinese and Zambian employees deployed acts of resistance against the larger corporate structure by displaying knowledge about the rules and knowing when to bend them. That employees at the Chinese company maneuvered around the rules illustrate to that the organizational was less authoritarian and hierarchical.

In contrast, the Zambia company was authoritarian and hierarchical and depended heavily upon the personality, decisions and ideas of the leader. As is common in small to medium-sized firms in the United States, the leadership becomes indispensable such that if the CEO were to leave or die, the firm ceases to operate. This was certainly the case at the Zambian firm, since all decisions flowed from the CEO and employees demonstrated a strong buy-in of the authoritarian culture. The CEO commanded the loyalties of his employees; even in his absence, they praised him, calling him a humble man who deserved his successes.

According to Max Weber, charisma is an emotionally based attribute that is associated with mystical, extraordinary, or superhuman qualities of a leader.⁶⁴ While both the CEO and MD at the companies possessed some measure of charismatic authority, the response to the authority was much more positive at the Zambian company. The CEO at the Zambian company was described by nearly all informants as humble, smart and extraordinary. His authority could be compared to the traditional authority of the chief in the Yombe government in Zambia. George C. Bond explains that the imposition of the Native Administration system in 1936 strengthened the chief's authority and power by reducing the power of the royal clan, which used to provide checks on the chief's authority and by securing his position within the colonial administration. The chief was the main distributor of wealth and this kept some of his subjects loyal; if he did not provide for their material or spiritual interests, they could take their loyalty to the neighboring chief.⁶² While the CEO's authority could be considered akin to traditional authority in the Yombe government, there was no

⁶² George C. Bond. *New Coalitions and Traditional Chieftainship in Northern Zambia: The Politics of Local Government in Uyombe*. *Africa: Journal of the International Africa Institute*. 45.4 (1975): 348-362.

external governing board to provide checks on his authority. Under typical circumstances, employees could transfer their allegiances to other companies. At the time of research, the mining industry was doing quite well, and the demand for Zambians with experience in the industry was quite high. However, the industry was so cutthroat, secretive and cliquish that it was rare for employees to transfer across companies that were in competition with each other. An Afrikaans man who was in charge of the Finnish company explained that one of his employees tried to get a job with his competitor and when he found out about it through the human resources official of the competitor company, he decided to let the employee go. He complained that he had invested in her, trained her and she showed little or no allegiance. Similarly, the CEO at the Zambian company commanded full allegiance from his employees.

Restricted mobility within the industry, coupled with the nature of sole ownership of the company, strengthened the CEO's authority and reduced the power of the employees to challenge existing structures and policies. It also kept them divided from each other due to the intense demands of loyalty and keeping confidentiality for the CEO. When the CEO left company premises and tended to business outside the administrative quarters, employees began to bicker with each other. Tasks that required the coordination of multiple employees fell through the cracks unless the CEO was there to mediate and ensure employees showed their loyalty to him by fulfilling their jobs.

When he was not present, there was no guarantee of teamwork. In some cases, personal grudges held powerful sway and used as weapons of revenge when the CEO was not present. Thus, nearly all the informants at the Zambian company emphasized

the importance of being friendly to get things done.

Complaints were sometimes lodged against each other and the CEO had to mediate these conflicts. However, he could not micromanage everything, so many tasks that slipped through the cracks simply remained so. In other scenarios, lodging complaints backfired and guaranteed that personal grudges would take full effect once the CEO left the premises. Thus, while normative power comprised one part of the Chinese company, it penetrated all spheres at the *Zambian* company. It ensured that employees remained loyal to CEO through his charismatic and traditional authority and in a sense, divided from each other, unless their incentives happened to align.

If we follow Wayne Hoy and Scott Sweetland's paradigms of Weberian bureaucracies, we can come to a better understanding of the organizational structure of the companies.⁶³ The authors proposed a schema in their analysis of educational institutions that included the following categories:

- Enabling bureaucracies: Structure and procedures associated with the organization enable employees to complete their work.
- Hindering bureaucracies: Processes focus on punishment and forcing compliance.
- Hierarchical bureaucracies: Processes are based on the recognition of people in positions of power.
- Rule-bound bureaucracies: Rules are rigid and are not likely to

change. The Chinese company was a combination of an enabling and hindering organization that used mechanistic processes to make sure employees met and exceeded

⁶³ Wayne Hoy and Scott Sweetland, "Designing better schools: The meaning and measure of enabling school structures," *Educational Administration Quarterly*, 2001, 37, 3, pp. 296–321.

their financial targets. Their bottom-line was very clear: more profits. Rules and regulations were bent as long as the bottom line was met.

There was a strong standardization of output, training, specialized skill and knowledge that was uniform among employees in various areas. An example of the communication structure in the Chinese company was evident in the Rules of Existing Network Memo given to the employees. The memo delineated the procedures for communication between the Chinese company and its client, one of the largest South African cell phone operators in Zambia, as well as the internal procedures when dealing with external clients. The internal procedures provide a general overview of the chain of command within the company in Zambia and its relationship with Headquarters in China.

I will call the South African company ABC. The memo is listed below:

1. Any operation scheme must be reviewed by ABC and Chinese Company related engineers, and both parties must make sure that this must be followed and necessary documents should be approved and signed by both parties.
2. During the urgent incident, Chinese Company will provide a status report through SMS or email or conference call to ABC management level every two hours.
3. Dan will provide the monthly report about the network status, package upgrade and license management.
4. The incident report must be reviewed by Chinese Company and ABC related technical engineers before Chinese Company submits the report to ABC officially and Dan will be responsible for organizing discussion and previous experience sharing and lessons learnt with ABC Zambia.
5. During the troubleshooting recovery the service

has the priority than anything else and then the final solution and technical analysis report will be next. Will is the technical team leader for troubleshooting in Chinese Company side, he will locate the network problem and make action plans on site together with ABC team.

6. The VPN server must be accessible all the time. So Mr. Smith and Will is the technical team leader in Chinese Company who is in charge of their VPN server.

7. Mr. Smith is the technical team leader for ABC network and will organize the fault management process.

8. The risk clearance actions sponsored by Chinese Company HQ globally for ABC network will be started from this month and with the strong support from HQ to resolve all the existing and potential network risks, Mr. Kay is the contact person in Chinese company-side.

7. Chinese Branch in Zambia is pushing HQ to fix related engineers team in CN, IN, wireless, transmission, Datacom, etc. We believe it help us locate problems quickly. Currently, we have fixed CN technical engineer. Mr. Zhang who is based in Shanghai R&D center.

8. (same as 7)

9. (same as 8)

10. Please ABC kindly make a structure of ABC technical teams especially who is responsible for which field and other sections.

The memo emphasized the standardization of communication processes by focusing on “operation schemes,” “incident reports” and “risk clearance actions” that must be reviewed and approved by select employees. The memo also delineated structured processes that took place when urgent incidents occur.

The processes included sending a status report through SMS or email or

conference call from the Chinese company to ABC Company every two hours. Monthly reports were also provided. Key individuals were selected to lead the engineers and carry out the tasks. The memo also indicated that communication was open and bilateral between the Chinese branch in Zambia and technical engineers in the Shanghai Research & Development Center. The memo demonstrated that the company was quite bureaucratic and operated like a machine, with highly formalized processes and authority and control in the hands of designated leaders.

The chain of command in the company was top-down although designated leaders and managers had some latitude in their decision-making. They exercised discretionary power in managing their subordinates; however, they ultimately had to comply with the MD's wishes. Similarly, the MD had great latitude in making decisions at the Chinese company in Zambia, but he was constrained by his bosses at HQ China and South Africa and by quotas imposed by executives in China.

The focus on performance and cost effectiveness shows that the Chinese company fit a machine oriented, industrial model. In line with this model, employees attracted to and selected by the company tended to be achievement-oriented and highly ambitious in their careers. Their reactions to power in the company could be characterized as one of rational calculation or utilitarian in achieving goals that serve their professional interests.

Whereas the Chinese company followed strict patterns of recruitment, typically three rounds of interviews for all potential candidates, the Zambian company often hired without interviews and based on personal connections. In the Chinese company, nearly all the Chinese employees were hired at university recruitment fairs or from

online recruitment services. Over half the Zambian employees were hired through referrals by existing employees. Although the importance of connections was evidenced through referrals, Chinese employees acknowledged that they were working with the “cream of the crop” of Zambia. As I will show, all the Zambian employees had at least three years of professional experience and some educational background and the majority had experience working for non-profit, international agencies, or domestic corporations. Much like the prestige accorded to Ivy League universities, the Chinese company was accorded a rather prestigious reputation that placed the Chinese *and* Zambian employees on equal footing. To put it another way, to be selected for the company meant that one was highly competent. Therefore, it was widely acknowledged among my informants that they were working among the best and brightest.

Additionally, the technology industry, unlike the field of education, has abundant resources, which reduces competition to a large extent and encourages more collaboration. At the Chinese company, the Zambian employees were ambitious, career-oriented and constantly striving to improve their skills and expand their knowledge. The particular type of industry and plentiful resources invariably shaped the dynamics among employees and their orientation towards success.

Furthermore, because the Chinese and Zambians had different interests – the Chinese employees wanting to transfer out of Zambia or back to China and the Zambian employees wanting to gain managerial positions or start their own companies – for the most part, they were not in competition for the same resources.⁶⁴ In my observations, the Chinese employees did not resent the Zambian employees and vice versa. The language

⁶⁴ I elaborate upon the role of conflict and competition among co-nationals in Chapter IV and Chapter V.

barrier further contributed to this phenomenon. Another contributing factor was that they disliked gossip circles within, rather than between their co-national groups.

In contrast to the industrial, machine model of the Chinese company, the Zambian company instituted a level of personal care to employees. If an employee was ill at the hospital, it was acceptable for other employees at the company to visit during work hours. During my stint at the Zambian company, two employees, both ill for a long time, died. The Zambian company was responsible for paying for the coffin and employees could attend the funeral. The Chief Executive Officer (CEO) and managers acted as a source of comfort for the family of the deceased, paying their respects by visiting their home and consoling them. In Chapter VI, I provide examples illustrating the significance of emotional support for employees at the Zambian firm. Personal relationships played a far greater role in the Zambian company than in the Chinese company, both in terms of hiring practices and employee care.

The Zambian company was hierarchical, yet organic and stressed the importance of personal relationships. The organic aspect emphasized the flexibility of rules and regulations within the organization. Rules and regulations existed, but they were adapted to fit the needs of the project, such as submitting a tender or constructing a copper leach plant. They were also adjusted through a heart-centered leadership. The Managing Director/Plant Supervisor named Adam knew all the employees well, listened to their personal stories and challenges that stood in the way of their jobs. He ruled with the concept that personal relationship was the cornerstone of productive outcomes. With employees at the administrative quarters, Adam knew their family members and advised employees about their futures and even their love lives, as was the case with the young

HR officer.

This did not mean that outcomes did not matter; the CEO was more disciplinarian in the matter. While Adam employed a gentle approach, the CEO also listened, but displayed anger at employees that failed to do their jobs. This was partly the reason he wanted to hire expatriate engineering managers from the Philippines because he was frustrated with some subordinates not doing their jobs. With the CEO and Adam serving as key leaders, one could argue that the Zambian company adopted a simple structure, with the control assumed by leaders on top and communication flowing downward. Project managers and independent consultants were intermediaries in rare cases. Mostly, they answered and formed relationships directly with the CEO. The CEO put rules and regulations forth directly, after consulting with Adam. Decision making, therefore, was highly centralized.

The consequence was that the high stress and pressures of sustaining a thriving business fell on the CEO. Rather than a strict division of labor, the CEO assumed many roles. This was, after all, his company and he had built it from the ground up. He also took pride, as many of the employees did, in forming a Zambian-owned company responsible for the livelihoods of hundreds of Zambians and their families. Yet he also faced a very cutthroat industry and as one of the elites, faced jealousy and envy from multiple sides -- all this made it difficult for him to know whom to trust. For example, technical advice concerning crushers given by someone from another company was construed as a maneuver to steal trade secrets.

The company thus assumed a simple structure with management taking a top-down approach. An example of this structure could be seen in an email and hard copy

letters to clients and business partners regarding the Zambian company's address change. I assisted the CEO in the logistics of compiling the addresses of clients and business partners, but he was also heavily involved in each part of the process – never delegating it to the secretary or other employees, not even the accountant whom he appointed as the contact person for the letter. The letter is shown is captured here:

May 21, 2012

Dear Esteemed Customers & Business Partners:

We at Zambian Company would like to inform you of recent and important changes. Due to continuous breakdowns of our Zamtel landlines, we have designated the following as our new contact information:

Contact Numbers: 0911-111111, 0922-222222, 0933-333333

Emails: i@ze.com.zm

chiefacct@ze.zm

Please do not hesitate to contact us should you have any inquiries, comments or suggestions. As always, we are grateful for your support and hope we can continue to ensure that all products and services comply with customer specification and timeliness with our passion to perform.

Yours faithfully,

C.D.E.

CHIEF EXECUTIVE OFFICER

This example served to show that nearly all decisions flowed directly from the CEO and he was involved in nearly all aspects of decision making, save for the decisions made by Adam, his trusted and long-time friend at the company. Corporate decisions to sell certain equipment or embark on new projects were also shielded from employees. This was partly due to the shroud of secrecy that was warranted in a competitive industry.

The CEO had to protect his reputation and did not want word to get out that he was selling certain items or if his company ever faced financial challenges. He had to maintain the image that everything was going well. Aside from the importance of privacy in doing business in the Copperbelt, another key factor was the hierarchical structure of the organization and the deep involvement of the CEO in *his* company, a company that he had built from the ground up and in which he was deeply and personally invested. Therefore, we can understand why he was involved in nearly every aspect of decision making at the company.

Conclusion

This chapter provided an organizational analysis that shapes the interactions and relationships at the workplace. In summary, I have made the following points about the Chinese and Zambian companies:

- The Chinese company was an enabling and hindering organization that

used mechanistic processes to ensure that employees met the bottom line. In contrast, the Zambian company was hierarchical and authoritarian and revolved around the decisions and values of the CEO, who also owned the company.

- Because the Chinese company focused on results and it was also a multinational corporation (MNC), his gave employees more autonomy to collaborate with each other and bend the rules. The longer they stayed at the company, the easier they met their targets and bent the rules to their advantage. In the Zambian company, employees sought to gain favor from the CEO. Their actions were aimed towards this end. The utter dedication to the CEO, expressed even in his absence, kept the employees divided from each other and dedicated to the leadership.

In the next chapter, I will elaborate upon the workplace interactions and analyze the role of different perceptions of trust and friendship at the Chinese company.

CHAPTER IV

TRUST AND FRIENDSHIP AT THE CHINESE FIRM

Introduction

China's expanding presence in African countries renders opportunities for future business collaborations and friendships formed between Chinese and Zambians a highly likely and mutually beneficial option. As I attempt to answer the main question posed in the introduction of this study concerning the benefits and challenges of increasing Chinese investments in Zambia, I examine the details of workplace relationships among Chinese and Zambian technology professionals. The next two chapters extract information from a large Chinese telecommunications firm, which by law, must be composed of at least 51 percent Zambian employees. The Chinese firm represents Case Study I.

This chapter explores different configurations of workplace relationships through varying perceptions of trust and friendship. I first attempt to probe in depth into the employees' lives, their backgrounds and motivations for working at the firm. I then explore their different definitions of trust, focusing on the similarities and differences in the definitions among Chinese and Zambian participants. Building upon a discussion of trust and distrust, this chapter then segues to an analysis of workplace interactions contextualized within the structure of the firm, including ways that the firm organized groups based on living arrangements and opportunities for social interactions outside the workplace. This chapter briefly discusses the role of trust as it relates to perceptions of

friendship, gossip and use of money and follows up with a deeper analysis of groupings at the workplace in Chapter V.

The Employees

Most Chinese employees grew up in the rural areas in China.⁶⁵ One can refer to Table 3.1 to keep track of the different employees and their information. The Chinese company's policy dictates that employees stay in an African country for no more than a maximum of three to four years. The exception was South Africa. All other African countries were considered hardship posts, so employees received signing bonuses and additional incentives for working there. In the last couple of years, the Chinese company implemented several key policies aimed at reducing the budget and keeping costs down. Policy implementations included merging positions, departments and country offices and placing more responsibilities on rotating Chinese employees. The consequence was an even more mobile population of Chinese employees than before.

Employees were regularly flown out on weekends to finish tasks in Kenya, Malawi, Zimbabwe, Congo Brazaville and other neighboring countries. For example, one of the salespersons went to Kenya every two weeks to attend product-training meetings and "support" them with a technical project involving the product he specialized in selling. When it became clear that the product he was selling had limited market potential in Zambia, he was transferred to Malawi. He said it was not a promotion, but a better move for his career.

Due to increased mobility and the overall transient nature of Chinese employees transferring out of Zambia after three to four years, keeping track of them as a researcher

⁶⁵ See Figure 4.1 in Chapter IV and Figure 3.3. in Chapter III for more information about the provincial origins of the Chinese employees.

was challenging. A substantial number of participants I befriended while visiting Zambia each year since 2007 had been transferred to Europe and other African countries by the time I returned to do long-term fieldwork. In the middle of my fieldwork, nearly all the remaining Chinese employees I befriended and on which most of this research is based, had left, either returning to China or were transferred elsewhere.

In response to one of the interview questions asking them to describe the house in which they grew up, all Chinese employees described a drastic change when they moved from a village-style house with outdoor bathrooms to a flat with a few bedrooms and indoor bathroom and kitchen. One of the employees, Bart who had worked at the company in Zambia for three years, handled logistics and supply chain management for the company. He worked closely with customers and ensured that the implementation of the technical projects was done correctly. Bart was born in Schezuan province in China. Both parents were born in the same region.

As an only child, he was very close with his paternal grandparents. He recalled climbing on the back of his grandfather while he was at home making tobacco and going grocery shopping with this grandmother. His grandmother's father was a teacher and passed down the importance of education, even though his parents were not allowed to receive an education. Bart described his father as someone that did not have the opportunity to attend school, but had a very good temperament and liked to talk to Bart about the good of society and community. He was a former soldier who later became an employee at a company that went out of business in about five to seven years. His father used his contacts with the company to form his own company – quite unsuccessfully. He also used some of his earnings and money borrowed from friends in the stock market. He

lost a lot of money, which Bart was helping to pay back. Bart's mother was an accountant and worked several side jobs.

When asked about his upbringing, Bart had this to say: "China developed so quickly. It was nice when we moved. We were on the third floor. Our old house was made of cement. No carpet. This one had two bedrooms and a living room." The most festive celebration was new years, when he received money from his parents and relatives. Bart said that during the two weeks, they ate food that they did not have access to during the year.

Another employee Sam from Henan province also shared similar sentiments about witnessing rapid changes growing up. Sam worked in the sales department as the interface between the clients and the technical experts. He worked at the company for seven years, including one year spent in South Africa and three years in Zambia. Born in Henan province, his father served in the military from age 15 to 19, then worked for a government company and later became a manager. His mother worked in the accounting department of a small Hong Kong and Chinese-owned company for twenty years and then in the sales department of a company that sold residential parts such as doors and window frames for ten years. Sam had an older sister and younger brother. As a young child, Sam's maternal grandmother took care of him while his parents worked. In middle school, Sam stayed with his parents. In high school, Sam's paternal grandfather took care of him. He was a former chef and taught Sam how to cook. Sam discussed the changes in rapid economic development during his childhood:

When I was born in 1980, we didn't have two-story homes in that area. We had flat homes. At first, my father and mother, my grandparents and unmarried aunt lived there with three bedrooms and one small living room. It was all in a line. The bathroom was public

shared with neighbors. It was very dirty. Then in 1992, we moved to the third floor. Then it was just me and my parents. Two bedrooms and a living room.

Another employee Gary, a project manager, from Inner Mongolia told a similar story. Gary was born in Inner Mongolia. His father worked at a government bookstore. His mother was a logistical coordinator at a construction company. Her job involved estimating and planning the amount of concrete to use, bricks and implementation of design and planning.

Gary grew up with his grandparents. He was very close to his grandmother, whom he described as a very traditional woman with bound feet. She took care of the house, domestic chores and the children. His grandfather graduated from college in his twenties and wanted his children to perform well in school. Gary's parents and aunts and uncles were not able to attend university because of the Cultural Revolution.

Gary explained, "The generation that went through the Cultural Revolution -- most people don't want to talk about these things. The ten years were very injurious. My grandfather was in jail before for 10 years prior to the Cultural Revolution. So my father did not meet his father for 15 years. When I was born, my grandfather came home. My grandmother, the whole time, took care of everyone. My father and his sisters started working at a young age. My father was taking care of the family at 16 or 17 years old."

Gray recalled that when he was younger, they lived in a flat house with the whole family living in close quarters. Even food was scarce.

Before 1970s, Chinese people had a difficult time. We did not have enough to eat. Those older than me, my older sister for example, did not receive milk. Inner Mongolia had to supply milk for Beijing and other big cities. This left little milk for those living in our area. So we only ate things like chicken and fish on birthdays or New Years.

Then in the 1980s, they moved into a newer, high-rise apartment that had three bedrooms, a living room and bathroom.

The significance of witnessing rapid economic development was that it fueled their drive to suffer or “eat bitterness” and furnished some form of coherent meaning to their struggles abroad. For most of my Chinese informants, working abroad was a necessary sacrifice to fulfill previously denied dreams and improve their lives. It was also a symbol for success since working abroad was often associated with wealth. Wealth ensured their chances of getting married. It afforded them the ability to purchase a home in the city, which is now a prerequisite set forth by Chinese women looking for suitable partners. From the Chinese perspective, wealth also ensured and symbolized stability.

More valued than freedom, stability guarantees the harmony and well being of collectives, including the family and the nation. The desire to be stable through the accumulation of wealth is not only rooted in Confucianism, but is also a consequence of experiencing over a century of historical and fiscal instability. Even though my Chinese informants did not experience this directly, the powerful narratives of major wars, poverty, famine, and political unrest in China passed down by their grandparents and parents, who did directly experience these hardships, greatly affected their decisions to take advantage of the opportunities now, even if it meant making tremendous sacrifices. Furthermore, the lack of social security and other safety nets also proved to be urgent impetus for the Chinese to work abroad and save money. Thus, my Chinese informants faced immense pressures to accumulate capital for the security of their futures or else

they faced downward mobility. Garnering six to seven times more than the amount of average salaries in China made the sacrifices worthwhile.

While most Chinese employees grew up in rural areas, the majority of Zambian employees grew up in central hubs, either in the Copperbelt or in the capital city of Lusaka. Among Zambian employees in both companies, 11 out of the 20 interviewed grew up in the Copperbelt Province, also known as the mining capital. Out of the 11 who grew up in the Copperbelt, eight had fathers whose primary occupation was supported by mining. Among the eight, half were underground miners or supervisors and the other half supplied mining equipment or worked in security for ZCCM (formerly Zambia Consolidated Copper Mines, Ltd), which used to hold a government monopoly on all the mines.

Since privatizing in the 1990s, ZCCM sold the mines to the Chinese, Indians and South Africans yet still retains a share of the profits. Given a substantial number of Zambian employees whose fathers worked for the mines, it is fair to say that ZCCM during the nationalist era under former President Kenneth Kaunda provided educational and employment opportunities for subsequent generations.

From the Zambian perspective, working for a Chinese firm represented opportunities for career advancement. One employee, Shelley who was the company lawyer, summed it up well:

What I noticed here [in Zambia] is that a white person gets a higher position than you even if they're not that much qualified than just because of their color especially in a company, which is controlled by whites. There's that racial issue. For Chinese, getting into the inner circle, it's strictly business. They don't look at color, they trust you first. You have to prove yourself first.

Shelley was born in the Copperbelt region. Her father, also born there, was a quality

assurance technician for machines at TAZARA and her mother was a secretary at the same company. As the third born of six siblings, including three sisters and two brothers, Shelley studied hard and received good grades. After finishing secondary school, she was accepted to the University of Zambia on a bursary or government scholarship. As a law major, Shelley had to study hard. She remembered that the experience was challenging because she was trying to learn an entirely different language -- the legal language. She collaborated often with her colleagues. Group work was the norm among students majoring in law. She explained, "You can't study on your own and expect to get good results to understand everything. You need to discuss with friends and you need time to understand the assignments, all exam questions."

Once she completed her studies, she began work as a magistrate. After six years, Shelley left the judiciary and worked as a civil litigation lawyer. She wanted to work for a multinational corporation, where she thought there would be more professionalism. She explained that in government, "it's relaxed. You manage and because you work instead of being in office, you sneak off and do your own things. You join this company and you have to be at your desk from 8 to 5 everyday. You are meeting and working with people of different cultures so you're trying to understand their habits and some of their work ethics and habits also."

A colleague at work told her that a Chinese company was looking for a lawyer. The Chinese company never had a Zambian lawyer, so she was sent for training at company headquarters in South Africa. Shelley received many awards at the Chinese company. She contrasted the Chinese company to her previous work environments:

Compared to where I am now, in a Zambian environment, it's mostly

on who you know, the relationships that you have with the boss, and how long you've worked in that place for you to be recognized at that place accordingly. I don't think being a woman plays a factor in being at [the Chinese company]. One thing about my own perception of the Chinese is that they won't look at your color and gender. They just look at results. So whether you're woman, man, if you give good results, then you could be recognized. Positive results [meaning] if you're able to meet and exceed your KPI [key performance indicators].

Key performance indicators (KPIs) were procedural mechanisms used by the company to evaluate employee performance, as previously mentioned in Chapter II on the structural analysis of the corporations. Shelley explained further: "In the Ministry of Justice, there are more women than men because men always look for money, which is not there in government, but for women, they want job security and stability because you have other family roles. So they go for a job that is secure. Compared to where I am now, in a Zambian environment, it's mostly on who you know, the relationships that you have with the boss, and how long you've worked in that place for you to be recognized at the place accordingly. I've never worked in Zambian private companies. I guess it must be the same as here. But I've worked in government and one thing I've observed is that if your father is a minister, everyone will know you. They will give you special favors; maybe you get to go on foreign trips, promotions, projects and everyone accepts. Because that's the norm. At [the Chinese company], awards I've gotten, is based on merit because of work I've done."

In contrast to the organizational culture in the Chinese company, in the Zambian company, using personal connections was the most effective means to accomplishing tasks.⁶⁶ Policies at the Zambian company instituted care for employees on a personal level, providing for funeral expenses and transport for visits to sick employees and

⁶⁶ See Chapter III for a structural comparison between the Chinese and Zambian companies

provided more opportunities for employees to interact on a personal and even intimate level. During my stint at the Zambian company, one of the employees died from AIDS. The man had worked for the company since 2007. All the managers, CEO and anyone who wanted to, attended the funeral. The company paid for the coffin, transport for the family members, and part of the burial fees. Together, we bought a large bouquet of flowers and individual roses and drove deep into the bush. When we arrived at the cemetery, one of the employees showed us the spot where her late husband was also buried. There was a large crowd, filled with wailing women dressed in *chitenges*. Some men came over and informed the CEO that although the man had already been buried, they had to dig him up again because they needed to pour concrete to seal the coffin due to rumors that people were stealing coffins, especially the expensive ones, and selling them.

After a series of speeches, two of the company employees made speeches and comforted the widow. In the end, everyone from the company grabbed a rose and placed it on the man's grave. Slowly, the wailing women, including the widow, walked to the bouquet of flowers, grabbed a rose, walked over to the grave and left it there. When the ritual ended, we prayed and left. We then drove to the deceased man's sister's house, where people gathered outside and in the courtyard. The CEO went in and paid his respects to the family of the deceased. This personal touch separated the Zambian company from the Chinese one. That the CEO personally knew each of the employees and their families and provided for their care when they were ill or had died demonstrated the crucial role of personal relationships.

These personal relationships, sometimes evolving into friendships, served as an

instrumental, even necessary means to get the job done. For example, Harold the boilermaker and project manager at the Zambian company, who had over thirty years of experience in the mining field, stressed the importance of being friendly to get the job done.

I have to be friendly with them at work. You see, some people are very difficult to understand. So if you take them in your own way, then the job cannot be done. So you need to be friendly with them, because when you give them a job, can you do this, I'm going to Ndola when I come back I want it done, so if you're not good to them, they can't do it. Let him come and say what he wants to do. If you are friendly, he will do the job. Not shout too much at him. But sure, anger when he has made a mistake, but not before that.

Abe, the storeman, whose job at the company was to manage the equipment at the store, offered a similar explanation. Abe was a former teacher, who decided to stop teaching because of funding cuts and the instability of his position. He got the job at the Zambian company through his brother, who was working as a foreman. Abe explained the importance of being friendly and making friends at work.

I'm friends with people at work. I want to be friends with them at work because things can be easy for you. Even if you want assistance, but if you're not friends, then it's difficult to ask people for assistance. And he can do favors for you. Even if you're not present, they can help you.

Abe insinuated that the only effective means of getting the job done at the Zambian company was through friendship because it required asking for and returning favors. Due to the lack of external measures, except in cases where projects were overseen by the CEO or Adam, the long-time and trusted colleague of the CEO, there was no urgency to carry out a task for someone else.⁶⁷ Even if the task slipped through the cracks, the person responsible for completing the job did not face consequences.

⁶⁷ See the section called "Power in the Companies" in Chapter III for more information on Adam's management style.

Therefore, the incentive for carrying out the job, rested on the relationship. It depended on whether a) the person “liked” the other person well enough to carry out the task or b) the anticipation of an equivalent returned favor or future gifts captured by Marcel Mauss’s gift exchange theory.

This did not mean that friendships did not matter at the Chinese company. There was a general consensus among informants at the Chinese company that it helped to be friends with colleagues because of personal satisfaction and it guaranteed the smooth and efficient implementation of projects. The difference was that personal relationships weighed more heavily in ensuring the completion of tasks in the Zambian company than in the Chinese company due to the enforcement of coercive and remunerative power.

Due to a heavy emphasis on personal connections and relationships, the Zambian company was perceived by employees to be less meritocratic. Opportunities for career advancement were slim and depended heavily on whether friends at the workplace would reciprocate favors. A noteworthy point is that standards for promotion may rarely be “purely” meritocratic, since personal connections and other aspects often play a role in the decision. However, it must be acknowledged that degree matters. The Chinese company, a Multinational Corporation (MNC), used external accountability measures to a far greater degree than the Zambian company.

While personal relationships still played a role in promotions at the Chinese company, they mattered to a lesser degree than in the Zambian company due to the KPIs. As I mentioned in Chapter II, the Chinese company employed coercive, remunerative and normative power to ensure that employees performed their jobs well. Will, an engineer from Hubei province, who was rapidly promoted during his three-year

stint, said, “KPIs matter the most – completing the project and bringing in the revenues. Just don’t make enemies.”

Such procedural mechanisms made the path for promotions transparent, influencing employee perceptions that they could advance to the highest position in the company. Whether their perceptions would be attributed to a type of ideology or false consciousness, they served a positive utilitarian purpose in mobilizing Zambian employees to strategize ways to maximize their experiences at the company and forge paths of upward mobility. Michel de Certeau discussed the everyday practices that people used to locally impact power structures.⁶⁸ He distinguished between tactics and strategies, defining the former as occurring within the enemy’s field and consisting of isolated actions that it graduated eroded the larger structure, whereas strategies involved the manipulation of power relationships within an institution and bounded space. Shelley and other Zambians’ embrace of a meritocratic ideology was an example of using tactics to impact the power structures of the company within their sphere of control. It served a utilitarian purpose in propelling them to seek and follow concrete paths of advancement to the top.

In the Zambian company, relationships with Chinese suppliers, contractors and firms were forged only at the management levels, usually through the CEO’s personal connections.⁶⁹ This was due in part to the gap in education and skills between managers, who tended to have many years of schooling and international work experience, some

⁶⁸ Michel de Certeau, *The Practice of Everyday Life* (Berkeley: University of California Press, 1984).

⁶⁹ In Chapter IV, I provide a more thorough analysis of the organizational structure of the Zambian firm.

for Multinational Corporations (MNCs), and their subordinates, who tended to perform intensive manual labor and possessed up to high school degrees. In many instances, this reduced the chance for collaboration and upward mobility among employees, although the heart-centered leadership and emphasis on personal relationships created a space for emotional support and powerful loyalties to the CEO.

Chances for upward mobility were greater in the Chinese company. For an ambitious and talented professional like Shelley, working at the Chinese company provided the optimal path to an enriching and successful career. My belief is that it will only be a matter of time before she, Ben or Charlie or another ambitious employee becomes MD of the Chinese company in Zambia.

In observation notes I took in 2010 during a luncheon with three of the Zambian employees, including Charlie and Mark, the architect and hardware engineer from the Copperbelt province, I wrote the following:

They feel it's scattered -- who's supervising whom. They don't feel it's organized. Charlie said that there is a lot of organizational politics, especially in this company. They said that it's a good company to work for if it is your first. If you have been working at other companies for a while, then by comparison, it does not seem great. They all agreed that this Chinese company was not Westernized enough and they were used to Western culture. They find the way of doing things here very confusing.

With Chinese colleagues, they had to learn to adjust to foreign styles and manners of communication. Additionally, some Zambian employees expressed dissatisfaction with relationships with Chinese supervisors and often lamented the lack of encouraging comments by the Chinese showing appreciating for Zambian employees. At the same time, Zambian employees were preoccupied with retaining their jobs in an economy where most of their friends and families were unemployed. Compared to the

general population, their salaries were two to three times the average salary and they benefited from company perks such as sending them abroad to workshops and training sessions. For most Zambian employees, working at the Chinese company was a steppingstone to either starting their own companies in the future or using the prestige of working at a Chinese multinational firm to transfer to another firm.

Although Chinese and Zambian employees came from different backgrounds and had varied motivational stories, they shared similar ambitions to advance their careers. Chinese and Zambian shared many commonalities, including respect for elders and authority figures as well as a strong family-oriented mentality. Most importantly, many of the engineers shared similar personality traits, which extended beyond “culture” or nationality. This included an interest in video games, in mathematics, in puzzles, in soccer. Many male employees bonded over complaining about their wives or smoking together. Smokers seemed to form an especially intimate group that transcended race, culture or nationality. It took time for the Chinese and Zambian employees to recognize that they had more in common than differences. Those who worked together for at least two years arrived at this conclusion. Some of the employees that just started working at the firm emphasized the differences, but this changed gradually over time.

Some of the key similarities and differences are captured in Figure 4.1. The chart divides the informants according to nationality, gender, age, company of affiliation, and in broad terms, the kind of setting in which they grew up. The chart indicates that 71.4 percent of the participants were Zambian by nationality and 28.6 percent were Chinese by nationality. Around 78.6 of the participants were male and 21.4 percent female, 85.7

percent were under 35 years old, while 14.3 percent were older. Around 15 of 28 participants grew up in urban or peri-urban areas and 13 grew up in rural, town or *boma* areas. Among the 15 who grew up in urban areas, 13 were Zambians and two were Chinese. Six of the eight Chinese participants grew up in rural areas.

Understanding their backgrounds, experiences and goals lays the groundwork for analyzing social dynamics at the workplace. Moreover, situating their experiences within specific corporate structures and policies further helps us arrive at a more nuanced understanding of the role of affective relationships and business friendships in their lives.

Figure 4.1
General Participant Information

General Participant Information							
		Frequency			Percent		
Nationality	Zambian	20			71.4		
	Chinese	8			28.6		
	Total	28			100.0		
		Frequency			Percent		
Gender	Male	22			78.6		
	Female	6			21.4		
	Total	28			100.0		
		Frequency			Percent		
Age	Under 35	24			85.7		
	Over 35	4			14.3		
	Total	28			100.0		
		Frequency			Percent		
Company Employees	Zambian Co.	12			42.9		
	Chinese Co.	16			57.1		
	Total	28			100.0		
		Frequency			Percent		
Grew Up In (C = Chinese, Z = Zambia)	Urban/peri-urban	Total	C	Z			
		15	2	13	53.5	7.1	46.4
		Rural/Town / Boma	13	6	7	46.4	21.4
	Total	28	8	20	100.0	28.5	71.4

Interdependence and Trust

Positive experiences at the workplace are not only positively correlated with

employee motivation and performance,⁷⁰ but it is also perceived by employees to be equally, if not more important, than compensation.⁷¹ Beyond the theoretical arguments for workplace experiences as a means to improving employee and employer performance, positive work experiences have also been deemed an inherently desirable quality linked to overall human flourishing.

Although positive work experiences usually hinge on numerous variables including meaningful tasks, relationships, goals and values,⁷² the relational aspect plays a particularly significant role. The influence is most evident in decisions made by potential retirees to continue working because of positive relationship formed at the workplace. To this end, positive psychology research emphasizes the increasing role relationships play in the well being of the elderly and retirees.⁷³

Assuming a variety of relationships, the level of affect is what determines where they fall on the wide spectrum. Affect, according to research in organizational and management studies, includes a wide range of feelings, which encompass a spectrum of

⁷⁰ Teresa M. Cardador and Deborah E. Rupp, "Organizational Culture, Multiple Needs, and the Meaningfulness of Work." In Neal M. Ashkanasy, Celeste P.M. Wilderom, Mark F. Peterson, eds., *The Handbook of Organizational Culture and Climate*, (London: Sage), 2012, pp. 158-80.

⁷¹ See Teresa M. Cardador and Deborah E. Rupp, "Organizational Culture, Multiple Needs, and the Meaningfulness of Work." In Neal M. Ashkanasy, Celeste P.M. Wilderom, Mark F. Peterson, eds., *The Handbook of Organizational Culture and Climate*, (London: Sage), 2012, pp. 158-80, p. 160 and G.E. O'Brien, G.E., "Changing Meanings of Work." In J.F. Hartley & G.M. Stephenson, eds., *Employment Relations: The Psychology of Influence and Control at Work*, (Oxford, UK: Blackwell), 1992, pp.44-66.

⁷² See Teresa M. Cardador and Deborah E. Rupp, "Organizational Culture, Multiple Needs, and the Meaningfulness of Work," p. 170.

⁷³ Jonathon R.B. Halbesleben, "Positive Coworker Exchanges." In Lillian Turner de Tormes Eby and Tammy D. Allen, eds., *Personal Relationships: The Effect on Employee Attitudes, Behavior and Well-Being*, (New York: Routledge), 2012, pp. 107-130.

temporary and enduring emotions and moods.⁷⁴ Affect in relationships tends to have positive connotations.⁷⁵ Certainly, a negative coworker relationship can have affect, perhaps trust is broken and anger ensues. It signals a level of intimacy, although intimacy itself may be negative or positive. One can certainly have an affective relationship without intimacy or an intimate relationship without any affect. Here, affective relationship is meant to reflect a level of care, intimacy and emotion involved,⁷⁶ and as I will show in this dissertation, trust is an important affective variable among work relationships in Zambia.

Research on trust can be divided into two categories, including affect-based and cognition-based trust. Affect-based trust is indicated by one's comfort level in expressing her personal problems, difficulties, and hopes and dreams to the other person. Cognition-based trust involves the perception that the other party is reliable enough to follow through with a task and has the knowledge and competence to complete the

⁷⁴ Sigal Barsade and Donald E. Gibson, "Why Does Affect Matter in Organizations?" *Academy of Management Perspectives*, 21, 2007, pp. 36-59. Also see Nico H. Frijda, *The Emotions*, (Cambridge, MA: Cambridge University Press, 1986).

⁷⁵ For more nuanced and comprehensive definitions of the different kinds of affect and emotion, see Sigal Barsade's repertoire of work. Anthropological studies of affect tend to focus on the dichotomy of emotion and thought as a Western construct and the differences in the cross-cultural construction of "feeling," "emotions," and "self" (Besnier 1990: 419-51). An alternate view, which I use as a basis for formulating an analysis in this chapter is put forth by Lyon (1995) and Rosaldo (1984)'s arguments, which state that there is a universal element in emotions, even if they are given specific cultural meanings. It took Rosaldo's own experience with grief after his wife's death to understand the emotional force that impelled older tribesmen to channel their grief into headhunting rage. See Michelle Rosaldo, "Toward An Anthropology of Self and Feeling." *Culture Theory: Essays on Mind, Self, and Emotion*. Richard A. Sweder & Robert A. LeVine, eds. (Cambridge: Cambridge University Press), 1984; Renato Rosaldo, "Introduction: Grief and a Headhunter's Rage." *Culture and Truth: the Remaking of Social Analysis*. (Boston: Beacon Press, 1989); also see Niko Besnier, "Language and Affect." *Annual Review of Anthropology*, 1990, pp. 419-51 and Margot Lyon, "Missing Emotion: The Limitations of Cultural Constructionism" in the *Study of Emotion*. *Cultural Anthropology*, 10, 2, pp. 244-263.

⁷⁶ Paul Ingram and Xi Zou, "Business Friendships." In *Research in Organizational Behavior*, 28, 2008, pp. 167-184.

task.⁷⁷ Intimacy is a bit more challenging to define. Though commonly associated with sexual intercourse or physical closeness, it encompasses a far greater range of meanings. I will follow the definition used by Viviana Zelizer that what characterizes relations as intimate has to do with “particularized knowledge received, and attention provided by, at least one person – knowledge and attention that are not widely available to third parties.”⁷⁸

Friendship contains a greater degree of affect than collegial relationships. Friendship also has a greater degree of intimacy, or particularized knowledge available only to the parties involved.⁷⁹ Eric Wolf makes a similar point about friendship, and adds that it is “achieved,” not “forged in an ascribed situation” like kinship ties.⁸⁰ Wolf differentiates between two types of friendship: emotional friendship and instrumental friendship. As Wolf explains, emotional friendship mutually fulfills emotional needs and is “self-limiting,” whereas instrumental friendship is based on continually striving to access resources, which “reaches beyond the boundaries of existing sets and seeks to establish beachheads in new sets.”⁸¹ It must be noted that the distinction between the two types of friendship is quite arbitrary, for even Wolf concedes that instrumental friendship relies on degrees of affect, either feigned or real, and emotional friendship provides

⁷⁷ Roy Chua, Michael Morris, and Paul Ingram, “Guanxi vs networking: Distinctive configurations of affect- and cognition-based trust in the networks of Chinese vs American managers.” *Journal of International Business Studies* (2009).40: 490-508.

⁷⁸ Viviana A. Zelizer, *The Purchase of Intimacy*, (Princeton, NJ: Princeton University Press), 2007, p. 16.

⁷⁹ Viviana A. Zelizer, pp. 16-20.

⁸⁰ Eric Wolf, “Kinship, Friendship and Patron-Client Relations in Complex Societies,” in *Pathways of power: Building an anthropology of the modern world*. (Berkeley: Univ. of California Press), 2001, p. 174.

⁸¹ Eric Wolf, “Kinship, Friendship and Patron-Client Relations in Complex Societies,” p. 17.

instrumental value to the people in the dyad.

In research conducted by Roy Chua, Michael Morris and Paul Ingram, affect and cognition-based trust were likely to be highly intertwined in Chinese managers' networks than among American managers. One main feature noted by the researchers was the preference among Chinese people to draw on the resources of network of family members and relatives to complete tasks and solve problems.⁸² Their findings also indicated that the American ethos of individual achievements and success made them less likely to rely on others for help or acknowledge the significance of their connections in their professional lives.

In contrast, the familial collectivism rooted in Chinese societies rendered relationships as both instrumental and affect-based.⁸³ In my research, familial collectivism is also common in Zambian society. In fact, Chinese and Zambian shared many similarities in their reliance upon their families, friends, colleagues and social networks to complete tasks and solve problems. Among my Chinese and Zambian informants, instrumental and emotional friendships were often one and the same. This did not conflict with their perception of friendship, for instrumentality in friendship extended both ways, so they were bound to reciprocate as well. In fact, the stronger or closer the friendship, one could expect greater access to resources based on the friendship. In this regard, my Chinese and Zambian informants shared more commonalities than differences.

A "friend" was often described as someone who provided financial help. One

⁸² Roy Chua, Michael Morris and Paul Ingram, p. 493.

⁸³ Roy Chua, Michael Morris and Paul Ingram, p. 504.

could enter the close friends circle by providing financial support. The gateway to becoming “kin” involved the provision of finances, either in the form of securing a job or paying for schooling fees or providing capital to start a business. This was buttressed by the expectation that the one with the greater means should provide for those with lesser means, friends or kin.

The most common path to valued kin membership or treatment that I observed among 11 Zambian friends and acquaintances was sponsorship for school. These were not employees at the firm, but people I spent a lot of time socializing with, which enabled them to share private information with me. This information included details about sexual abuse and other types of sensitive information. My field notes indicate that domestic units were fluid, given the frequent occurrence of deaths. When a child was orphaned, kin members usually had a meeting to determine who would take the child. It was my understanding that although each ethnic group has particular rules about who should take in the orphaned child, modern day decisions are dictated by pragmatism. Kin members can refuse to take the child, in some cases, if they had already taken in another orphan, if they thought the child was cursed, or if they thought another kin member had the better financial capability to do so. Family meetings involving all extended members are intended to resolve these issues.

In my observation, kin members were treated differently according to their status in society. I used “valued” as a key qualifier because kin members were hierarchically arranged and treated according to their status in society. For example, my host sister’s uncle who was a member of parliament (MP) was treated with greater respect and consideration than she was, as an orphaned niece without an inheritance. In the

hierarchy of the household, she occupied the lowest rung. She had to do most of the housework and according to her, was often insulted and verbally abused. Her niece, who was also an orphan, shared housework duties with her, but was accorded better treatment because her deceased parents left her a substantial amount of money. Also, her mother was very close with the caretaker, and this legacy coupled with the money ensured that she occupied a higher rung in the family hierarchy. Among the Zambian orphans I encountered, with the exception of one, complaints about mistreatment in the household were the norm. The only way out was to marry someone or become financially independent. One of the orphans among the 11 I noted in my field notes recently came to the United States for a training workshop. During her trip, she revealed to me that an uncle had sexually molested her, and aunts and uncles that had mistreated her, neglected to feed her and verbally abused her, wanted to contact her now because she had become quite successful as a marketing director at a Zambian company. She explained that she had severed ties with them, only occasionally saying “hello” at the mall. Only in rare and extremely unique circumstances, the caretaker was simply by nature, a generous, giving and fair person.

Blood relations inhabited a complicated position in society. Compared to the unpredictable and hostile outside world full of strangers, one’s blood relation was deemed trustworthy. This was partly due to the accountability that people had to their relatives in case they mistreated a fellow kin member. The extent of intervention by relatives was limited, however, due to the acceptance that what went on in one’s home was outside the limits of intervention, unless in dire cases such as physical abuse. For the most part, it was accepted that being connected through blood relations did not

guarantee positive treatment within the household.

One's treatment depended on numerous factors, including the status of the kin member's parents and the closeness and type of relationship between the kin member's parents and the caretaker. In my observations, the treatment of an orphaned child depended greatly on whether a will and substantial amount of money was left to the child. This could be used as leverage in family meetings involving extended family members. In an increasingly hostile outside world, the Zambian family based on blood relations, was a sanctuary. Within the family, however, internal politics and various factions, as well as conflicts, acts of manipulation and abuse often occurred, directly mirroring the hostility of the outside world.

It seemed that based on circumstance, a friend or acquaintance could become a kin-like member through life-altering contributions. Again, this is not exclusive to Zambians; in many societies, including in India and in Taiwan, contributing in a life-altering way, such as getting someone a job or matching them with a suitable marriage partner, is often enough to grant the person a kin-like status or treatment within the family. This was certainly the case for some of the Chinese as well. A friend or stranger that financially supported someone through college was considered or treated like kin. This treatment often represented a token of appreciation for one's contribution.

The difference between Chinese and Zambian treatment and expectations of kin has less to do with "culture" and more to do with the economic challenges that the individuals confronted. For many Zambians, contributions that were in the past made by parents or close family members had been taken over by maternal and paternal grandparents – the ones with the economic capability of caretaking -- extended family

members, and acquaintances, friends and even strangers. Due to high unemployment rates and dire economic situation in Lusaka, many had to rely upon non-kin members for economic support. For many Chinese informants, economic and social contributions are still mostly made by parents and grandparents. Purchasing homes for them is an act of reciprocity showing one's appreciation for an irreplaceable kind of relationship. Beyond that, one is not expected to financially provide for any other family member, including siblings. Another major difference was that Chinese families were on average smaller, with most of the Chinese informants being either an only child or one of two siblings. Most Zambian informants had large families and while this provided financial and emotional support in adversity, it also reduced their overall financial resources.

With regards to friendship and connection, my Chinese and Zambian informants shared many commonalities. For example, Chinese and Zambian informants distinguished friendships based on different phases in their lives. They had childhood friends whom most considered very close, because as some stated, no one had ulterior motives as a child, so the basis for their friendships were more "pure" than in adulthood. Then they had university friends, who provided numerous instrumental benefits and fulfilled emotional needs. Most of my informants considered university friends close, but in a different way than their childhood friends.

In both Chinese and Zambian cases, kin members assumed the closest and intimate type of *guanxi* or relationship. It must be noted that *guanxi* is more complicated than simply personal connections or relationships. We can imagine *guanxi* to exist on a spectrum of different kinds of relationships with differing degrees of sentiment (*qing*)

and obligation (*yi*).⁸⁴ There are three types of *guanxi* including 1) family members, 2) acquaintances or friends familiarized through shared institutions such as work units or universities and 3) strangers.

Different kinds of relationships corresponded with different kinds and degrees of sentiments, feelings and obligations. For many Chinese, working abroad meant that the gateways to friendship and kin now became diffuse, making way for multiple channels. The reason was that they were away from their friends and as one informant stated, friendships and personal connections invariably changed and feelings diminished. This opened up spaces for new relationships or *guanxi* to be forged.

Mayfair Yang distinguishes between *guanxi* as practice and *guanxi* as institution, defining the former as a system of personal connections and the latter as the “instrumental manipulation” of these relations.⁸⁵ This distinction is key because studies that highlight the diminishing importance of *guanxi*⁸⁶ or the convergence of the norms governing Chinese companies and American companies point to *guanxi* as institution.⁸⁷ *Guanxi* in practice is alive and well in Chinese companies in Zambia, though to differing degrees, with privately-owned enterprises (POEs) emphasizing performance measures

⁸⁴ See Chao C. Chen, Ya-Ru Chen, and Katherine Xin, “Guanxi Practices and Trust in Management: A Procedural Justice Perspective.” *Organization Science*, 2004, 15, 2, pp. 200-209; also see S. M. Liang, *The Essentials of Chinese Culture*, (Wenxue Publishing House, Taipei), 1977; and in the discipline of anthropology, see Mayfair Yang, *Gifts, favors, and banquets : the art of social relationships in China*, The Wilder House series in politics, history, and culture, (Ithaca, N.Y.: Cornell University Press), 1994.

⁸⁵ Mayfair Yang, *Gifts, favors, and banquets : the art of social relationships in China*, The Wilder House series in politics, history, and culture, (Ithaca, N.Y.: Cornell University Press, 1994).

⁸⁶ Douglas Guthrie, “The declining significance of *guanxi* in China's economic transition,” *China Quarterly*, 154, 1998, pp. 254-282.

⁸⁷ Daniel Denison, Katherine Xin, Ashley M. Guidroz, and Lily Zhang, “Corporate Culture in Chinese Organizations.” In Neal Ashkanasy, Celeste Wilderom and Mark Peterson, eds., *The Handbook of Organizational Culture and Climate*, (Los Angeles, CA: Sage), 2011, pp. 561-581.

more than state-owned enterprises (SOEs).

The financial manager from Hubei province explained that he had a lifelong *guanxi* with childhood friends that set forth acts based on pure obligation, but he was closer to four of his friends at the Chinese company. The feelings he developed for friends at the company were stronger and deeper because they shared intense experiences, such as encountering food shortages in Zimbabwe. Because his kinfolk and friends from home were not present, this created an opening for work colleagues to assume a kin position. This could be seen in strong affective displays among the men at work and frequent references to each other as “brother.” It is true that sometimes, the displays and rhetoric were only at the superficial level, but as intense experiences increased over time and filled the void from severed family ties, many employees treated and referred to each other as kin. The financial manager explained that what characterized their close *guanxi* was that they would *always* help each other out in time of need, even if they lost touch or physically moved away. He considered them close like kin.

The differences concerned the details of financial obligations to kin members. In many Zambian cases, kinfolk were considered liabilities with large extended families whereas for the Chinese, their only financial obligations were to their parents and grandparents. Also, giving money in the Chinese case was loaded with implicit assumptions about the relationship between giver and receiver and expectations for future behavior. For example, giving money directly may be construed as instantiating a power relationship by implying that the giver is superior to the receiver. The very act of accepting a gift or money is accompanied by the strong expectation of reciprocity that

obligates the receiver to pay the same amount or more in subsequent interactions. The emphasis on reciprocity in financial terms is so strong that one must be cautious about accepting a gift because it nearly always implies that the recipient must reciprocate in equal value or exceed the value. Therefore, if one cannot afford to reciprocate the gift, then one must not accept it. This symbolism underscored by implicit messages and strong expectations of reciprocity that accompanied the act of giving money seemed to be more pronounced among Chinese individuals than Zambian ones. This is a subtle yet significant difference that played out in business deals and interactions among Chinese and Zambians. Despite the differences, my Chinese and Zambian informants shared many similarities, especially with regards to their views of different circles of friends, family and acquaintances and the varying degrees of closeness.

On Trust

Trust, a multidimensional concept, has been studied in various ways. I found in interviews that nearly all informants at the Chinese company cited confidentiality as a key factor in determining whether they could trust someone. However, this seemed to matter more for my Zambians informants for two reasons. First, many had experiences of betrayal and expressed the difficulties of knowing whom to trust, aside from family members.

Carla, a documentation controller, whose job involved handling all the documents for the projects, including making C-modules and purchase and material requisitions for their client companies, expressed that she liked to work with people she could trust. After some negative experiences at work, she was wary of gossip. She said, “Some people are bored. They make gossip. There’s nothing else to do. If I tell someone

something, they keep it. If I tell them this is just between us, they don't tell anybody. I would trust that person." Carla further explained her view of trust, explaining the reasons for her "pickiness" in selecting trusted colleagues at work.

Because I'm the kind of person, I've got trust issues. So sometimes, I would trust people. I think I can tell them certain things, like the way they're communicating with me, with friends. I'm really picky about this. There are people you tell them and you hear someone else talking about what you said. It has happened before, so I'm picky.

Born in the Copperbelt province of Zambia, Carla's parents died when she was young. She had seven siblings and grew up primarily with her elder sister. They moved around quite a bit, never staying in a town for more than three years. At one point, she, her sister, her brother-in-law and their son and daughter lived in Livingstone in a three-bedroom house. Her sister was strict in raising her and wanted her to make the right friends and grow up as a "decent girl." She also emphasized the importance of an education. Because their parents died when they were young, all her brothers and sisters wanted to be independent. She said, "I learned a lot from that. I like doing things on my own."

She attended a Catholic high school and excelled in writing. In her last year of high school, she moved to northern Zambia and completed a certificate in journalism at the West African literature center. Shortly thereafter, she attended college in Lusaka in journalism. During college, Carla wrote stories for the *Zambia Daily Mail*. She got the job because her brother-in-law was working in the building of the Daily Mail offices and he talked to one of the employees there, who agreed to give Carla a job. They called her in for an interview and she was hired. She said, "Since I loved working and writing stories, I used to even work on Saturdays and Sundays. Sometimes I worked seven days

a week.”

When positions opened up at the Chinese company, Zambian employees were asked to look for people they know who were qualified and could do the job well. One of the employees told Carla’s sister about an open position and her sister encouraged her to apply. She was called in for three interviews, one with the HR manager, the project manager and the MD. After one week, she was called in to start the job as a documentation controller.

Shelley, the company lawyer mentioned in an earlier discussion of salaries, was also quite wary of the gossip circles. Equating trust with confidentiality, Shelley explained why she trusted her male colleagues more. She said, “Guys are better at keeping secrets. The guys I hang with at work, whatever we’ve discussed it’s never been repeated. I’ve never had any incidences of hearing it from a third party -- what I’ve experienced with my female friends.”

In some cases, numerous financial and personal challenges contributed to cautious views of trust. Roz, a verifications manager at the company for three years, whose job included checking the accuracy of invoices, explained that she did not trust anyone at work.

It’s difficult to trust somebody. We are human beings, you can’t tell. The looks are so deceiving. You just can’t tell. I’d rather keep things to myself and not share it with anyone. Today I can tell you this story and tomorrow you be with another person and be prompted to share. You just don’t know. I trust God. My mother. Friends, even the closest friends, I trust 50 percent. Siblings, I put at 90 percent. Even that I find it difficult to trust siblings.

Roz was born in the southern province. Her father, a farmer, was born in Zimbabwe and settled in the southern part of Zambia, where he met her mother and married her. They both died when Roz was five years old. From age five to 15, Roz moved to the

central and then eastern province with her older sister. There used to be nine children, with four remaining at the time of the interview. When she was living in the central province with her elder second born sister and family, they lived in a two-bedroom house.

Roz remembered encountering many financial struggles when she was a child. By the time she entered grade eight, paying for school fees became a major challenge. During this time, Roz stayed with a couple from church that offered to sponsor her in high school. After high school, she did not have money to attend university. She did some “piece work,” which she explained as doing odd jobs for people and they provided her with meager compensation at the end of the day. In order to earn school fees, she started a business that involved traveling to South Africa to purchase clothes and bringing them back to sell. When she raised enough money, she attended university. She was living with her fourth-born elder sister, her brother-in-law and her three nieces and nephew at this time in Lusaka. She attended college and received a diploma in project management. It was very challenging, she said, because she had to pay for her school fees, transport and buy her own food.

Upon receiving her diploma, Roz obtained a job as a paralegal officer. She provided legal advice to those who could not afford to hire a lawyer. She was notified about this position as verification manager through a friend from church who encouraged her to apply. She brought her application letter to the HR manager, who called her within three days. After three interviews, she received a job offer.

At work, I observed that Roz spent most of her time alone. While many Zambians convened during lunchtime, Roz ate alone. When I asked her about the time

she spent with colleagues, she confirmed the observation by stating that she preferred to spend most of her time alone. She also added that she refrained from using technology to keep in touch with friends because she considered herself a “spiritual being.” She explained, “I’m a Christian Bread of Life, and my innermost being doesn’t really give me that clear mind that I should be on Facebook or Twitter. I don’t feel comfortable, as a spiritual being. I don’t want to expose myself out there.”

Jenny, the contract handler who had been at the Chinese company for three years, was responsible for preparing purchase orders and contracts. She worked closely with Carla, the documentation controller. Carla’s job was to handle the paperwork that preceded the purchase order. Once Carla finished providing and verifying documentation of purchases for a “batch order,” Jenny stepped in and managed the contracts and other documents for the clients and suppliers.

Jenny was born in the southern province in Mazabuka and grew up in Livingstone (see Figure 3.4 in Chapter III for a map showing the origins of the employees). Her father, a lawyer, and her mother, a marketing manager, were both born in this region. She grew up hearing stories about her grandparents. She recalled that her father appreciated her grandfather’s efforts to put him through school because it shaped him as an accomplished lawyer. She spoke fondly of her aunt, her mother’s cousin whom she called “aunt”, who was a very hardworking woman and possessed an entrepreneurial spirit. It must be noted here that typically, the sisters of one’s mother are her mothers as well. The brothers of her mothers are her uncles. The father’s brothers are considered her fathers and his sisters are considered her aunts. The children of her mother’s sisters are thus considered brothers and sisters and the children of her mother’s

brothers are considered cousins. The children of her father's brothers are considered her brothers and sisters and children of her father's sisters are considered her cousins.

In this case, Jenny referred to her mother's cousin as "aunt", meaning that she must have been the child of her mother's mother's brothers or uncles or her mother's father's sisters. If she was the child of her mother's mother's sisters or her mother's father's brothers, then this "aunt" would likely be called "mother." This ensures that nearly all Zambians have more than one mother, father, brother, sister, uncle, aunt, grandmother, grandfather and cousins. Jenny's aunt had a husband and two children and ran multiple businesses, including a boutique and a lodge. Jenny grew up in a three-bedroom house that was made out of bricks, had a yard and was surrounded by a wire fence. As a child, she enjoyed skipping rope with friends, playing hide and seek and playing games using stones and digging holes in the ground. In terms of holidays, her family celebrated birthdays by going out for dinner and Christmas at her parent's house. Christmas was especially festive since her parents organized and invited all family members over for lunch. Her parents raised Jenny in a strict manner, emphasizing the importance of education and completing schoolwork every night.

When she graduated from high school, she worked as a saleslady at a department store in a large shopping center in Lusaka. Her father had connections with the owner of the department store, which helped her obtain the position there. After receiving her high school results, she attended the University of Zambia (UNZA) for four years. She said, "It was the best time of my life; it really defined who I am right now. The social part of it made me open-minded, to look at things in a different way, getting to know people from different backgrounds and cultures and I really liked it." According to

Jenny, UNZA had a mix of students from different homes, upbringings and cultures, so she was able to blend in. Due to the shortage of accommodating students on campus, they assigned four students to one room, which they divided into two separate spaces. In college, Jenny majored in public administration and minored in development studies. The system was organized into two semesters per year, with four courses per semester. They used to have one-hour lecture each day and discussions for students who needed further assistance with the material. It was only later that the university began to implement “attachments,” which operated similarly to internships, thus providing students with practical experiences for future job opportunities. During Jenny’s stint at college, students did not have the attachment experience and had to look for their own jobs.

Upon graduating, Jenny stayed home for a year because she could not find a job. She found a part-time position at a rural development agency in the human resources department. It was a contract-based job that was renewable every three months based on one’s performance. She worked there for a year and then obtained a job as a contract handler at the Chinese company.

Jenny was known to be a very friendly person at work, often socializing with her colleagues at lunch. In addition to going dancing with her, I sometimes ran into her in Lusaka when she was frequently with her cousins. Jenny explained to me that she spent most of her time with her family. Her mother had six siblings, three brothers and three sisters. Her father had five siblings, one sister and four brothers. Jenny was the eldest of six children, including three girls and three boys. She said, “I just find myself hanging out with them. Maybe because we grew up together. We know each other better. We

grew up hanging out together.” When I asked her about trust, she echoed similar sentiments about her dislike of gossip. Commenting that she spent a lot of time with her cousins, she stated, “I think family does automatically give you that trust. They always have that interested, the best interest for you, and they wouldn’t want anything bad to happen to you. They try to protect you one way or another. My secrets are safe with them.” She elaborated further on her perspectives of trust.

It’s very difficult to know who you can trust. It’s hard to know who won’t backstab you. You have to know the person very well. It takes time to trust that person so you really have to have that personal relationship to trust that person.

The difficulty of assessing trustworthiness was brought up by Ben, the software programmer, who had worked at one of the largest client companies for one year before transferring to the Chinese company for two years. At the time of the interview, Ben had contracts with both companies, since the client company outsourced its technical division to the Chinese company. Ben expressed that he preferred to spend time at the client company because they had parties and social events every Friday night.

Ben was born in a town called Kaoma, but grew up primarily in the Woodlands suburbs of Lusaka. His father was a businessman and owned grocery shops and his mother was a housewife. His parents were Jehovah’s Witnesses. At age 11, Ben’s parents passed away. He still remained close with his maternal grandparents, often visiting them during the holidays. He had a younger sister and brother. They were adopted by an American classmate’s family when their parents died. The family owned a four-bedroom house. Attached to the house was a cottage designated as the maid’s quarter. Ben and his brother slept in the cottage and used the main house for all other activities. In the meantime, his sister attended boarding

school. His sister was nine years younger and in 2008, passed away from meningitis. He said that she complained about headaches and was given some painkillers and one week later, she went to sleep and never woke up. In response to the tragedy, Ben said, “Honestly, I don’t know how I got through it because when my sister passed away, everything that I achieved was because I wanted a better life for my sister. I concentrated in school because I wanted a better life for her. When she passed away, I felt I had nothing to live for. After that, I just lived. I just lived. I cared about nothing.”

Ben attended Hillcrest, one of the most prestigious and selective high schools in Zambia. In high school, Ben won a scholarship to study at a technical university in Russia. During his university years, Ben worked part-time as a software programmer. Upon graduating, he returned to Zambia and saw an advertisement on the Internet, applied for the position and was called in for interviews by the HR manager. He was given three interviews and a technical and logics test. He was hired as an engineer at the base station for the Chinese company. When the client company outsourced its technical services to the Chinese company, he became the network planner, software programmer, learning services manager and eventually a competent services consultant.

On trust, he explained that it was difficult to tell whom to trust and hinted at an inexplicable mechanism of discernment.

The person I can trust is someone I am free to tell the deepest secret of my life and be comfortable that they would never betray me. Not just about telling people, but when you have what is the deepest secret in life. It means it could also be your weakest point and it’s something that you would trust that person never to use against you. I trust people I’m comfortable with. I don’t know how to tell. I guess friends with common interests. Usually, it’s difficult to trust someone based on...you don’t get to sit and analyze. It just happens through interaction.

Like other participants, Ben defined trust as keeping confidentiality, particularly in regards to deep secrets. Similar to the other participants, Ben also insinuated that someone trusted would have his best interests at heart. Ben added an extra dimension to the definition by explaining that “it could also be your weakest point and it’s something that you would trust that person never to use against you.” This point is significant because it emphasizes the challenge and risk-taking aspect of trust – vulnerability, whether it involves the weakest or weaker point. The vulnerability is further captured by the possibility that one could use it “against you” and cause great damage. It thus seems that trustworthiness could only be assessed through trial and error or as Ben summed up, “you don’t get to sit and analyze...it just happens through interaction.”

Zambian and Chinese informants’ responses about trust overlapped in emphasizing the confidentiality aspect of trust. Underscoring this emphasis was a shared concern about betrayal, or not having one’s best interest at heart. Their concern was particularly evident in my observations as well. My informants were very cautious about what they revealed to me and who would hear it. For example, when one of my Chinese informants approached me about having coffee downstairs at a coffee shop near the company, he whispered it. He also said he did not want people to know because he wanted to give the impression that he was “working all the time.” Similarly, when people took smoking breaks – there was a large circle of Chinese and Zambians who went out to smoke everyday – this was also kept confidential. The smoking breaks were limited when the MD was present. In conversation, Chinese and Zambians reported that they were becoming more familiar with each other. My observations in

2010 showed that they congregated along national lines – Chinese with Chinese and Zambians with Zambians on lunch outings and extracurricular activities. I did not interview them in 2010 and assumed that friendliness was equated with being friends to some degree. When I interviewed them in 2011, I was told repeatedly that they were highly selective about whom to trust because they did not want to be part of the gossip circles within the company.

Then in 2011, I noticed that Zambians rarely went out to lunch together. This seemed to coincide with interviews in which most of my *Zambian* informants stated their preferences for keeping their professional and personal lives separate. Another contributing factor was that the company was limiting its resources to all employees, even reducing the amount that salespeople could spend on lunches and dinners with clients. Therefore, it is possible that the lack of access to company cars and drivers also limited the frequency of their lunch outings.

The difference in their responses was that the Chinese informants equated trust with paying back money and doing one's work well. The phrase "taking responsibility for one's actions" was frequently used in their definitions of trust. The differences are highlighted in the responses below.

Gary, the project manager from Inner Mongolia, defined trustworthiness as the ability to solve problems, take responsibility for one's actions, and repay borrowed money. As he mentioned in the statement, trust involved lending someone money without a contract.

He won't hurt you. You know that person won't blame others left and right. He takes responsibility. He has an obligation to you and vice versa. You know that the person will do the task well. I know that he can do it and he can do it well. Also, trust is

if I understand him, how he will do it, his work style, and how he resolves issues, how he thinks about solving problems. It's has to be in a way that I can understand and agree with. He won't do something I don't understand. We have to have similar logic. If I trust someone, I don't need a contract to lend you money.

Sam from Henan province, who worked as the interface between the technical experts and clients in the sales department, distinguished between two kinds of trust. Conceding that knowing someone for a long time guarantees greater trust through frequency of interactions, Sam added that trust could also emerge from an intense, shared experience.

I think you go through a lot of interactions to see whether this person is trustworthy. There are two people you can trust: first, someone you've known for a long period of time. They've never betrayed you. Second, is someone you've done bad things with in a short amount of time. We've gone through something together. For example in work, we have to [off the record]. So if we have to do work-related things, as long as we trust that person, we all have the same goals, then we trust each other.

Trust could be forged through long-term interactions, but not always. As Sam explained and both Chinese and Zambian participants reiterated, one's childhood friends could be trusted because they did not have ulterior motives in befriending them. Familiarity with one's village of origin, family and relatives served as a mechanism to ensure that any defective behavior or betrayal would cause irreparable damage to one's position and multiple relationships within a web of social ties. Trust was guaranteed in this way.

Sam also brought up another source of trust emerging from shared experiences. Trust was guaranteed in two ways: first, through shared goals and second, through shared consequences. When Sam alluded to "doing bad things together" as a possible source of trust, he meant that everyone involved had an equal stake in the experience, more likely a high-risk activity, such as committing a heist rather than building a school.

The high-risk project had the effect of creating strong affective bonds through “same goals” and shared risks without the long-term interactions because any act of betrayal would likely implicate everyone involved.

Though not nearly a heist or other types of high-risk activities, extracurricular group activities still had the effect of strengthening affective bonds of trust. For example, when the Chinese informants went on excursions that were meant to be kept a secret from the MD, they shared the risks and rewards as a group. Similarly, when the Zambian informants went to lunch for a longer period of time and used the company driver, they also shared the risks and rewards as a group. There was a common understanding in both groups that they would not betray each other in these specific situations.

Will, the engineer from Hubei province who was rapidly promoted at the company, also equated trust with work performance and the ability to repay money. He explained his perspective.

There are different kinds of trust – friendship trust, collegial trust. If I think I can trust you, it’s because you have a good work attitude and personality, for example. It also means that you return money and on time. How you work is the same thing as your character. Trust in colleagues and trust in friends is the same. Your sense of responsibility towards each other and for your behavior is the same.

Born in Hubei province, Will’s mother was a junior high school teacher and his father was the owner of a small grocery store. Will and his younger brother grew up with his paternal and maternal grandparents and his aunts and uncles lived nearby. Will said that he never saw a train until he was 18 years old. Growing up in a village, Will and his family lived in a flat home with four bedrooms, two living rooms, a kitchen and a bathroom outside.

Will came from a large extended family. His father had seven brothers and his mother had five brothers. His father was very strict and taught his children how to resolve issues with people and warned them against making friends with “bad people.” He wanted his sons to excel in school and in life. Will received a scholarship to attend university, majoring in computer science. He obtained his first job as a programmer in C and C ++ languages through a recruiting fair at his university. Will worked at the company for one year and then uploaded his resume online and the telecoms Chinese company found him, called him in and gave him two interviews. He was hired immediately. Will explained trust in terms of money. Like Gary, he emphasized that he only trusted people who paid back borrowed money on time without a contract.

A key difference between Chinese and Zambian informants’ perceptions of trust related to work performance and money. Chinese informants stressed that trustworthiness depended on taking responsibility for one’s behavior, completing tasks successfully and returning money borrowed in a timely manner. Zambian informants emphasized the importance of keeping secrets within the family and having one’s best interests at heart. Overlapping elements in responses from both Chinese and Zambian informants was the stated concern with confidentiality and betrayals and the belief that trust often emerged through long-term relationships. The differences stated in interviews also coincided with observations in my ethnographic notes. Although I did not spend time with both Chinese and Zambian informants together in extracurricular activities – I spent time either with only Chinese informants or only Zambian informants in outings – the circumstances in themselves were quite telling. Chinese and Zambian informants gossiped and complained about each other. Some Chinese informants stated that they

did not like to go out with their Zambian colleagues because they were frequently expected to pay. Many Zambians complained that their Chinese colleagues were stingy and rude. Observation notes filled with gossip about each other confirmed what they stated in the interviews about trust.

Comparatively speaking, Chinese informants valued confidentiality less because they had little control over this matter. The company had a listserv that linked all Chinese employees in Zambia to intimate details of their colleagues in China. The listserv was considered the bastion of company gossip. I only found out about this during my last months at the company when it was revealed to me that one of my good friends at the company, who had been transferred to Malawi in the previous summer while I was still conducting preliminary research, had an affair with a Chinese divorcee who was also a single mother. News traveled quickly through the company listserv. Apparently, his ex- wife's former classmate made incendiary remarks online and wanted everyone at the company to know what had happened to her friend.

Although my friend had never posted on this listserv, all the Chinese employees at the company in Zambia knew of his whereabouts and the status of his impending divorce and subsequent marriage to the woman he impregnated in Malawi. Before even asking further questions about my friend, his colleagues rushed to his defense, noting that he had only seen his wife once a year and that their busy schedules as well as her reluctance to have a child when he wanted to, led to his affair. Indeed, Chinese employees at the company in Zambia knew more intimate details about his life than his friends or family members back home.

Cultural Norms in the Business World

Since work occupies the majority of people's lives, it becomes a crucial space for the development and maintenance of these relationships. Determining the mode and levels of intimacy embedded in workplace relationships is an imperative step to understanding these relationships.

In both Chinese and Zambian contexts, friendship at the workplace was seen as favorable because of the emphasis on the benefits derived from personal connections. Personal connections were often reinforced by the role of contracts and institutions that have been prevalent and well documented in China since the early Qing dynasty. Myron Cohen observes that legal contracts used in China were “social” documents that reinforced the importance of personal relationships predicated on trust.⁸⁸ For example, Cohen offers numerous examples of contracts and other types of legal documents used to guide rational decisions and choice in purchases, marriages, family division, adoption and sale of properties as well as relationships management in rural China. Therefore, Chinese capitalism was built on the foundation of legal contracts and personal connections as mutually reinforcing mechanisms.

Although nearly all Chinese employees denied the existence of *guanxi* at this POE, often juxtaposing it against SOEs, which are reputed to be filled with nepotistic and corrupt practices, it was clear that promotions and transfers out of country at the upper levels were contingent upon personal connections back home. This was evidenced by another one of my good friends whose transfer to Europe was made possible because

⁸⁸ Myron Cohen, “Writs of Passage in Late Imperial China; The Documentation of Practical Understandings in Minong, Taiwan” In *Contract and Property in early Modern China*. Madeleine Zelin, Jonathan K. Ocko and Robert Gardella, Eds. (Stanford, CA: Stanford University Press), 2004, Chapter 2; also see Myron Cohen, *House United, House Divided: The Chinese Family in Taiwan* (New York, NY: Columbia University Press), 1976.

his fiancée's father was a government official in the mainland and pulled some strings to get his future son-in-law out of Africa.

The notion and practice of *guanxi* is not unique to Chinese culture. My Zambian friends also placed a heavy emphasis on different types of *guanxi*, with family members having the strongest *guanxi* ties, followed by former classmates in high school and university.

In Zambia, most people acknowledged the importance of personal connections, relationships and friendships in providing professional benefits, even if they did not agree with the outcome. It was commonly known that hiring practices centered on personal connections. People often used their friends to get jobs and this was viewed as an acceptable strategy to use. Jobs in the formal sector were often allocated based on personal connections, most likely family members. In the Chinese company, hiring tasks, which were delegated to a Tonga woman, were deemed by some of the Zambian employees to be based on ethnicity, since she purportedly hired fellow Tongas and Lozis, their "tribal cousins." In particular, Mark and a few others who were not part of this study pointed to this favoritism. Mark, who identified strongly as Bemba, said to me, "I want you for your research to look at the Bembas. When they're in high positions, follow the people they hire, what tribes they're from. Look for patterns. Bembas are very open to different groups, probably the most open group. They don't give priority to the people from the north in practices of hiring." I was not able to corroborate Will's claim, although it was certainly the case that hiring practices based on ethnicity was more difficult to do in the technical departments due to the high demand for engineers, site builders and programmers at the Chinese firm and low supply

of trained technology professionals in Zambia.

According to Will the engineer from Hubei province, the main challenge facing the Chinese company in Zambia was low human capital. He said that the company wanted to hire more Zambian engineers, but faced a challenge in finding Zambians who were trained in this area. In China alone, he said, they hired about 40,000 people in one year. He explained that they hired based on referrals given from their Zambian colleagues. When I asked him what percentage of the new recruits were hired through referrals, he said more than 50 percent. Referrals were only the first step; candidates had to prove that they had strong technical skills. Nearly all the Chinese employees I spoke to referred to their Zambian colleagues as “cream of the crop.” They knew that the company was highly selective, so they expected their Zambian colleagues to bring highly valued skills and impressive credentials to the company.

In the Zambian company, hiring practices were predicated on personal connections. Eight out of the 12 employees I interviewed obtained the job through a family member or good friend at the company and bypassed formal applications and the entire interview process. In upper levels of management, all employees had personal relations with the CEO or knew him from their university days and were immediately hired without undergoing a formal recruitment process. The benefits of strong personal connections and friendships have also been emphasized in ethnographies of transnational networks illustrated by Paul Stoller through his study of West African traders in New York City.⁸⁹ Similar to the Zambian employees I interviewed, the West

⁸⁹ Paul Stoller, *Money has no smell : the Africanization of New York City* (Chicago: University of Chicago Press), 2002.

African traders used their personal connections and took full advantage of belonging to multiple networks to expand their businesses.

On Business Friendships at the Chinese Company

Employees at the company chose friendships based on a variety of reasons. In nearly all cases, my findings showed that trust was the most important element of friendship. As one informant mentioned, the type and degree of closeness varied and was situational. My findings demonstrated that Chinese and Zambian informants stressed different elements in what constituted a business or professional friendship. Although many cited common interests as a reason for befriending someone, the affective component stood out for Zambian informants. Let us take a look at some of the responses to questions about friendship.

Charlie, the architect from the Copperbelt province, explained that he looked for friends who motivated him and advised him in his career and in life.

I have good friends at work. I have one good friend because we seem to have the same focus as to what we want to achieve. Even him, he's talking about doing a masters in investments. From that line, we have quite a number of issues to share. Eventually, we'd want to open our small firms, which is the right path to take. Another one, we chat, not about serious issues. I look for friends who can motivate me, somebody who can advise me, someone who's helpful.

Charlie was born in the Copperbelt. His father was a mineworker for ZCCM and his mother was a housewife. His grandparents were also born in the Copperbelt. Charlie was closest with his maternal grandmother, who was an industrious, businessperson. She used to tell him stories about arranged marriages. Growing up in a two-bedroom flat situated in a block of four flats, Charlie enjoyed playing chess and soccer as a child. His family did not celebrate Christmas or birthdays because they were Jehovah's Witnesses.

Charlie attended one of the best technical high schools in the Copperbelt. He was interested in physics and was further encouraged by an Egyptian teacher to pursue more technical subjects. Due to his stellar performance in high school, Charlie received a bursary to attend Copperbelt University. At university, Charlie majored in architecture. The environment was a change from his previous schooling experiences. Socially, Charlie exclaimed that it was exciting because he met friends from different professions and helped him upon graduating because he tended to have a lot of connections. One of his friends from primary school who attended the same university and majored in architecture also ended up at a well-known company in South Africa. Charlie kept in touch with at least 20 of his university friends. He said that schooling bonded them together. They also had similar aspirations. Finally, he explained that they provided useful professional contacts.

Charlie considered himself “lucky,” because he obtained a job only two months after he graduated from university. The company was an architectural consultants company. He was hired as a junior architect and designed and managed projects for buildings and other construction projects. The job came through a university friend, who was leaving the company, and suggested that he apply to take over his position. The director of the company looked over his application and his college thesis project, was very impressed and hired him. After working there for one year, Charlie decided he wanted better opportunities in terms of career advancements. He found an ad showing an opening at the Chinese company and since the company was internationally known, Charlie applied. He was called in for two interviews with the department manager and the human resources (HR) manager where he was evaluated based on whether he could

manage certain components in their design projects. Charlie was also given a written exam, which he passed. After two weeks, the HR manager called him and asked him to pick up his contract. Charlie selected friends at work based on shared goals and their ability to encourage, advise and help him in his career.

Jenny, the contract handler from the Southern province, also emphasized trust as a key component of friendship. Like Charlie, she valued friends for their shared goals and values, as well as their willingness to dispense advice and help.

With friends, they don't judge you. You tell them you've done this or that, and they advise and try to help you. But other just judge and don't help out. I like friends at work that I feel comfortable with. Someone I can trust and who can trust me. Hardworking. Because at the end of the day, we have one goal to achieve.

Friendships at the Chinese company were also forged between Chinese and Zambians. This was the case for Frank, the tower construction supervisor. He emphasized the importance of keeping the friendship professional at work but friendly anywhere else. As Frank explained, "I have a best friend at work. He's Chinese. You have to learn to keep the friendship professional at work. When you're outside the office, friends can do whatever....I believe we all have something to learn and as long as the message is channeled out, be it vulgar or straight, I have to absorb the positive." For Frank, a friend was someone who "had his back," someone who had his best interests in mind. A friend was also someone who communicated well with him. He valued people who were very selective about what they said in specific situations. His Chinese friend at work, he said, knew how and when to "gently push" him and when to provide constructive feedback.

Ben, the software engineer and programmer who was adopted by an American family, also emphasized the importance of having friends at work: "Having friends

makes the workplace a friendlier place and you wake up everyday and look forward to going to work. The Russians say you should take work as a vacation, then you enjoy it. Like you should enjoy it as much as a vacation.” As evidenced by the comments about friendship, affective components played an important role. For many *Zambian* informants, surrounding themselves with people who encouraged and motivated them and refrained from judging was critical to their experiences at work.

For Chinese informants, the affective component was also mentioned, though to a lesser degree than *Zambian* informants. Commonalities in their responses included an emphasis on taking responsibility and repaying borrowed money. Zack, the financial manager from Hubei province, articulated his view.

I have 6 or 7 good friends. Similar personalities and you can clique when you talk. Only through interactions can you tell. You have the chance to be together. Similar habits, worldviews, discussion. Work is work, personal is personal. When you're friends, you fight and it's over. We fight and then go drink. It doesn't affect our friendship. Then we work the next day like normal. We discuss issues. If they give criticism, it just passes. You accept. You take responsibility.

Will, the engineer who was rapidly promoted and also from Hubei province, emphasized the money aspect and truth telling. He explained, “Friendship means that if I lend you money, you will return it to me. It means that we tell each other truth. If you didn't do this right, you didn't do it right. We tell each other.” My Chinese informants commonly invoked the financial aspect of friendship.

Similar to many of the *Zambian* informants, Bart, the logistics and supply chain handler from Szechuan province, stressed the importance of confidentiality and dispensing advice among friends. He said, “I have friends at work. We talk about private things and they don't tell others. We talk about happy things too. Especially if I encounter a puzzle in my life, I can talk to them and they give me advice or listen to

me. If you don't trust that person, you don't even want to talk about it.”

Opportunities to spend time socializing outside the workplace increased the likelihood of forming business friendships. Parker, the transmission engineer from Shandong province, explained that there were ample opportunities to spend leisure time with colleagues. Parker had been an engineer at the company in Zambia for two years. He said that he felt his personality changed for the better since he moved abroad. He felt that he was more open and helpful and got along well with his colleagues. He was very lonely for a while because it was difficult to see all his college and high school friends from back home settle down, get married and have children while he was so far away. He was especially sad during 2010, but when I saw him again in 2011, he was recently engaged and very happy. Explaining the work situation for Chinese employees in Zambia, Parker noted the frequent opportunities they had to socialize with each other.

With colleagues, we have good relations because we're like friends. After time, we become close; we play cards, we go to parties, we go out and have fun. It's not like in China where people rarely go out. Here we eat at the same place, even with our boss, so there's more opportunity to interact socially with the boss and colleagues.

Parker also defined trust as doing one's job well. He said if someone did not perform his job well, it would influence his perception of him. He summed it up: “His character matters and how he does his job affects his character.” More commonly cited was sharing similar habits and worldviews and hobbies. One distinguishing feature among responses by Chinese employees was the corrective behavior expected of a friend. The expectation was that a friend at work would tell you if you did something wrong or performed a task poorly. As a friend, one was expected to accept the criticism and responsibility for his own action. Another unique feature that emerged from the

responses was the expectation that friends should be able to lend each other money and pay it back. Again, this showed the importance of trust in underscoring friendships at the workplace.

The ethnographic data illustrate the point that workplace relationships at the Chinese company were characterized by different views of trust and friendship. In this next section, I explore the structure of the organization through differences workplace social interactions and relationships among Chinese and Zambians.

Social Interactions and Relationships Among Colleagues

A statistical analysis indicates that there is a significant difference in social interactions among Chinese and Zambian employees. In formal, structured interviews, employees at both companies were asked numerous questions about their relationship with colleagues. Questions included the number of hours per week spent with colleagues at work and with colleagues outside of work as well as the frequency of technology use to keep in touch with colleagues and friends. Social time encompassed social chatting, having lunches, and going on excursions and other non-work-related activities.

Based on their responses, an independent samples t-test was conducted. To test for the statistical significance of the difference among Chinese and Zambian employee responses in relation to use of technology and social time spent, an independent samples t-test was conducted. I used the Levene's Test for Equality of Variances because it tests for significance in variation in responses for small sample sizes. I went through and filled in the number of friends and hours spent with colleagues per week. With use of technology, I coded the responses based on the number of software and social network applications that the participants stated they used and assigned a number on a scale of 1

to 5, with 5 signifying a frequent technology user. To determine the significance of the variances in responses, I looked at the Sig values in the second column. The Levene's F- test for equality of variances equals 6.341 and is statistically significant at the 0.018 level for the use of technology. This means that two samples of responses randomly drawn from similar populations would generate a value of 6.341 only 18 out of 1000 trials.

The variation in responses concerning the use of technology among Chinese and Zambian participants is statistically significant based on the Sig values. Similarly, the variation in responses regarding social time spend outside work is also statistically significant, with the Sig value at 0.049. As shown in Figure 4.2, the significance values indicated in the second column, all less than .05, shows that there is indeed a significant difference in the responses of Chinese and Zambian employees regarding use of technology and social time spent with colleagues outside work.

Looking at the group statistics chart, I deduce that on average, Chinese employees reported greater use of technology for social interactions and more social time spent outside of work with colleagues. For variables pointing to social time spent with colleagues outside of work, the mean for Chinese employees was five times that of the mean for Zambian employees. On average, more Chinese employees also reported having best friends at work than Zambian employees. One possible explanation for this observation was that Chinese employees were apart from their families and forced to interact more frequently with their colleagues.

Figure 4.2

Levene's Test for Equality of Variances

	F	Sig.	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Use of technology	6.341	.018	.014	-1.250	.475	-2.226	-.274
Social time at work	.272	.607	.024	-3.175	1.321	-5.889	-.461
Social time outside work	4.257	.049	.000	-4.250	.889	-6.078	-2.422

Group Statistics

	Nationality	N	Mean	Std. Deviation	Std. Error Mean
Use of technology	Zambian	20	1.00	1.257	.281
	Chinese	8	2.25	.707	.250
Social time at work	Zambian	20	3.70	2.677	.599
	Chinese	8	6.88	4.190	1.481
Social time outside work	Zambian	20	1.00	1.717	.384
	Chinese	8	5.25	2.964	1.048

Results derived from statistical analysis can be confirmed by observations of organizational structure and culture. Most Chinese employees were young men who were either single or left their wife, spouse or girlfriend in China. In the Chinese company, they lived together as roommates in a gated community. They shared meals together, as the company has a dining hall equipped with a few chefs from China, to

cook for the employees. Parker, the transmission engineer, who had been at the company for two years, compared the experience of working abroad to dormitory life in his university years.

People say at work, it's harder to make close friends. After work, people have their own lives, they don't have time to socialize. We're pretty good, we tend to spend time together. In most other environments, people just go home. We have lots of good colleagues. Especially overseas. Because we spend lots of time together.

Zack, the financial manager, compared it to the military, alluding not only to the structured regimen of daily life but also to intense levels of male bonding. The exceptions were the Chinese employees who were fairly new and had worked in Zambia for one year or less. They were still getting adjusted to the enormous demands placed on them at work. Gary, the project manager from Inner Mongolia, had this to say:

In this high stress workplace, it's hard to be friends. When I was working in Chengdu, I made better friends, even when we're not working in the same company any more we would get together socially. In [Company A] where expectations are high and it's too demanding, I'm a different person. I have to manage multiple tasks. I have to do multiple tasks that are different from each other. No one has time to be friends.

In my observations at the company, Chinese employees displayed difficulty handling stress and communicating with their colleagues in stressful situations. This translated to yelling at each other or storming off in an angry way. This observation was also confirmed by some of the Zambian informants, who were not used to frequent displays of anger.

Artie, the public relations manager, who had been in Zambia for a short period of time, offered one explanation for this type of behavior. Artie was good friends with

the former sales manager, who became one of my good friends and was a “power broker” at the company. The sales manager had instructed Artie to “take care of me” when I returned, so Artie gave me a lot information and eventually granted me access for the second time to the company. Artie had spent a year in Malawi before moving to Zambia. He was replacing one of the former administrative managers, a young lady, Lee. The employees said that Lee had found a new boyfriend at the company and quit and “ran off with him back to China.” On why some of the Chinese employees showed displays of anger at work, Artie gave this explanation.

This is the problem I see. First, most of the employees don't have a long-term plan. Also, they don't have hobbies to reduce the stress. Those who have wives who've come here have even greater stress. Their wives totally depend on them. They have to deal with the pressure of being the only breadwinner in the family and they also have to deal with their wives' nagging. Their wives can't do anything without them. They constantly call them to check up on them. They're bored at home with nothing to do. If they find a few Chinese women, it's like the saying goes: lots of wolves, scarce meat.

Artie considered himself different from most of his Chinese colleagues, stating that he was more “open.” He said that his parents encouraged him to have a balanced life. Because his sister, who was seven years older, was born with congenital heart disease – doctors said that she had a 10 percent survival rate – his parents harbored the wish that their children would be happy and healthy. They did not put pressure on him or his sister. Artie lived with his maternal grandmother until he was in second grade.

He was a self-motivated student and attended one of the best schools in Wuhan province. It was a boarding school that had 10,000 applications and selected only 200 students. Every year, Artie explained, the school got rid of the bottom 20 percent and admitted new applications. Artie said that the school, unlike most Chinese schools,

encouraged independent thought and socializing with students and teachers. According to Artie, his personality tests indicated high scores in extroversion. While working abroad, Artie said that he rarely felt stressed. He said, “It’s all small stuff. I don’t get why employees here take every little thing so seriously. Yes, performance appraisal, which you know, happens around May or June and it gets really stressful around here. The company’s trying to evaluate whether we’re meeting our quotas. Maybe they don’t get a big bonus. Big deal. Anyway, I don’t stress over it. I have my long term goal.” Artie further elaborated on another source of stress – the focus on money stemming from the constant comparison to people in higher status positions. Artie articulated his position in the following statement.

In China, unless your family is very rich, you always feel insecure and inadequate. There’s the comparison people make. Instead of comparing with those below them, they always compare with people who have so much more. What car you drive, what material possessions you own, you have to show off. If you’re always comparing to those above you, you’ll never be happy. It’s a lack of core values. My value is self-realization. In communism, everyone was equal, but China has grown so quickly that the only values we have are money, money, money. Then you see the CCP, which has lots of rich people. They call those born after 1980, like me, the lost generation because we’re trying to find our values.

Zambian employees reported less social interactions at the workplace but overall great resilience. Many encountered hardships, yet they displayed calmness and persistence that was sometimes missing from the attitudes of many Chinese employees.⁹⁰ They also reported more social interactions with family. It makes sense that having family members close by may contribute to less social interactions with colleagues outside of work. One’s free time is limited. Shelley, the company lawyer,

⁹⁰ See Chapter IV for a more details about the financial hardships and resilience among Zambian employees.

explained the importance of keeping work issues within the family.

When I have any issues to begin with, I talk to my husband, I talk to my sisters. I think for me I believe so much in family and being open with my family before I go out to my friends. With my family, I encourage them to share before they go outside.

She preferred a strict boundary between her personal and professional life because of the gossip circles. As she explained, “I think sometimes there’s a lot of backbiting, you find that what happens at home finds its way into the workplace.” She considered two of her male colleagues trusted friends because they kept their conversations confidential, thus enabling her to keep her personal and professional life separate. Her definition of friendship was “someone who won’t repeat what I tell them, especially when you say this is in confidence.” She also learned from her friends at work, stating that they “talked about everything, the daily news, television, what was happening at work, mostly just general stuff.”

Shelley spent most of her time with her family, adding that she refrained from using technology because she wanted to maintain the relationships she already had. She said, “When I get home, I want to concentrate on my family and I know that using technology is so addicting. You want to keep updates on your friends. And you have to take care of your family. I go home. I help the kids with homework. I have dinner with family, we chat and over the weekend, we go for tennis, we get back home, we cook, maybe they go play with friends. I get home and it’s just family time.”

Zambian employees in both companies reported higher levels of distrust among fellow Zambian colleagues. Frank, the supervisor of tower construction, who had 10 years of experience in his field, commented on this issue “I trust no one at work. I’ve been betrayed before. Don’t trust anyone at work. You never know who is

plotting behind your back.” As mentioned in earlier discussions of trust and friendship, most responses from Zambian informants revealed that this distrust was rooted in the lack of confidentiality in gossip circles. It also seemed that this distrust was related to an expectation among my Zambian informants that true friends would protect one’s reputation in public. For example, Shelley, the lawyer, articulated this position: “A friend is someone who is loyal, and who always has your best interest at heart. They won’t go behind your back and say something negative no matter what you’ve done. They should always support you. They should always have your back, even if they reprimand you one on one. They should always support you in public.”

The notion of supporting each other in public was constantly repeated by my Zambian informants as a key element in friendship. In this sense, saving face among Zambians was very similar to a common practice among the Chinese. Their reputations were at stake – but only to one’s co-nationals. Chinese and Zambians were not included in each other’s gossip circles and did not occupy the same spheres that subjected them to public shaming. This meant that when interacting with each other, they operated according to different rules – rules that could be made up as they went along. Moreover, because they were outsiders to each other, and this was confirmed through observations of Chinese and Zambian employees socially conversing and spending social time with each other along national lines, this could diminish their reputation risk and increase their willingness to collaborate with each other. In other words, it could pave the way for Chinese and Zambians to form friendships at the workplace.

Conclusion

Viviana Zelizer, Paul Ingram and Xi Zou emphasize the ways in which our

social and economic lives are deeply intertwined.⁹¹ They awaken us to possibilities of new kinds of relationships formed in different spaces, whether in an office setting, in a coffee shop, or on the golf course.

In this chapter, I explored different perceptions of trust and friendship among Chinese and Zambian professionals. These business friendships combined varying degrees of instrumentality and affect. Among other affects, trust still remains one of the most important affective components of business friendships. From both Chinese and Zambian perspectives, trust remains a crucial element of working together and doing business with each other.

While stereotypes, prejudices and misunderstandings occur, this is an inevitable part of the learning process of individuals from different backgrounds striving to work together toward common goals. These kinds of problems and conflicts have been explored in ethnographies of banks⁹², underground mines,⁹³ and firefighters.⁹⁴ Coworker-related experiences have been measured by the level of solidarity, peer training and positive coworker relations.⁹⁵ Conflict in coworker relations was measured in six ways: within group conflict, gossip, and interference and between

⁹¹ Viviana A. Zelizer, *The Purchase of Intimacy* (Princeton, NJ: Princeton University Press), 2007; Paul Ingram and Xi Zou, "Business Friendships." *Research in Organizational Behavior*, 28, 2008, pp. 167-184.

⁹² Robert Jackall, *Workers in a Labyrinth: Jobs and Survival in a Bank Bureaucracy* (Allanheld & Osmun), 1978.

⁹³ George Vecsey, *One Sunset a Week: The Story of Coal Miner* (New York: E.P. Dutton), 1974.

⁹⁴ Robert McCarl, *The District of Columbia's Fire Fighters' Project: A Case Study in Occupational Folklife* (Washington D.C.: Smithsonian Institution Press), 1985.

⁹⁵ Randy Hodson, "Organizational Ethnographies: An Underutilized Resource in the Sociology of Work." In *Social Forces*. 76.4, 1998, pp. 1184.

group conflict, gossip and interference.⁹⁶ The ethnographies have consistently reported that the major factor contributing to coworker relationships and conflicts was whether they worked in a well-run organization. Well-run organizations were defined as containing “effective production systems, good lateral and vertical channels of communication, good leadership, and equipment in a good state of repair.”⁹⁷ Therefore, the greater the organizational effectiveness, the better the relationships among employees and more positive experiences reported at the workplace. In this sense, the dynamics of relationships at the Chinese and Zambian companies may be more indicative of the type of organization, its effectiveness and the industry of the organization than clashes of “culture.” For improved coworker relationships between the Chinese and Zambian employees, one can only surmise that improved organizational production systems, communication and leadership will pave the way. Given that the Chinese company has been reducing financial resources in multiple areas and middle management continues to change, one would be hard pressed to anticipate improved organizational effectiveness in the near future. However, if the employees can recognize their commonalities, particularly their shared goals, then their workplace relationships will improve. The improvement will contribute to peer training and informal sharing that takes place among employees regardless of company policy. Peer training has been positively correlated with trust and solidarity at the

⁹⁶ Randy Hodson, “Organizational Ethnographies: An Underutilized Resource in the Sociology of Work.” In *Social Forces*. 76.4, 1998, pp. 1184.

⁹⁷ Randy Hodson, “Organizational Ethnographies: An Underutilized Resource in the Sociology of Work.” In *Social Forces*. 76.4, 1998, pp. 1178-79, 1202; Melville Dalton *Men Who Manage*. Boston, MA: Wiley, 1959; Robert Jackall, *Workers in a Labyrinth: Jobs and Survival in a Bank Bureaucracy* (New York: Allanheld & Osmun), 1978; Robert Linhard, *The Assembly Line* (Boston, MA: University of Massachusetts Press), 1981.

workplace as well as transfer of key knowledge at the workplace. If both Chinese and Zambian employees can take advantage of peer training built on good working relationships with each other, then they can maximize the benefits of working at the Chinese company and use the benefits to help them start their own enterprises in the near future.

Since the Chinese are already present in significant numbers in Zambia and other African countries, the chances for beneficial working relationships loom large. Ever increasing Chinese presence will inevitably open up even more opportunities for the formation of myriad relationships, including business friendships, advice and mentor networks, and romantic relationships between Chinese and Zambian professionals.

CHAPTER V

ANALYSIS OF CHINESE FIRM AND USE OF STRATEGIC RESOURCES

Introduction

During the 2011 Zambian presidential election, the theme of developing a manufacturing sector was a ubiquitous topic in televised debates among candidates. One of the popular candidates Elias Chipimo outlined his recommendations for this development: “You have to have the right policy in place to support local manufacturing. But you need to invest in people...you need to import the right technology to revamp the sector and produce things in a smarter and efficient way.”⁹⁸ In a nutshell, Chipimo shed light on the necessity of investing in people, including provision of training, knowledge and technology. Investment in human capital encompasses the strategies that employees use to achieve their goals.

In the previous chapter, I introduced different configurations of workplace relationships. Central to these configurations were varying meanings attributed to trust and friendship by the employees at the companies. In this chapter, I explore the strategies used by employees, including relationships forged at the workplace and in school to help them achieve desired outcomes. I probe workplace relationships by examining the role of trust, admiration and valued characteristics in potential collaborators.

I begin by discussing the organizational structure of the Chinese firm through

⁹⁸ The quote was lifted from a televised presidential debate in Zambia during the elections in 2011.

reference to technology projects that require collaboration among employees. I then proceed to provide details about the individuals, the occupational background of their parents or close kin members, educational and work histories, whom they admired at the company, and valued collaborators in future joint ventures. This chapter builds upon the previous chapter by scrutinizing effective strategies that employees used through the formation of workplace relationships and collaborations in the context of current and future technology projects.

The Chinese Company

The Chinese company focused mainly on physical telecommunications infrastructure building such as fiber optic networks. It grew and spread to 39 Sub-Saharan African countries. The company also provided telecommunications equipment and technical services. In 2008, it secured a lucrative deal with the leading fixed-line and Internet service provider in Zambia to build a national fiber optic network for the entire country. The project entailed building and servicing an enterprise network so that all government institutions would be linked together. The company was the solutions provider for this project. Additionally, it handled 3G networks for the cell phone companies.

Technicians and engineers were on-call 24 hours to troubleshoot and provide solutions to any disruption or breakdown in the network. According to one of the employees, the company managed the building and maintenance of over 100 towers for one of the largest cell phone companies. The cell phone company recently outsourced the use and servicing of their 2300 cell phone towers to this Chinese company.

This resulted in the merging of the technical departments in both companies. In sum, there were an estimated 2900 towers in the country. The remaining 600 towers were owned and serviced by the other large cell phone company, their competitor. Although the actual construction of the towers was subcontracted to local firms, employees at the Chinese company were responsible for overseeing the process of erection and maintenance.

Training

Employees received at least two months of training prior to assuming their positions at the company. Chinese employees received the training at company headquarters in China. Gil, the information engineer, explained the training process.⁹⁹ He majored in telecommunications in university. The company was recruiting at his school, so he decided to apply. He was given three interviews and received an offer for the job.

As a transmission engineer, his job involved handling data transmitted from the base station controller (BSC). He spent 60 percent of his time at the computer and the rest of the time, with clients or in the server room. He was on-call, 24 hours a day, seven days a week. He was trained for two months when he first entered the company. Part of the time was devoted to orienting employees to the culture of the company. Gil was also trained in microwave transmission and optical fiber networks in preparation for his position in Zambia. At the end of the training, the trainees were required to take an exam about the values of the company and their specialty areas.

⁹⁹ See Table 3.1 in Chapter III for the employee chart in order to keep track of the individuals in the study. The Appendix also includes employee charts for both companies.

Zambian employees also received training in the beginning. Orientation consisted of activities and workshops that taught them about China, the national culture and the company culture. Employees were trained in South Africa as well. The lawyer received several weeks of training that involved collaboration with colleagues in South Africa. Employees working in the sales department received occasional training in Kenya for product management and updates.

All employees were regularly given exams on newly released products and company values. Chinese employees had to take English exams regularly. Zambian employees who had worked at the company for several years and specialized in a technical area were sent for training in China. Training workshops were also arranged by the human resource manager through performance management surveys and interviews to assess the mode and level of training for each employee. More training was provided for Chinese employees than for Zambian ones. The process was gradually changing; the company had started investing more resources in sending engineers to China to receive technical training.

Employees in the sales department were also expected to increase their knowledge in new technologies through online exams. There were more advantages derived from international training, consultant visits and presence than online exams.¹⁰⁰ Studies have shown that competence and performance training are positively related to employees' abilities and merit-based promotion are positively

¹⁰⁰ See Axele Giroud, *Transnational Corporations, Technology and Economic Development: Backward Linkages and Knowledge Transfer in South-east Asia* (Northampton, MA: Edward Elgar, 2003), p. 78.

correlated to employees' motivation.¹⁰¹

Promotions

The perception of most interviewees was that promotions were merit-based.¹⁰² The company used a mechanism called key performance indicator (KPI) that measures performance for each position. KPIs contained multi-level benchmarks, with salaries commensurate with each benchmark. Employees and managers were given KPIs specific to their position and were evaluated accordingly on a regular basis.

Will, the systems engineer from Hubei province, explained this process: "How do you get promoted? It's based on hard work. Not 100 percent. Of course just because you work hard doesn't mean you'll get promoted. Everyone has KPIs. You have to complete a project and bring in the revenues. They have a committee that evaluates your KPIs." Artie, the public relations specialist, commented on the process, "Government companies rely more on *guanxi*. This company is better about it. All they care about is whether you deliver the results. Promotions in the company are based on performance. Of course you also have to know how to be a human being, so people don't dislike you." Shelley, the lawyer from the Copperbelt province, further commented on the process, "If you give good results, you'll be recognized. You'll get positive results if you're able to meet and exceed your KPIs."

One of the managers commended for exceeding her KPIs was the human resources (HR) manager. She was featured in a magazine that the company publishes

¹⁰¹ D. Minbaeva, T. Pedersen, I. Bjorkman, CF Fey, and HJ Park. 2003. "MNC knowledge transfer, subsidiary absorptive capacity, and HRM." *Journal of International Business Studies*. 34:586-599.

¹⁰² In Chapter II, I discuss this in detail, referring to Shelley and Will's perspectives about the path for upward mobility at the firm.

every six months. Invited to write an article about her experiences, the HR manager wrote about the results of her hard work and how she eventually became the head of the HR department. She concluded, “I couldn't be happier than and as satisfied as I feel to have made a decision to be part of [the company]. It was rewarding! [The company] has not only offered me with a solid career but also offered a nurturing and encouraging environment.”

In the article, she discussed her journey with the Zambian branch of the company, emphasizing the challenges she had to overcome in understanding labor laws in Zambia, Malawi and Zimbabwe and trying to hire and retain qualified employees. Nearly all the employees I spoke to praised her hardworking quality. While one may argue that the article was simply a public relations ploy to show the company in a favorable light, there was no doubt that the manager was a trailblazer and both Chinese and Zambian employees praised her for her hard work and impact at the company.

Mobile Phone Industry

The growth of the cell phone industry was dependent on the erection of towers and related infrastructure throughout the country. A telecommunications installation included the following components. This included the base station with the antennae support structure. The base station referred to the components inside the boundary wall or fence, including tower, buildings, containers and other structures. Additional infrastructural elements included the access road, power supply, drainage systems in case of rain, and telephone pole and cables. For the placement of new towers, site selection was based on a cost-benefit analysis, taking into consideration the density of population, demand and elevation levels. A higher elevation emitted signals that

extended as far as possible.

In the urban areas, towers were placed away from other towers in order to meet the greatest coverage without redundancy. In a South African case on tower building in the rural areas of KwaZulu Natal, the aesthetics of the installations in tourist areas became an important factor because any “unsightly” infrastructure could diminish profits made from the tourist industry.¹⁰³ In the rural areas, only the villages or cluster of villages with high population density would be considered in order to justify the costs of building and maintaining the tower.

Additional considerations included the proximity to residents, as radiation caused by electromagnetic energy and other health issues have become an increasing concern, and rain water drainage, as soil erosion around the area may damage the tower. Access roads were also an important factor. Most companies made use of existing roads, unless the benefits of building a tower in a rural area justified the cost of subcontracting the construction of new roads. During site selection, the proximity to power lines was also considered.

Since the launch of the 3G networks, the Chinese company released a new smart phone in Zambia and Kenya in 2011. Smart phones relied upon “code division multiple access” (CDMA) technology. Communication through the smartphones was dependent on a universal system that handled calls and messages at high speeds. This technology was only partly reliant on the cell phone towers and mostly on satellites operating at low orbits. The smart phones were released during my long-term fieldwork

¹⁰³ Scott Wilson Environmental Division. 2000. Minimising the Negative Environmental Impact of Telecommunication Towers and Related Infrastructure on Rural Areas in Kwazulu Natal. Policy Document. The Town and Regional Planning Commission. KwaZulu Natal, South Africa.

during which I was invited to the official launch party.

The party took place at one of most upscale hotels in Lusaka. The hotel catered the event and laid out buffet carts and plates of hors d'oeuvres. Tall and fancily dressed Zambian models were hired to distribute goody bags and pose in pictures with clients. All major distributors and corporate clients as well as key Zambian officials, the VIPs, and the Chinese ambassador and a few staff members at the Chinese embassy were invited to the party. The person representing the Chinese company was a South African woman, who was the marketing director at the South African branch. Many of the Chinese employees whispered to me that they they had never seen her before and maybe she was newly hired to represent the company.

The host was a famous Zambian artist, who cracked jokes and created games for the guests to play. The highlight of the event was when the company gave away 10 free smartphones to members of the audience based on answers they gave to quiz questions. After the phones were given away, a famous Zambian singer performed a few songs and danced on stage. She invited guests to dance with her. The company also had a huge gaming display, which was intended to introduce guests to one of their newer technology products akin to iPads. It seemed that most guests were not too keen with the gaming display and instead, it drew many of the Chinese employees who were bored, either sleeping on the sofas or playing the virtual games. Many of the Zambian employees that I saw were socializing.

Given the smart phone's initial price at around US \$200, many Zambians would not be able to afford it, although it was likely that a black market for cell phones would reduce the price. Zambians preferred the Blackberry or iPhone to Chinese phones and

most of them were purchased in the black market. According to an ICT policy paper, there were an estimated 4.2 million mobile subscriber in 2009, which accounted for 32% penetration rate.¹⁰⁴ The majority of subscribers lived in the urban areas. The rest of the population, roughly 62%, lived in the rural areas and were underserved in terms of access to cell phone coverage as well as fixed lines.

The report also indicated that the rural population has access to only 10% of the fixed lines available. Smart phones relied upon more advanced technology, including fiber optic networks and satellite technology. A substantial number of cell phones relied on microwave networks, which was typically cost-effective and reliable. Microwave transmission units were smaller and had minimal hardware requirements. Microwave technology was often the choice used by companies to extend Internet and telephony services into rural areas. However, usually a combination of transmission technologies was used to provide maximal coverage with low cost and reliable speed and services.

I have provided a brief review of some of the technical aspects of maintaining a mobile phone network. The purpose was to provide the context of workplace relationships at Chinese company. I now turn to technical projects that required the collaboration of employees.

Site Tower Construction

The placement and maintenance of site towers involved careful coordination of a team of experts. There were two site supervisors whose tasks included monitoring and storing of all equipment, restoration and excavation of the site and managing the

¹⁰⁴ Shuller Habeenzu, 2010. Zambia ICT: Sector Performance Review 2009/2010. Capetown, South Africa: Research ICT Africa

building of the tower. Since I only befriended one of the site supervisors named Frank, I will focus on his story.¹⁰⁵

Frank managed the construction of the tower from commission the site to equipment implementation to final site activation. Frank spent his early formative years attending primary school in Lusaka. He then moved to Botswana with relatives since his parents were deceased. He returned to Zambia for secondary school and began attending university in Lusaka for a short period of time before he made the move to Mufake, South Africa. After one year in South Africa, Frank spent the subsequent year in England, where he studied information systems management at school. When he came back to Zambia from England, he had a hard time adjusting and faced challenges finding a job. During this period, he became friends with a Ugandan man who was skilled at building towers. He started learning from him and polished up his technical skills. He learned to build towers from the bottom up, including installations of antennae reaching up to the intraplate.

When I first met Frank in 2010, he called himself a daredevil because he liked to take risks in his professional and personal life. One example he liked to bring up that attested to his “daredevil” personality was his approach to interviews. When he was working on a project, he met someone from the Chinese company who was impressed with his skills and recommended that he apply for this position. He was the only one to arrive at the Chinese company in casual attire for his interview. He said, “I came out natural and I laid down the CV and spoke.” Because of his extensive experiences building towers and his knowledge of changes in the telecommunication industry in the

¹⁰⁵ See Chapter IV for more details about Frank’s story.

past ten years, he was hired on the spot. Initially hired on contract, he gradually became a permanent employee. He had been at the company for four years.

Before Frank and the other site supervisor traveled to designated sites, they had to meet with the architect Charlie to discuss site designs. Charlie's job entailed checking whether the sites have been correctly laid out and if they meet certain specifications. As I mentioned in Chapter III, Charlie majored in architecture at the Copperbelt University, where he worked on a thesis project that dealt with the design of buildings. Upon graduating, he received an offer to work at an architectural consultants company. For the last three years at the Chinese company, Charlie was the coordinator for the construction and maintenance of site towers. He served as the interface between the suppliers, clients and subcontractors. Since the site designs follow prescribed layouts, Charlie remarked that there were limitations to the learning aspect of his job. When I last spoke to Charlie, one year after my fieldwork experience, he said that the job was becoming increasingly monotonous. He wanted more of a challenge and to keep learning at his job.

The construction of towers comprised one domain where employees specialized in technical areas and collaborated with each other. Contiguous domains included project management and technical maintenance of the networks. Another employee, a network management center manager, monitored the power supply, looked for power failures, in case generators failed, monitored the fuel levels and handled the equipment for support. His job was to notify Frank and other employees in the field in case of problems.

He had accumulated 10 years of experience working in both the operator and vendor sides. His current position allowed him to bridge the two areas. Charlie worked

closely with the network center manager and the site supervisors to ensure that the construction of the site towers were streamlined.

Everyone worked with the project managers, who were responsible for setting the deadlines and budget. Another employee who was not part of the study had been at the company for nearly three years, leading the five phases of project management. This included initiating, planning and managing, executing, monitoring and controlling and then closing the project. He received his university degree in electronics and initially worked as a consultant for information technology projects at a Zambian company. Payment for the project was segmented into phases. In order to ensure that payments were made for each phase, Jenny, the contracts handler prepared the documentation and legal paperwork after Shelley, the lawyer, drafted them and checked for accuracy (see Figure 3.1 for a basic chart and Figure 1 in the Appendix for a comprehensive chart of employee information). Jenny worked closely with Carla, the purchase order administrator, to ensure that the receipts and orders were given to the suppliers and payments were made on time. Charlie, Frank, the project manager and network management center manager were experienced and skilled Zambian professionals who worked together on a team.

The maintenance side of the project entailed customer service, troubleshooting and fixing any problems with the network. Since one of the largest mobile phone companies outsourced their technical services to the Chinese company, the engineers shuffled between both companies to resolve network issues. While the construction of towers comprised a key part of ensuring that cell phones worked, the maintenance aspect was also equally important.

Maintenance depended on software and hardware engineers. Their job was to ensure that the optical fiber national backbone and other networks ran smoothly. The smooth functioning of the towers depended on the technical expertise of engineers like Gary, Mark and Phil, whose job was to connect communications between different equipment using an IP address. The basis of their relationship was professional; they were put together as a technical team. They tested for the transmission of data starting from the cell phone to the computer and to other phones. Using techniques such as splicing, which cut cable for fiber optic systems into many channels or other methods, enabled them to ensure less traffic and greater speed in the transmission of data.

The engineers specialized in different areas. Phil specialized in network engineering, Gary managed the projects, and Mark was a hardware engineer and also an expert in wireless networks and worked with client companies in troubleshooting technical problems on the user end. One of the software engineers Ben, previously mentioned as the recipient of a prestigious scholarship to study in Russia, arrived at the company with extensive experience in computer programming. His first job was working in the casinos as a web programmer.

After this stint and while still a student in Russia, he obtained a job working as a programmer for an American technology company based in Russia. He obtained the job through a Russian man, whom he met and befriended at a hostel. The American technology company put computer terminals in Moscow to connect to their main systems in Boston. When customers called, it appeared as if they were talking to someone based in Boston, but in reality, representatives like Ben were based in Russia. When Ben was hired, he had to learn specific street names and landmarks in Boston to trick

customers into thinking that they were receiving service in the U.S. rather than Russia.

These examples demonstrate that areas of implementation at the Chinese company provided employees with knowledge that will likely prove to be advantageous when they form their own spin-off firms in the near future. Most employees at the company arrived with a wealth of prior related knowledge. In addition to increasing their technical knowledge, they also sharpened their problem solving and leadership skills. Exposure to a variety of environments has been positively correlated with influencing the decisions of employees to start a new venture based on their experiences and knowledge accumulated from adapting to different work environments.¹⁰⁶

Frank, Shelley and Carla emphasized that they were continually placed out of their comfort zones and had to learn to adapt to different and challenging situations everyday at work. Their positions had a great degree of autonomy, which gave them latitude to explore other areas in their job and keep learning. On the other hand, repetitive work, which Jenny and Charlie and some of the Chinese employees complained about, impeded learning and decreased overall morale. As the examples illustrate, the organization must employ tactics to improve overall organizational effectiveness to keep the employees challenged and motivated to keep learning, especially from each other. Organizational effectiveness will improve communication and trust required for peer training and knowledge transfer. Now that we have seen examples of the implementation of technical projects and the collaboration of employees at the Chinese firm, I turn to their family backgrounds.

¹⁰⁶ Uzi De Hann, 2008. "A Hotbed for Entrepreneurship and Innovation: Looking for success in Israel's High-Tech Clusters." In *Pathways to High-tech Valleys and Research Triangles*. W. Hulsink and H. Dons (Eds). Dordrecht, The Netherlands: Springer.

Background of Employees

Among the Chinese and Zambian employees, data collected about their family background showed that most of them were the first in their families to obtain a university education and work in a private firm. Among the eight Chinese interviewees at the company, the breakdown of their parent's occupations is presented in Figure 5.1

Figure 5.1

Parental Occupational Chart for Chinese Interviewees

Interviewees	Father	Mother
Bart	Farmer	Farmer
Parker	Farmer	Housewife
Gil	Soldier, then Small Business-owner	Housewife
Sam	Military, then manager of a government company	Salesperson at a small company
Martha	Security guard at a factory	Housewife
Will	Junior High Teacher	Small Business-owner
Zack	Government Civil Officer	Small Business-owner
Gary	Worked at Large Government Bookstore	Worked at Large Construction Company in implementation and design

The occupations of the parents of the eight Zambian interviewees are listed in Figure 5.2. Some of the interviewees were orphaned and lived with relatives instead. This was a common practice, even among those who were not orphaned. It was quite typical for Zambians to grow up with relatives living in the city because it granted them better access to schools and job opportunities.

In the case of Ben, the programmer, whose parents died when he was young, I inserted information about his adopted father. I also included information about the occupation of Carla's brother-in-law because her parents died she was an infant. The situation was similar for Roz, whose parents died when she was young, but I was not able to find information about the occupation of her brother-in-law. The occupation of Mark's father as a mining shift boss is also included in the chart, but it is important to remember that he was primarily raised by his mother.

Figure 5.2

Parental Occupational Chart for Zambian Interviewees

Participant	Father	Mother
Ben	Businessman, owned shops, adopted American father was teacher	Housewife
Mark	Shift boss for ZCCM mines and supervisor in technical department	Small business-owner
Carla	Unknown, brother-in-law was operations manager for local Zambian government	Unknown, sister was housewife
Charlie	Mineworker for ZCCM	Housewife
Frank	Unknown, moved around with relatives to Botswana, South Africa and UK	Unknown
Jenny	Lawyer	Marketing Manager
Roz	Farmer	Unknown
Shelley	Quality Assurance Technician for machines in TAZARA	Secretary for TAZARA company

An analysis of the occupations of parents indicated that most of my informants were among the first in their family to receive a formal education, to be trained in their specific area of expertise, and to enter the private workforce.

Among Zambian informants, Charlie, Jenny and Ben reported the influence of their parents and their parent's occupations in their educational and professional

endeavors. The rest of the informants reported receiving assistance and inspiration from kin members, such as their brother-in-law, aunts, uncles and cousins. For example, Jenny, the contract handler with the lawyer and marketing manager as parents entered the workforce with the advantage of knowledge imparted from her parents, including how to apply for jobs, the norms of professional behavior, and access to their network of colleagues and family friends.

When Jenny graduated from high school, her first job as a salesperson at a large shopping mall was obtained through her father's connections with the storeowner. In informal conversations, Jenny made it clear that watching her parents work in their professional environments and specifically, their strong emphasis on education, starting with her paternal grandfather's lessons, gave her an advantage at university and then later in the workforce.

At least half of the Zambian informants were orphaned at a young age. In some cases, as with Carla and Roz, they looked to their brother-in-law and sister for guidance in their education and careers. Carla had a passion for journalism and got a job at college writing stories for the Daily Mail, a well-known Zambian paper, through her brother-in-law who was working in the building and had connections to an employee there. The elder sister who raised her had connections to a few of the employees at the Chinese company and informed Carla when a position became available.

As discussed earlier, the Chinese company delegated the hiring of Zambian professionals to their Zambian colleagues. Over 50 percent of the hiring decisions were based on referrals from Zambians already working there, so relying upon siblings and extended family members to alert them to job opportunities was effective. Beyond the

referrals, the employees were also given three interviews and technical exams to secure their jobs.

Roz, the verifications manager, relied upon her elder second born sister to raise her. Her sister and brother-in-law already had four children, so they could only provide Roz shelter and food. She had to start a business of buying and selling clothes from South Africa to pay for her initial school fees. A couple from church agreed to sponsor her education when she was in high school. Ben, the software programmer, was orphaned at age 11 and adopted by American parents. Ben made it clear in our conversations that he was fortunate to attend the top schools in Lusaka in part because of the care of his adopted parents.

Among the Chinese informants, their fathers were farmers, soldiers or guards, or worked for the government at the local level. It must be noted that almost all of my informants grew up with grandparents for at least the first five years of their lives. This was a common practice, as it was accepted and understood that their parents had to make sacrifices for the family unit, including moving far away to make a living. Most of the Chinese informants' parents did not receive schooling because they came of age during the Cultural Revolution. For example, Gary from Inner Mongolia grew up with his grandparents. His own parents were now taking care of his daughter while Gary and his wife worked abroad. In Gary's case, his grandfather graduated from college and emphasized the importance of an education. Gary's parents, aunts and uncles were not able to attend university because of the Cultural Revolution. Gary's grandfather was in jail for 10 years prior to the Cultural Revolution. While his grandfather was in jail, his father had to start working in his teens in order to financially support the whole family.

It is clear from Gary's story and from the data that most of my Chinese informants' parents could not guide them in schooling and in their careers, although all of their parents stressed the importance of obtaining an education. In some cases, as Gary's example shows, their grandparents, who took care of them for most of their childhood, received more schooling than their parents.

My Chinese informants were not the "princelings" of China. With the exception of a few I met who had connections to officials within the Chinese Communist Party (CCP), most of the ones at the company did not have these personal connections. They entered what might be called the "middle" or "professional" class by way of technical schooling and experience. In fact, some of the employees, such as Martha and Gary, had relatives in the distant past who at one point, fought for the Kuomintang (KMT) and this tainted their entire family reputation, putting them at a disadvantage in terms of accessing resources to the best schools and jobs. In such cases, it seemed the best avenue to explore was through technical training, which guaranteed that they could obtain a stable job and financially support their families upon graduating. As Gary's story shows, he was able, in a sense, to redeem the poverty and hardships his family encountered by pursuing a technical route and working abroad. His grandfather had been jailed for a long time, forcing his father to work at a young age to support his family. Gary told me that his parents "felt like they suffered their whole lives so they wanted us to work hard."

Martha, who was married to Sam, the interface between the clients and technical experts, both from Henan province, shared a similar story. She opted to receive technical training due to blocked access to other channels of upward mobility. Her

father was a farmer and her mother was a housewife. Martha's paternal grandfather was a landowner whose money and land was taken away in 1957. Her family was stigmatized because her grandfather was associated with the landowning class. Martha said that their neighbors and acquaintances scrutinized their lives. She explained, "Often, we were bullied. Red Army, from schools, these students, they used to bully rich people or teachers. They thought that rich and educated people were evil. So my grandfather was constantly put in the square and humiliated. Our family had to live in a house made for cows. There was nowhere to go. In the middle of the night, when someone came knocking at his door to wake him up, my grandfather had to memorize Mao's Red Book and recite it."

Due to the notoriety of her grandfather, Martha's entire family occupied a low status position in their villages. Her father excelled in school, but he was not allowed to continue his education and fulfill his dreams of becoming a teacher because of her grandfather's reputation. Martha explained that she chose to attend vocational college and receive technical training due to limited options and so that she could obtain a stable job when she graduated.

The other Chinese informants who had relatively stable childhoods had parents who were farmers or soldiers. Zack, the financial manager, explained that his father occupied a high status position in their village. Born in Hubei province, Zack's father was a government civil officer and his mother, a homemaker. His father was also a policeman and middle school teacher. His grandparents took care of him until he was eight years old. He remembered them fondly and described them as simple, naïve and good peasant folks. Zack had a younger sister who was an English teacher in high

school. His father's positive reputation in the village gave them certain advantages. Zack's family was the first to own a television. He was able to attend a good primary school at an early age because the principal knew his father.

Although Zack was one of the informants whose father provided an advantage in his childhood, the advantage was not comparable to the kind possessed by the "princelings" or people well connected to CCP officials. The point is that all my Chinese informants were the first in their families to obtain a stable career in the private technology sector. They were not the wealthy "princelings" of China, nor were they the low status contract laborers in Zambia or the migrant laborers in China. They were somewhere in between. Working for the Chinese company abroad did grant them significant bonuses and high salaries, but they lacked connections to the top elites in China.

Nearly all the parents of the Chinese and Zambian informants instilled a strong value of education in their children. Another interesting similarity in the data was that most of their mothers were housewives and did not work. This points to the low status of women and the limited opportunities for establishing independent wealth in both Chinese and Zambian societies – a phenomenon that my female informants undermined and overturned with their educational and career ambitions.

Similarly, my Zambian informants were also not the political elites that occupied the diplomatic positions or were well connected to the politicians. They were among the rising economic elites, such as the CEO of the Zambian construction firm. It is possible that after the older generation is gone, my Zambian informants will become the new political elites that possess wealth and strong technical and entrepreneurial

backgrounds. Among both Chinese and Zambian professionals at the company, they comprised the burgeoning educated and middle class technocrats.

Educational Background

Now that we have examined the occupational backgrounds of family members of the participants, let us look at their educational experiences, influential factors that contributed to their decision to choose areas of specialization and the configuration of key relationships formed at school. This enables us to examine the strategic resources that the participants used to assist them in their professional endeavors. My findings from interviews related to the following: 1) the subject of interest 2) the relationships they had with an authority figure and classmates and 3) their orientation towards the future.

I inquired about subjects and teachers they liked because I noticed from my preliminary research in 2010 that informants became tense and were reticent to share information when asked negative, sensitive or controversial questions. For example, rather than asking, “What do you dislike about the firm,” it was more effective and put them at ease when I asked, “What do you like about the firm? What do you envision for yourself in five years?” Just as in conversations with friends in the United States, my informants were more comfortable talking about their triumphs and what encouraged and motivated them rather than what could be perceived as sensitive topics.

At times, my informants automatically shared what they did not like, either about the firm, colleagues or their educational experiences. In most cases, they were more comfortable and shared more when the questions or informal conversation was framed in a neutral or positive way; we can infer that what they did not like was simply the

opposite of their stated preferences. My concern was that my informants were not put in an uncomfortable position, that they would continue to trust me, and that the results published here would not produce negative impacts on their careers and means of obtaining a livelihood. Furthermore, since mentorship and guidance are significantly influential in one's career path, gleaned the effective and positive aspects may be more instructive than the ones that failed. Therefore, my questions were oriented towards what they liked, preferred, what worked, and their dreams of the future and their successes.

My informants used available resources around them, such as their teachers and classmates, in the interests of pursuing the subjects and career path as technology specialists. Those who took an interest in the subject tended to perform well. Their performance fostered a positive attitude towards them by their teacher and this further reinforced their interest in the subject matter.

Ben, the software engineer, explained his experience. "I liked my science and math teachers because I was good at the subjects and the teachers liked me. They favored me." Charlie, the architect from the same engineering department, also explained that his interest in the subject and involvement in architectural research prompted him to keep learning about this topic. Will, the engineer who was rapidly promoted in the company, made a similar statement: "My Chinese was good, so the teacher liked me. I used to read a lot of books growing up so I knew how to memorize an entire book. If you asked me to flip to page 57, I could recite it for you from memory. So my teacher would tell me to go in front of the class and talk to people. I would tell stories. At the university, teachers would ask me to lecture in front of class."

Eight of the twelve interviewees took an interest in the subject matter because of the relationship forged with the teacher. Their statements revealed that their interest in learning hinged on the teacher's personality and management style. While some employees emphasized the importance of nurturing an egalitarian relationship between the student and teacher, others stressed the benefits received from a hierarchical relationship, which involved dispensing advice and the shaping of one's character. Martha from Henan province, who worked as the coordinator of gifts and events for employees, took an interest in English because her elementary school teacher treated the students like friends. She recalled fondly, "He took pictures of us and told us we should take more pictures to remember our youth. He took us to the mountains and showed us flowers. He brought snacks. Other teachers were just too serious. He was different; he was like a friend."

In a similar vein, Mark, the hardware engineer from the Copperbelt province, expressed gratitude for the positive relationship his teacher developed with him. "My grade seven teacher – in my time, one teacher would teach all the subjects – he used to praise me a lot and he encouraged me a lot. He developed a personal relationship with me. That was my favorite teacher." In some cases, interviewees expressed appreciation for teachers that held them to high standards. Gary, the project manager from Inner Mongolia, liked his English teacher in junior high because he was very demanding and had high expectations for his students. Jenny, the contracts handler from the Southern province, also stated that she preferred teachers that pushed her to work hard, like her high school math teacher.

Although a majority of the interviewees pointed to the way teachers treated them

and nurtured their relationship as an integral part of their available resources, two interviewees commented on key mentorship qualities that were oriented towards the future. Mentorship qualities were rooted in character-shaping advice and guidance for the future. Zack, the financial manager from Hubei province, explained that he benefited and learned the most from his Chinese language junior high teacher. Emphasizing his character-shaping advice, Zack alluded to valuable life skills his teacher imparted to him, which included showing him right from wrong, “managing” him in a strict way, and quelling his rebellious side.

He taught me to change my perceptions. He helped change my habits. I used to be rebellious. That year, he changed me. He was very strict and I was scared of him. He used to scare and threaten me. He used to give me a lot of advice. He taught me to read books and cultivated good habits within me. I write Chinese well because of him. I used to not like him but appreciated him later on. I hadn't seen him for 10 years, so I went and took him out to eat. Those in your younger years who change your habits are the most influential in your life. Your worldviews, habits, potentials are all shaped when you're young. If there's no one to guide you, then you're likely to go astray. He used to cultivate my passions. He didn't tell me what to think, but nurtured my potential. Chinese socialization fails in this area. People might be good at studying, but not at life skills. He taught me life skills.

Further evidence of character-shaping advice was captured in Gil's statement about his favorite teacher.

I liked my high school philosophy teacher. He was very encouraging and gave advice and stories that increased my wisdom. He taught Marx and because I was a technical major, I didn't really know his field of study. In high school, my perspective was more broad and open. I liked to question and I thought a lot. Different ideas – my mind was active. He said to be practical, apply your ideas to life. It was a light bulb moment for me. So from then on, I didn't think too much; theories and ideas mattered, but I applied them to my life and career.

Through his favorite teacher from high school, Gil, the information engineer from Shandong province, had a life-changing experience that inspired him to apply what he learned in a practical manner to his life and career.

The narratives of their early engagement with schooling showed that Chinese and Zambian employees used available resources, such as advice, encouragement and subject expertise from teachers, to assist them in excelling in school and preparing them for a career as technology professionals.

The majority of responses indicated that their university experience was far more influential. In both Chinese and Zambian contexts, it was a time of discovery. Many reported that while high school was incredibly rigorous, at university, they finally had the chance to assert their autonomy and the time to relax and socialize with peers who later became important professional contacts. The experiences of Zack, the financial manager from Hubei province, demonstrated these points.

I went to Wuhan Technology University. It was mostly men, not as many women. I studied economics, finance and management, MBA-related. My father chose it for me. At first, I didn't like it. At that time, I was only in my teens. In China, during high school exams, most parents choose the majors for their children because at that age, you don't know what to choose. Upon reflection, I think this major was a good choice.

In university, it's more relaxed and very different. At that time, people are more mature. You're more independent. As long as you've done pretty well academically, no one is there looking over your shoulders. You have time to develop your hobbies.

I used to go every night to play soccer. I also used to go out to eat with friends. I was a poor student. During the summertime, we used to sit near the school and drink beer and talk. We shared the dorm room with six or seven roommates. One bathroom. The roommates became my closest friends. It's been 10 years since we've graduated. We lived together for four years. We're still very close. We slept and ate together, everyday. We also talked a lot. We had so much in common. Even five years after graduating, we reunited. Everyone is now living in different places. One is in France. We're still close.

For Charlie, the architect from the Copperbelt province, his university experience served as a conduit for forging lifelong friendships and professional connections. Due to his stellar performance in high school and the encouragement of

one of his teachers, Charlie received a bursary to attend university. He opted to attend Copperbelt University because it was close to home and unlike the University of Zambia, it was consistently open during the school year.

Majoring in architecture, Charlie described the university environment as a refreshing change from his previous schooling experiences.

At first it was weird because nobody forces you. I came from a background where you're at boarding school and the head teacher would go around whipping you if you were sleeping, but in university, you had to decide on your own – your finances, attend lecture, what to study, ultimately you had to write exams. The way the syllabus has been designed, it's not like it's standard. Every lecturer has his own style. If a different lecturer takes over, he might have a different approach to that course. I was meant to believe there was no standard per se.”

In addition to newfound autonomy at school, Charlie exclaimed that it was also an exciting time because he made friends with people who later became important professional connections. One of his friends from primary school who attended the same university and majored in architecture also ended up at a well-known company in South Africa. Charlie still kept in touch with at least 20 of his university friends. Their university experience and similar career aspirations bonded them together.

While Charlie and Zack enjoyed the freedom that their college experiences afforded them in becoming independent and expanding their social circles, Gary, the project manager from Inner Mongolia, had a rigorous course schedule at his university in Chengdu. Gary complained about not having enough free time in college, because he was overloaded with physics and math courses. He said, “We went to university and had 57 courses. Because I was a major in physics, we had to spend two to three years taking math and physics courses. We also had two years of English and then we had to take the college English test (CET). We just had to pass to level 4. University was hard.”

Unlike Charlie and Zack, Gary made his closest friends in elementary and junior high school. Gary valued childhood *guanxi*, claiming that he felt closest to friends he knew for a long time because their families knew each other for over 20 years. This guaranteed trust due to a shared history and overlapping social networks stemming from childhood. Despite dealing with social constraints in college, Gary met his future wife at university and they soon married after graduating.

Friends made at the university level, who were named by interviewees as their closest lifelong friends, also became important contacts for future job references and potential start-up collaborators. This was more apparent for the Zambian employees than the Chinese ones, perhaps in part due to the relatively smaller numbers of formally educated Zambians compared to the substantially larger Chinese population, standing at roughly 1.3 billion people. The networks formed at the university level positively shaped Zambian career trajectories and paved the way for future opportunities. Ben, the software programmer who grew up in Lusaka, commented on the contacts he made from high school and beyond.

My senior high school was very competitive. Let me tell you about Hillcrest. When you go to UNZA [University of Zambia] or CBU [Copperbelt University], you're going to find a lot of students from Hillcrest. They're like a group of students from Hillcrest and another group from David Kaunda High School. A very small number go to China, Cuba and Russia. Because these government sponsored scholarships and they're very competitive. There were 58 scholarships in my year. And five for China and two for Cuba. I was at UNZA for one semester before Russia. Most of the people I was with in high school were also in Russia. We were in touch even in Russia, but we were using Hi-Five. And many of the ones I knew at UNZA and then in Russia now work with me at these major companies.

Ben was part of an elite group that received government-sponsored scholarships to study in Russia. Among this elite group, the ones who returned to Zambia remained in the

technical field and stayed friends. Several members of this group worked together in the same multinational corporations. Ben's experience demonstrated that attending a prestigious high school and majoring in a competitive field in high demand gave him significant career opportunities and key professional contacts that he hopes will help him when he forms his own company.

While the university experience for many Zambian employees provided them with key contacts, opening doors for them in the professional realm, for many Chinese interviewees, the university experience helped launch their careers through internships, heavy recruitment sessions conducted on campus and relationships forged with professors. As Gil, the information engineer from Shandong province remarked, "In college, they will give you a stipend. It's like work-study. Very simple interview. I go to your place for work and you support my school fees. You sign contract and after one year in college, it's an agreement. They already give you a full-time job when you graduate so you can go directly."

Gary the project manager from Inner Mongolia, referred to his first engineering job obtained through recruitment sessions conducted on campus. He explained, "I was a research and development engineer for a state-owned institute. After graduating, this institute came and recruited at our school. In China, you have *danwei*, where different companies will select people from the schools and make presentations. They'll say our *danwei* has opportunities and so on. Then they make an offer."

Connections made with professors sometimes led to part-time positions during college or full-time positions upon graduating. In the following example, Bart's relationship with his professor led to job security during his university years. His

professor also offered assistance by allowing him to stay in his office while he looked for a full-time job.

My professor's classmate had a company and they made highway monitor video cameras. It was a systems integration project. My professor introduced me to his classmate. I worked part-time. Half day, everyday. So I had to skip class sometimes. After I graduated, I didn't want to keep working there. But he wanted me to stay. My professor said, don't worry; you can stay in my office while you're searching for another job. Just do as you wish. I worked there for some time until I found a recruitment company that led me here.

Bart, the logistics and supply chain handler from Schezuan province, tapped into his professor's professional network to secure his first paid job and then used this position as a steppingstone to work for one of the largest telecommunications companies in China. I have thus far examined the mechanisms by which Chinese and Zambian employees tapped into the resources among teachers, professors and colleagues to help them forge a meaningful and useful experience in school and university. I will now turn to other types of strategic resources that they used to benefit their careers, including people they admired, valued collaborators and future aspirations.

People to Emulate and Valued Collaborators

In this section, I will analyze the participants' narratives to show the kinds of strategies they used to forge meaningful and successful career paths based on whom they aspired to emulate, whom they admired and valued collaborators.

Four of the interviewees, including Mark, Jenny, Bart and Frank, expressed that they did not admire anyone from work. Six of the interviewees expressed admiration for an authority figure, including former and current teachers, professors, bosses, and CEOs. Common qualities cited as the basis for this admiration included being hardworking, persistent, visionary, and charismatic. What is evident in the following narratives is that

qualities cited were framed as *instrumental components* in their aspirations to achieving their own respective goals. Will, the engineer from Hubei province, who was rapidly promoted, described his admiration for the Managing Director (MD) of the company through an emphasis on his qualities as a persistent and hardworking visionary.

MD, because in experience, he can give you a lot of advice. He's been here for 10 years. He's a good worker. He has a *lindao* attitude. Some colleagues can't open up their minds. He sees the entire vision and he looks at it from a long-term perspective. He's hardworking and persistent and he does whatever it takes to get things done.

Will stressed behavior that he believed distinguished the MD from colleagues was his open mind and long-term vision. Analyzing differences in behavior between his boss and colleagues shows Will's attempt to seek strategies that he could effectively adopt in his own career path. This is an example of employees seeking to advance their positions in the company by analyzing and emulating the strategies, ideas and behavior of the leader of the firm.

Shelley's response also indicated that she was trying to figure out the channels of upward mobility in the company.

Besides Oprah, it's the MD because he's the boss. I'm intrigued as to how he goes up to that level and if I can also reach the same levels. It has more to do with success – who's made it in the company. What can I do to get up there? I think he's made it through hard work.

One might be quick to dismiss Shelley's response in its neglect of personal connections that played a role in the MD's rise to the top at the company. This dismissal must be countered with the observation that Shelley had won numerous awards at the company and Zambians occupied half of the management staff. I would be remiss to completely negate the possibility that in the future, the MD position may be occupied by one of the Zambians, including Shelley.

The key emphasis here is that Shelley's analysis of the MD's behavior shows an effective strategy she used by focusing on what was within her control or her sphere of influence. She demonstrated a powerful leadership mindset by honing in on strategies to achieve a desired outcome. Focusing on what she could control and asking for guidance were crucial initial steps in ensuring that Shelley maximally benefited and will continue to take advantage of her experience at the Chinese company, whether the eventual outcome is her favor or not.

Similarly, Ben the software programmer who grew up in Lusaka, talked about management strategies he learned from his former boss.

My ex-boss at [former company] because he had a way of making me do things and actually feel like it was my idea at the end of the day. I actually want to have that quality so people can take ownership and do their job not because they're asked to but because they want to. The quality is rare because I haven't seen it in anyone after that point. Most of my bosses have actually been irritating even pushy. They don't make you take responsibility and I just believe employees should take responsibility and feel ownership. They should be inspired by their boss.

Since Ben had aspirations to start his own firm, the knowledge he acquired from observing his former boss, will prove to be invaluable.

Six of the interviewees expressed admiration for their colleagues. Responses indicating admiration for their former or current colleagues evince the nature and complexity of collegial relationships. Since the culture at the Chinese company was highly performance and results-driven and most projects were collaborative, as evidenced in tower construction projects, most interviewees expressed concern about colleagues failing to pull their weight in projects. Sam from Henan province, who worked as the interface between the technical specialists and the clients in the sales department, articulated this concern.

I admire people who take responsibility. Together, we can solve the problem. In work, when there's a problem, I might raise my temper at certain people if they do a bad job. It doesn't matter who it is. I can't stand people who don't take responsibility.

Sam explained that he preferred to be friends with everyone at work. His reason was that it made working easier because it reduced the chance for conflict. He also complained that he had to work with a few colleagues who did not take responsibility or follow through with a task, so he preferred to minimize contact with them. When I asked Sam to list three colleagues he wanted to collaborate with on a major project or start-up company, he named both Chinese and Zambia colleagues based on their influential *guanxi* and in theory, he said their possession of initial capital. Being friends, Sam stated, would be optimal, but since Sam defined trust as having the same goals, even doing “bad things together,” it mattered more that they shared the same goals. He considered Bart a good friend, but he did not name Bart as someone with whom he wanted to start a company. In addition to having powerful connections and wealth, Sam referred to technical competence, such as strong engineering skills and understanding of recent telecoms technology and legal issues, as well as the ability to handle paperwork as key selection criteria.

The general pattern in responses to this question was that the majority of employees, Chinese and Zambian, admired colleagues with strong technical skills, high competence and qualities such as persistence and being hardworking. In many cases, the colleagues they admired were also the ones they wanted to start a company with, but they were not necessarily their friends. An examination of Charlie, the architect's response, may give us more insight into the matter.

His skills are surpassing. He has leadership skills and he's somebody

who wants to use skill she has to attain higher positions. He's got computer knowledge, and [Chinese company] being a telecoms company, that has favored him a lot. And he's got management skills. He's been here for four years. Because of skills and determination, we're friends, but not close friends. I feel we have different characters; he's too much into himself.

Charlie named this person as someone he admired and would want to collaborate with in forming a company. The same skills and qualities he admired also aligned with the ability to push the company forward. As shown in his response, he did not necessarily like the person. He called him a friend, but then added that they were not "close." However, Charlie admired his skills and on a separate occasion, mentioned that he needed him on the team because he was "aggressive in doing things."

The reasons Charlie gave for selecting colleagues to be on his team and others he mentioned as trusted friends demonstrated his values. Charlie valued ideas and achievement and disliked gossip. Recall that concerning trust, Charlie said that trust was "people who could never betray you, when you tell that person something you will never hear it from other people." He further added that he trusted two colleagues because "they never waste time talking about other people; they talk about what they want to achieve and not what others have achieved or are doing against them." Charlie also noted that he filtered those he trusted from those he did not trust based on incidences he witnessed of people "speaking ill of others." He said, "My good friends mind their own business."

The three colleagues he selected as valued collaborators were chosen based on mutual trust and their orientation towards achievement. Aside from the "aggressive" person we already discussed, Charlie also selected someone from a different department who he said was a self-starter, an innovator and someone, he said, "you don't have to

push around.” The third person he chose was someone he considered highly analytical and had the ability to formulate a project plan and implement it. He considered this third colleague a friend, but the other two were chosen based on trust and their competence and achievement-oriented attitudes.

The emphasis on achievement and professional competencies as desired traits resonated in the responses of most interviewees. This was evidenced in Sam and Charlie’s responses. Similarly, Gary the project manager from Inner Mongolia explained that the Chinese company accepted the top Zambian professionals, the “cream of the crop.” He also explained that he admired colleagues who had strong problem solving skills. Commenting on this aspect, Gary said, “I like people who are more capable than I am. They know this company very well. That person can help me solve problems, give me advice on how to resolve something.”

For Gary, trust carried a similar definition to admiration. To paraphrase his definition of trust, it involved taking responsibility for one’s actions, following through based on an obligation one has to others, doing a task well and resolving issues well. Gary trusted people who shared his logic in solving problems and who repaid borrowed money without a contract. Gary tended to admire colleagues he could trust, because trust for him carried a strong performance-oriented definition.

If he started his own company, he would choose collaborators based on skills and capability, including human resources management, financial training and technical competence. They did not have to be friends, which he defined as people with whom he shared similar interests and hobbies. Gary considered the Chinese company a highly stressful workplace, which he explained, made it hard for him to make friends. He said,

“In [the Chinese company] where expectations are high and very demanding, I’m a different person. I have to manage multiple tasks. No one has time to be friends.” Unlike some of the other respondents, Gary did not compartmentalize different aspects of his professional life. His responses indicated a strong overlap among the colleagues he trusted, those he admired and the ones he valued as collaborators. His response also revealed the benefits he received from gathering specific types of knowledge from colleagues, such as information about the company as well as technical know-hows for certain tasks.

Employees were likely to seek valuable resources from peers rather than from authority figures. The responses overall illustrated that employees used valuable advice networks among peers as a means of achieving their professional goals. This shows that key information was imparted in specific kinds of relationships, relationships that were carefully chosen based on admired characteristics, similar personalities, instrumental skills, and positive rapport. Thus, I found that advice networks can be disaggregated into multiple and overlapping cliques.

Cliques were organized based on a differentiation among colleagues they admired, colleagues they wanted to work with, and colleagues they turned to for emotional support. Some colleagues were considered friends, but they were not chosen as collaborators. Others were considered potential collaborators, but perhaps not trusted or admired colleagues. More often than not, depending on the definition of trust, chosen collaborators had to be trusted. For many Chinese, trust centered on doing one’s job well and paying money back. For many Zambians, trust centered on confidentiality, not

gossiping and betraying said party.¹⁰⁷ For both Chinese and Zambians, admired colleagues tended to overlap with chosen collaborators, because admiration emphasized professional competence.

The propensity of the interviewees to compartmentalize different aspects of their professional lives and a general trend of valuing technical competency among potential collaborators provide evidence for the performance-oriented culture of the organization and the overall ambitious and achievement-oriented attitudes of the employees. Overall, employees were focused on constantly improving their jobs, either in performing tasks better, bringing in more revenues or accessing the channels to promotion or eventually starting their own firms. While many interviewees expressed that they preferred to be friends with potential collaborators, it was more important that the collaborators showed outstanding professional competence and provided the key resources, such as capital and contacts, to ensure the success of their venture.

As the architect Charlie's response shows, there were a few colleagues that were named as friends, admired colleague and chosen collaborator. In these rare cases, the cliques overlapped and were also constricted. Using Charlie as an example, he preferred befriending colleagues whom he admired, trusted and shared similar professional goals. His social circles at work were small, because he was highly selective about whom he befriended. It was therefore easier for Charlie to choose a collaborator among those he trusted, admired *and* wanted to work with.

Ben the software programmer engaged with different cliques at work. He referred to his friends as people he socialized with outside the work setting. There were some

¹⁰⁷ See Chapter III for a more detailed discussion about this matter

friends he trusted -- he defined trustworthiness as not using his deepest secret or his weakest point against him. Then, there were friends he did not trust, but socialized with outside the work setting. His chosen collaborators were among the people who showed strong technical competencies and were among those he trusted. They were not necessarily his friends nor were they people he admired. Ben elaborated on the criteria he used for choosing potential collaborators.

People I like working with are fellow software programmers. We actually do understand each other. In telecoms industry, there are a few programmers, so how we think, how we do things is quite different from the rest. We have the common thing – programming. There's a guy I'm working with now. He's a programmer and he's very smart. We started trying to form our own company since we were together years ago. He's the one person who gets me when I explain things to him. Software engineering skills are very rare here. Even those guys who studied this in Zambia are not that good because technology is not as advanced as it is in the western world. But he studied in Zambia and he catches up.

This is something I grew up with. I thought I wanted to become a prominent businessman and be rich. I didn't know what that meant but it was all about one day I'm going to have my own company and I grew up with that.

In this response, Ben pointed to the commonalities among software programmers. More important than ethnicity or nationality, he stated that the personality of software programmers shaped by their training helps them understand each other. His chosen collaborators were all software programmers he had worked with and trusted. Although he did not name any Chinese collaborators, it is possible based on his stated values that he could partner with a Chinese programmer in the future.

Several interviewees, including Ben, Charlie, and Jenny among others, discussed the possibility of starting their own companies in the future. This aspiration tended to be more common among Zambians than Chinese, in part because there were more opportunities to penetrate the market in Zambia than in China and also because,

most Chinese employees were too overburdened by strenuous work schedules to think about starting a new venture. The majority of interviewees discussed the desire to achieve their professional goals, whether it involved using this experience as a steppingstone to another career or job or taking advantage of the opportunity to save money and start a restaurant or side business in the future.

The entrepreneurial spirit was pervasive among this group of energetic and ambitious individuals, although they espoused it to differing degrees. The ones who were particularly ambitious and focused in achieving their KPIs were rapidly promoted. Others sought advice from colleagues, friends and authority figures to devise strategies to reach the pinnacle of the company. Nearly every employee I talked to over the years expressed their awareness that they could not achieve professional success without guidance and help from others. There was a strong sense that improving their skills and knowledge required surrounding themselves with people who either inspired them or enhanced their competencies.

The skills and qualities among potential collaborators identified by interviewees are captured in Figure 5.3.

Table 5.3

Skills and Qualities Among Identified Potential Collaborators

Interviewee	Strong technical skills	Experienced	Complementary specialization	Knowledge of the law	Good at paperwork	Has good connections	Generates lots of ideas	Fast thinker	Detail oriented	Good problem solving skills	Goal oriented	Good at implementation	Aggressive	Proactive	Risk taker	Persistent	Positive attitude	Likes to learn	Hardworking	Good communicator	Patient	Good social skills	Easygoing	Helpful	Understanding
A	X																X	X	X						
B			X				X	X											X			X			
C							X		X	X	X	X													
D	X									X										X		X	X		
E	X																								
F	X	X																		X					
G	X						X					X	X	X											
I																						X	X	X	X
J	X																			X					
K	X			X	X				X							X					X				
L	X											X					X								X
M		X				X						X								X					
N	X																								
O										X		X	X	X											
P																		X	X		X		X		

As I mentioned before, the majority of interviewees identified strong technical skills as a necessary part of a successful collaboration. There were 15 total interviewees that responded to this question. Nine of the 15 interviewees emphasized the importance of technical skills among potential collaborators. Four interviewees preferred collaborators who were skilled at project implementation. Four interviewees expressed interest in collaborators with good communication skills and four interviewees stressed

the importance of good social skills. Interviewees defined a range of tasks associated with communication skills, including selling to customers, understanding how to appease customers in troubleshooting situations, knowing how to resolve conflicts among colleagues and simplifying complex ideas in information exchanges.

Some employees also cited financial skills, knowledge of the law, having strong connections to people in positions of power as key attributes of a valued team member. While some employees stressed the importance of getting like-minded members together, most emphasized the value of complementarity among collaborators. They stated that collaborators' skills and areas of expertise should be different in order to make the team stronger.

One factor that contributed to differences in responses related to department affiliation. This seemed to play a far more important role than gender, culture or nationality. Employees in the administrative departments tended to emphasize the value of people skills, while those in the technical departments emphasized the value of technical competency.

Thus far, I have shown that majority of interviewees at the company had entrepreneurial aspirations. Nearly all interviewees demonstrated strategic use of resources to achieve their desired goals. They expressed a strong motivation and desire to improve their positions and the reliance upon people at the workplace to guide them. Admired colleagues and authority figures can assist them in achieving their goals by imparting key information and showing them behavior that can be emulated to produce a desired outcome.

Most significantly, they can *inspire* people by illuminating their own potentials

to achieve their goals. Once the seed is planted, it may yield myriad outcomes. My concern has been with the process rather than any measurable results. The process can currently be verified, whereas the outcome is left for future research. The rippling effects of the seeds are undeniable. As shown in the responses, inspiration is the fuel for motivating continual learning and enhancing skills, qualities and competencies in multiple domains. Inspiration is not only evident in interview responses about the colleagues and authority figures they admired, but it also underscores their future entrepreneurial aspirations.

Conclusion

In this chapter, I highlighted the strategies that employees used to achieve their goals. I began with a discussion of the Chinese firm, including its background, technical projects, mechanisms for upward mobility, and collaboration among employees. I then provided the occupational backgrounds of the immediate family members of the employees and discovered that most of my informants were among the first in their family to obtain a university education, strong technical training and work in a large firm. They constitute the rising class of technocrats that may compete with the political elites in their respective societies.

Focusing on the strategies that employees used to achieve their goals, I examined the resources they used in the past, including interests in subject matter and positive relationships forged with teachers in school, and friendships and professional contacts made with classmates and professors at university. Their effective use of strategies extended to the workplace, as employees focused on people they trusted, admired and

wanted to collaborate with to achieve upward mobility within the firm or start their own companies.

Collaborators were differentiated based on perceived technical competence, trustworthiness and degree of admiration. As I discovered in some of the responses, potential collaborators were selected primarily based on their technical and professional competence. Trust and admiration sometimes overlapped with this quality, but not always. Definitions of friendship, which were sometimes based on trust, did not necessarily overlap with admired colleagues. Therefore, it seems that some interviewees compartmentalized their professional experiences and had multiple cliques at work, while other interviewees were more selective about their collaborators and had fewer, smaller and overlapping cliques.

This chapter focused on the relational aspects of the organization and the individual backgrounds and stories of employees. Nearly all the interviewees at the company demonstrated strong ambition and performance-oriented attitudes. It is my belief that the effective strategies they used, such as analyzing and emulating the behavior of the MD or admired colleagues, will lead successful spin-offs of new firms owned by Zambian employees with expertise and background in the telecommunications industry. The experiences and strategies used by employees at the Chinese firm in Zambia are invaluable since they provide the foundation for creating sustainable start-ups in the future. They will need the proper financial support, additional training and key collaborators, possibly with Chinese colleagues, to launch sustainable ventures.

CHAPTER VI

TRUST AND FRIENDSHIP AT ZAMBIAN FIRM

Introduction

Incorporating the analysis of the organizational structure shown in Chapter III and the focus on personal relationships discussed in Chapter IV, this chapter will build on earlier discussions and explore the background of employees and their workplace relationships in depth. Just as in Chapters IV and V where I delved into the role of trust among employees at the Chinese firm, this chapter will explore perceptions of trust and friendship among employees at the Zambian firm. This gives context and a useful comparison point for understanding Chinese and Zambian relationships.

This chapter builds upon studies of kinship and social networks in British colonial anthropology at the Rhodes Livingstone Institute. Examining continuity and change in kinship and social relationships among Zambians that work together underscore their active responses to changing historical and political conditions. This study builds upon studies of the migration and occupational patterns of the Tonga, Lozi, Bemba and Nyanja found in urban work and network analysis.¹⁰⁸ It also takes into

¹⁰⁸ Elizabeth Colson and Max Gluckman. 1951. *Seven Tribes of British Central Africa*. Ed. E. Colson and M. Gluckman. London: Oxford University Press (for the Rhodes-Livingstone Institute); J. Clyde Mitchell. 1969. *Social Networks in Urban Situations*. Manchester: Manchester University Press for the Institute for

account the studies of competition and conflict engendered from unstable and heterogeneous social networks among the Ndembu¹⁰⁹ and among shop floor workers, who united based on ethnic identity and used a form of CiCopperbelt language in Indian factories.¹¹⁰ This body of anthropological literature, among others, provides valuable insights into new kinds of kinship arrangements and social networks that Zambians relied upon to achieve their professional goals.

I start with an introduction of the participants based on their position, skills, specialization at the firm and upbringing.¹¹¹ The details about their life stories help depict them as individuals, rather than as merely employees or workers at the firm. I then proceed to provide educational and work histories of the participants to glean the strategies they use to achieve their goals. In further exploring their strategies, I examine whom they admire at the company, who are their friends and trusted colleagues, and whom they would choose as potential start-up collaborators. The chapter will look at their strategies through different configurations of workplace relationships.

Who were the Employees?

Among the twelve participants, all but two grew up in the Copperbelt province. Ian, the white Zambian consultant, grew up in Shibottle in Northumberland, England. Abe the purchasing and supply clerk grew up in Chingola. Barry the storeman grew up

Social Research, University of Zambia; Elizabeth Colson.1971. The Social Consequences of resettlement: The impact of the Kariba. University of Zambia: Institute for African Studies.

¹⁰⁹ Victor Turner. 1968. Drums of Affliction: A Study of Religious Processes Among the Ndembu of Zambia. Oxford, UK: Oxford University Press.

¹¹⁰ Bruce Kapferer. 1972. Strategy and Transaction in an African Factory: African Workers and Indian Management in a Zambian Town. Manchester, UK: The University Press.

¹¹¹ The basic information has been captured in Figure 3.5 in Chapter III. Please refer to the chart to follow the individuals and their backgrounds.

in Luapala province. Carl the driver divided his childhood in Kabwe and Chipata. Don the workshop staff member, Enoch the computer engineer, Faye the human resources (HR) officer, Jack the marketing specialist, Gavin the payroll clerk, Ken the project manager and Larry the assistant accountant all grew up in Kitwe. Harold the boilermaker grew up in Ndola.

The purchasing and supply clerk, Abe, was born in Chingola in the northern province. His father was a mineworker and a farmer and his mother was a businessperson. His grandparents were also born in the northern province. His maternal grandfather lived until he was 105 years old. He was a police officer who drank *cibuku*. His paternal grandfather was a freedom fighter against British colonialists who later also joined the police force. Abe was not very close with his grandparents. As one of ten children – eight boys and two girls – Abe grew up in a three-bedroom house with a large yard. During Christmas, they had access to luxury items like chicken and rice. Close friends and family members gathered around to celebrate. Abe grew up in a Christian home.

Barry the storeman was born in Luapula province. His father was an operator for a train in Zimbabwe and when he retired, he returned to his village where he died. His mother was not working. From three until seven years old, Barry lived with his maternal grandparents. From eight to 13 years old, Barry lived with his parents. Then, at 13 years old, Barry went to live with his elder brother, the second born in the family. Barry was one of 10 children. By the time Barry reached his teens, there were only six children left. As Jehovah's Witnesses, Barry and his family did not celebrate Christmas or birthdays. After high school, Barry joined the Ministry of Education as a community

teacher.

The driver Carl spent some time in Kabwe and in Chipata. His father was born in Chipata and was a prisons officer. His mother was also born in Chipata and was a housewife. Carl never met his grandparents. In Kabwe, Carl lived with his father in a four-bedroom house with an indoor toilet. Later, Carl moved to be with his mother in Chipata. He was one of nine children, four boys and five girls. On Christmas, the family celebrated by having lots of food and going to church. His father was very strict on drinking, so they were only allowed to have beer on Christmas. Carl's favorite subjects in school were geography and English. He disliked teachers that whipped them. Discipline was harsh in those days.

The workshop staff member Don was born in the northern part of Zambia in Nakonde. His father, also born there, was a bus driver. His mother was a housewife and subsistence farmer. Don was very close to his paternal grandfather, who was always there to advise him right from wrong and provide him insight into life. He died in his 90s. He used to be a driver in South Africa. After he married his grandmother, he left and worked for eight years in South Africa. During this time, his family did not know his whereabouts, so his grandmother had to be inherited by his grandfather's younger brother, thinking that he had died. He returned to Zambia only to find that his wife had married his brother, so he married another woman.

Don's maternal grandparents were from Tanzania. They eventually returned to Tanzania and left Don's mother to be taken care of by her elder brother. They experienced many hardships. Don only spent a few short years in Nakonde. He grew up mainly in Kitwe. In the rural areas, he lived in a house that was 90 percent made of soil

and clay bricks. The roof was made of grass. When they moved to Kitwe, they lived in a one bedroom flat. When Don was 12, his father became very ill and was taken back to his village for traditional medical attention. Don was raised by his uncles, his mother's brothers. He was one of seven children, the first born of five brothers and two sisters.

The young engineer named Enoch was born into the Bemba ethnic group Kalambwa in Kitwe. His father was a businessman supplying electrical equipment to Mopani and Konkola Mines. His mother was a high school physics teacher. He did not know his grandparents. Enoch was one of a family of 12 children – six boys and six girls. One of his sisters became a Catholic nun in Italy and used to send him clothes from there. His parents emphasized the importance of an education. Enoch excelled in biology at school.

Faye was a young Human Resources (HR) officer born in Mpika and grew up mostly in the northern province. She did not know her parents very well because they died when she was young. She was one of nine children – five girls and four boys. She was raised by her elder sister. Faye struggled financially growing up. She felt she had to make her own way in life. She often advised me, “Don't trust people. People – they can be difficult.” Faye was considered a rising star at the company and was one of the few employees who stood up to the CEO and asked for a raise.

The payroll clerk Gavin was born in Mufulira. His parents were both from Luapula province. His mother was a nurse and his father was heavy equipment lecturer at Northern Technical College (NoTech). He was not close with his grandparents. Gavin grew up in Mufulira in a four-bedroom house. Gavin was one of 12 children. His father had three wives. Gavin grew up with 10 of his family members in one house.

This included him, his birth mother, his older mother, and father, his uncles (his mother's brothers), his siblings and his cousins. His father was a very strict man. He "wanted to put children in the right manner, grow in the right way."

Harold the boilermaker was born in Nakonde, as was his parents. His father was a veterinary assistant and his mother died when he was young. He was very close to his paternal grandmother. Harold spent the first seven years of his life in Nakonde. Then he moved to Mpika and stayed there for four years. He then moved to Mansa and stayed for three years. He then moved to Ndola where he stayed for most of his life. When he was younger, he stayed with his elder brother in a one-bedroom house, which he shared with his brother, his sister-in-law and their four children. His father had three wives, so in total, he was one of 11 children.

The project manager Ian was a white Zambian originally from England. He was born in a small coal-mining village called Shilbottle in Northumberland. His father and grandfathers were coalminers. He attended primary school there. At the age of 11, he passed exams to go to grammar schools. He explained that in the UK educational system at the time, only the top students went on to grammar school. One finished secondary school at age 16. He got his advanced levels at 18 years old in chemistry, physics and math.

Jack the marketing specialist grew up in Kitwe. His father was an insurance person and a businessman. He also supplied protective equipment to ZCCM. His mother was an assistant superintendent at ZCCM. She was in senior management and oversaw strategic planning. She worked with Ian. His grandparents were born in Petauke in the eastern province. His grandmother lived until she was 96 years old. His paternal

grandfather was a very spiritual, Christian man and a famous elder at church. His grandmother was also very spiritual and Christian. On his mother's side, his grandparents were quite different. Jack said, "Grandmother loved her whiskey and gin. On her deathbed, she asked for gin and tonic."

Jack had a happy childhood and considered his father an inspirational figure. He and his father often talked about their admiration for figures like Fidel Castro, Malcolm X and Winston Churchill. His father was strict and results-oriented, expecting all his children to excel in school. He explained, "You dare come home and give excuses. He'd always ask you why the other child performed better. For him, results were everything."

Jack was one of four siblings. Two of them died. His parents also adopted three of his cousins. Growing up, there were seven of them. They had a five-bedroom house in addition to a guestroom. His mother traveled to the UK and South Africa frequently. Their family celebrated Christmas and birthdays.

The technical project manager who was also responsible for submitting tenders was Ken who was born and grew up in Kitwe. His father was from Mansa and was an accountant. His mother was from Luanshya and was a primary school teacher. He was one of six children, four boys and two girls. They grew up in a three-bedroom and two bathroom house. His parents were very strict with school. Ken attended one of the best primary schools in Kitwe, a convent school. Unlike the other Zambian informants, Ken did not board in high school. His parents wanted him to excel academically. He was especially passionate about math. After high school, he went to the University of Zambia and majored in mechanical engineering.

Larry the assistant accountant was born in the northern province in Chililambombwe. When he was eight years old, he and his family moved to Chingola and then to Kitwe. His father was born in Namwala in the Southern province and his mother as well. His father started his career as a mine police. He then studied law in London and became a lawyer for ZCCM. He was the chief group security officer for the whole country for a while. His other was a tailor. Larry was one of 19 children, four girls and 15 boys. His father had two wives.

Larry was very close with his grandparents. His grandfather worked in South Africa for many years. They provided him with many valuable life lessons. He said, “The lessons they gave us, like especially on discipline, they would guide us. They were staying on our farm so each holiday, we went to the farm and they used to take care of us. They died very late.” When I inquired more about their relationship, Larry elaborated: “They told us stories in the evening. We’d sit on a fire and they’d tell us how they used to go look for employment in Bulawayo and in South Africa. And even there are these traditional stories how can I explain those? Just how they used to live in the past.”

Larry’s father impressed many important lessons on his young mind. “From the background of a police office, he wanted us to be straight. He never wanted us to steal or to go home late. Even now he would just leave his things, he would maybe leave something and mark it. From here to here, he would know if you even tampered with it and if it shifted he would know. Our family has no record of stealing.” The lessons his father taught him served him well as the assistant accountant in the firm, where he and the head accountant were among the trusted colleagues of the CEO. The accounting

department consisted of only Larry and the head accountant. The CEO regularly met with them to approve reimbursements and payroll matters.

Thus far, I have provided a background of the participants, including where they grew up, the occupation of their parents and what they remembered about their childhood, in order to show that they were first and foremost individuals. I now turn to their schooling and work experiences to glean insights about the strategies and skills they used to achieve their professional goals. The purpose of providing the details about the employees at the Zambian firm is to show the diversity of Zambian professionals across industries and be able to compare them based on industry, background, and maximization strategies especially when working with the Chinese.

Strategies and Skills

Low level within the company hierarchy, less or some specialized knowledge. Nearly all interviewees in this category sought full time positions upon graduating from high school. In some cases, the positions were acquired through the completion of an attachment or internship in high school. Abe the purchasing and store clerk had this experience. He attended and boarded in high school. A typical class had 40 to 45 students and he took around six classes a day. Abe preferred instruction that incorporated history and life lessons. He liked his junior high history teacher because he was a religious teacher and advised the students how to live life and he used Bemba to share stories with them.

After high school, Abe took a course in automotive mechanics in Kitwe. He did attachments, the equivalent of an internship. His first paid job was as a clerk in one of the mining companies. The job was quite stressful and was not unionized, so Abe

looked for other opportunities.

A friend at church knew someone working at Mopani and recommended Abe for the job. So Abe joined the company as a clerk handling purchasing and supply. He also organized events and food for the mineworkers. This was his favorite job. As Abe explained, “I had a heart for the people so I made sure they’re taken care of.” After working for a few years, Abe joined another mining company as a checker. A checker, he explained, checked the mineworkers going underground and kept track to make sure all the mineworkers came out. If anyone was missing, it was Abe’s job to report it. He worked as a checker for four months and then joined this Zambian construction company. He got the job through a friend who recently died. His friend told Abe about an opening and recommended him to the CEO. Mobilizing his alliances and using his skills acquired from previous work experiences were examples of strategies that Abe used to achieve his professional goals. The experiences of Barry the storeman was also similar.

After high school, Barry joined the Ministry of Education as a community teacher. He taught grade five at the same school that he attended from grade one to seven. With the teaching job, he had to send in an application. Eight were selected interviews and only four were chosen after the interviews. Barry enjoyed teaching but the problem was, as he explained it, “I was depending on money from the government. After giving that grant for each school, there’s a percent taken from what’s left and that’s our salaries. So I was worried that one day the grant would not be there. So I decided to stop working. I didn’t want to starve.”

Barry’s next job was as an assistant accountant at a guesthouse. The owner of

the guesthouse was an elder at his church and needed someone who could do accounts so he hired Barry. Although Barry liked his job and the pay was reasonable, he had to quit because a political problem at church seeped into the work environment. Since his brother was the foreman at the Zambian construction company, when a position opened up, Barry changed jobs. He was recommended by his brother and was immediately hired. As a storeman, Barry used specialized skills acquired from his training as a teacher and experiences as an assistant accountant and managed the budget and inventory for the items in the store.

Like Abe and Barry, the payroll clerk Gavin also acquired a job right after high school. In elementary school, Gavin studied social studies, Bemba, English, and math. Each class had around 35 students. In junior secondary school, he took eight subjects, including English, math, history, civics, religious education, Bemba, art and geography. Each class had around 40 students. In high school, Gavin took seven subjects, including English, biology, physics, science, chemistry, art and geography. His high school courses had around 60 students each. He liked teachers that explained the subjects well, and conversely, did not like teachers that were impatient with students.

After completing high school, Gavin applied for a check position at Minestone company and started working as a checker. Since the company could no longer afford to pay its workers, the Zambian construction company took over the contract and the workers as well. Gavin joined the Zambian construction firm as a clerk, preparing time sheets and pay rolls.

One of the drivers, Carl also got a job right after high school. In school, Carl's favorite subjects were geography and English. He liked teachers that did not whip the

students. In junior high, he took eight to nine courses a day, with roughly 40 to 45 students in each class. In high school, he took 10 to 12 courses a day, with 30 to 35 students per class. After finishing school, he went to Livingstone and worked as a taxi driver for ten years. Carl relied on his a close friend who taught him how to drive and helped him find his first taxi. Carl worked the night shift for seven days a week. He then became a shopkeeper in Chipata for a few years. Carl spent part of his salary at home because he was staying with his elder brother in Livingstone. He also helped his younger brother with his education.

After his stint as a taxi driver and then a shopkeeper, Carl's sister who worked for the police force in Kitwe encouraged him to apply for a driver position at the Zambian construction company. He applied, was called in by the CEO and immediately hired.

One of the workshop staff members named Don faced immense financial hardships, which forced him to work throughout high school and then find a job making blocks after high school. Don articulated his experiences below.

My father passed away when I was in seventh grade before I could even write exams. I tried to put myself together and write exams. I did that. After I wrote the exams, I went back home for the funeral. So after some time, three months, results came out and I had passed. I was supposed to come back to Kitwe to start grade eight. Things were difficult because there was no one to pay for my school fees...I wrote my exams and came out with a full certificate.

Don explained that after his father's passing when he was in seventh grade, he was supposed to return to school but there was no one to pay his fees. His mother sent him some money, but she was taking care of his other siblings. He said, "I remained in school; I had to finish. So I wasn't a regular attender because of nonpayment of school fees. I was constantly chased out of class. I can say I've only attended about 40 percent

of classes.”

Don also encountered a challenging situation with a teacher when he was in the ninth grade. This teacher, he said, really “hated” him. He suspected that the reason for the teacher’s aversion to him was because he had a crush on a female student, who happened to be Don’s good friend. He remarked, “There was this girl who was moving around with me, a good friend of mine, so it’s like this teacher was interested in her. So somehow he was insecure with me being with her. It went as far as him chasing me out of class.” At the same time, Don said that when his father died, most of his relatives, including the family members he stayed with, turned their backs on him.

He stayed with his aunt, his father’s younger sister and purchased cooking oil and mealie meal every two to three weeks. The bag of mealie meal cost 48,000 kwacha and the container for oil was around 25,000 and then on top of that, he had to give her 50,000. The rest he kept for himself and used to pay for school fees. He said, “A lot of people disappointed me – people who were good when my dad was around.” Still, Don wanted to make his father proud and was intent on obtaining a job so he could financially support his younger siblings. Despite the challenges he faced, he wrote his exams and graduated with a full certificate. He obtained a few jobs when he graduated and eventually made his way to the company.

When I just finished high school, I joined T. broadcasting network. So I joined them; they had a project. They were extending their studio so we were making blocks.

When I was in high school I just got in. I had to be doing jobs here and there to sustain myself. There were times when I cleaned somebody’s yard, you cut grass in the yard and they pay you. I also worked for a company, they’re working in KCM [Konkola Copper Mines]. I was a contractor with them and I should specify I used to get 250,000 per month and we worked everyday, seven days a week. I worked there for seven months. That was right after high school.

After that, I joined the University of Zambia. They've got a school of extension studies, so I used to do purchasing and stores management on a part-time basis. That is when I joined this company.

Don made use of his resources by working part-time, attending school and networking with his neighbor, a security guard from his village, who informed him about an open position at the *Zambian* company.

There's a security guard, he was my neighbor in Ndeke village where I was staying with my aunt. I asked him if there's vacancy, please let me know. And after some time, he did that. That's how I came here.

Initially, Don worked as a storeman at the crusher plant. He then worked as a salesman at the crusher plant for two years and later became a workshop staff member. Working hard gave him a sense of purpose in life because his aim was to support his two brothers in high school and another brother who just completed high school and was entering university. He explained, "I've dedicated my existence to my family."

One pattern that emerged among the experiences of participants within the low level and less specialized knowledge category was that the majority encountered severe financial constraints that forced them to obtain a job either while they were still in school or upon graduating from high school. Perhaps it was also the financial constraint that deterred many of the participants from expressing special academic interests in school. Many of the participants arrived at the company after experiences working in a wide variety of jobs, including accounting, managing stores, building blocks and teaching.

They appealed to people within their vast social networks to assist them, such as family members, church friends and neighbors. They responded with determination to overcome the hardships by using resources at their disposal, including referrals and

recommendations from their networks to eventually land a job at the company.

Mid level within the company hierarchy or highly specialized knowledge. The middle level of the company was composed of employees like Enoch the computer engineer, Faye the HR officer and Jack the marketing specialist. Jack possessed highly specialized knowledge due to his area of expertise in information technology. This made him indispensable to the company and very marketable as an employee if he chose to apply to other firms.

Recall that Enoch's father was a businessman supplying equipment to the mines and his mother was a high school physics teacher. Their occupations gave him an advantage in his career. His parent emphasized the importance of education and his father's financial stability as well as his mother's knowledge about the sciences facilitated his learning and excelling in biology in school. Their family also maintained strong links to Italy, where his sister was a Catholic nun and frequently sent them clothes and other items. Upon graduating from school, Enoch attended university at the prestigious Copperbelt University, where he built upon his prior positive experiences in the sciences and pursued a technical field that made him extremely marketable when he graduated.

After I finished high school, I went to college, CBU [Copperbelt University] where I studied information technology. Then from there I started working with H. Engineering in Kitwe. I was a technician in IT. I also worked with telecoms.

Then the time I was working at H., I was working with Mopani and KCM. There the environment which is Mopani and mines we were always protected when it comes to safety. Make sure that you have right PPE [personal protective equipment] whatever. Even KCM as well.

The project I'm doing now I really like. We're working on these prepaid meters installation. I've learned so many things I didn't know.

I've learned how to install servers and handle workstations.

Enoch's skills were highly specialized and valued in the international market. Cognizant of this fact, he took the opportunity to work in several settings to expand his knowledge base about computers, telecoms and meter installations. He said, "I've learned so many things. I've learned something – how to install servers, handle workstations."

Like Enoch, Jack the marketing specialist grew up in a stable environment. His parents occupied high-status positions in the mining companies. His father was an insurance person and a businessman that supplied protective equipment to ZCCM. His mother was an assistant superintendent at ZCCM. She was in senior management and oversaw strategic planning and was a colleague of Ian, the white Zambian project consultant. His mother frequently traveled to the UK and South Africa and brought back books as well as other items for the family.

Jack attended Nkana Trust, a mining school. It was under ZCCM, so there were many European and mixed-raced children. It was a primary and junior secondary school. His father wanted to ensure Jack focused on school so he sent him to St. John Catholic School for high school. A typical school day was from early morning until three in the afternoon. A typical classroom had 36 children. In high school, there were 45 children per class. Jack enjoyed his history and religious courses. In particular, he loved history. "Even now I love history. I love Winston Churchill and European history. Even now, I study it quite a lot," he remarked. He claimed that his favorite teacher taught him strong leadership roles and how to be responsible.

Upon graduating high school, he attended the University of Zambia. He wanted to pursue medicine initially, as a result of his father's insistence, but decided against it.

He reapplied to the School of Humanities to pursue law and then changed again to majoring in economic and development studies and public administration.

Intellectually, Jack thrived at university. He studied a lot of Marxist theory in school. He said they were forced to read Marx and his entire college education was inclined towards socialist policies. He commented on the situation.

I think our country at the time was very young so even individuals that entered Cabinet, tried to create these socialist policies because there was this feeling that was ideal. I strongly feel that any country should have a balance. Because you do want individuals to be ambitious and to be able to accomplish their purpose. That's the greatest challenge that socialism does; it confines individuals to a box. So hence I was a bit disillusioned as a young man; you're now this product and now you're thrown into the free market. You have to fight for everything.

Jack became involved in politics at university. He did not enjoy politics and instead, became someone that classmates, particularly, the “eccentrics” or the rebels sought for advice and refuge. He explained, “Because of my feared reputation and I knew some of the worst elements you can think of – you’ve got these monks, these guys that throw stones at cars, they’re ruffians, some of these were my friends – I could control such elements because of my diplomatic skills. So the gay community used to seek refuge from us. More vulnerable members on campus used to seek refuge from us.”

When Jack graduated, he worked briefly at the World Bank. He then worked for a company called Youth Media. Later, he transferred to Barclay’s Bank and worked as a sales agent. Eventually, his elder brother wanted to start a business, so Jack joined him. First, they tried to start a Spar or grocery franchise, which turned out to be a bust. Then they tried to start an Engen gas station with a Wimpy’s restaurant. He said it was disastrous and explained, “Turned out to be ridiculous. Margins in fuel is small because fuel is heavily regulated by government because that’s where they get their sufficient

income. For oil companies, they're very high. So the cost is always extended to the dealers. When Engen wanted to buy Caltex brand, now we had to bear the cost. Had to pay fuel upfront. You have to work with credit most of the time. So it became a bit of a nightmare and my brother's bad attitude." The business led him to the CEO of the construction firm. He and his brother used to sell Engen products to the CEO. That was when he realized he wanted to work for him. He made the decision to leave his elder brother and work for the CEO as a marketing manager.

Both Enoch and Jack shared advantages that included having parents in stable professions, an upbringing that was relatively devoid of financial struggles evident in the participants in the previous group, and academic inclinations that started in grade school and were further nurtured at university. They also attended the best universities in Zambia and established powerful networks and acquired specialized skills that assisted them in acquiring excellent jobs when they graduated. This seemed to be a common pattern among the middle level group at the Zambian company. The exception was Faye, the HR officer who was being groomed by the CEO to head the HR department. She was working on obtaining her "papers," or a formal degree in order to become promoted.

Possessing a firecracker personality, Faye was very ambitious and bold. She often came into my office, after we established trust by going dancing together, to inform me that she wanted to ask the CEO for a raise. She went into his office twice, fully equipped with letters and evidence of her accomplishments at the firm, to justify a promotion and raise. She also complained to me about the challenges of being one of the few female employees at a male-dominated firm and her strategies for ensuring that her male

colleagues would take her seriously. The CEO and his long-time trusted colleague Adam (see Chapter III to see Adam's relationship with the CEO) saw great potential, as did I, in Faye. She was a force to be reckoned with, much like Shelley the lawyer at the Chinese firm.

Faye's parents died when she was young, so her elder sister raised her. She struggled financially growing up. She felt she had to make her own way in life. She often advised me, "Don't trust people. People – they can be difficult." Trust, for Faye, was about confidentiality. She said, "Like if you tell that person anything, make sure that person will not take that thing to another person. That's the meaning of trust." Faye was very ambitious and spoke of plans to rise in her career. After high school, she wanted to go to the United States or London to study. She applied for a visa at the US Embassy, but due to limited capital, she was turned away.

She returned to Kitwe and applied to be a student at the Zambian Institute of Business Studies and Industrial Practice (ZIPSIP). She stayed with relatives while majoring in computer studies. Then she continued school at the Northern Technical College in Ndola, specializing in human resources. Unlike Enoch and Jack, Faye encountered financial struggle in her youth, but this only made her more fierce in relying upon the mentorship of the CEO and Adam, as well as effective strategies to obtain an HR certificate, continue schooling and form alliances with male colleagues to ensure the path of upward mobility to perhaps a managerial or executive position at the firm.

High level within the company hierarchy, highly specialized knowledge. I have so far examined the participants' backgrounds in the lower and middle levels at the firm. I

now turn to the experiences of participants in the upper levels of management, each possessing robust educational backgrounds and many years of work experience.

Subsumed under this category, the assistant accountant Larry was formally trained and acquired specialized knowledge working for many years in the field. Larry worked closely with the head accountant and the CEO. Although in theory the head accountant was his superior, in practice they maintained a rather egalitarian relationship at work and both reported to the CEO. Larry's father started his career as a mine policeman. He then studied law in London and became a lawyer in the mines, working for ZCCM. Subsequently, he became the chief group security officer for the country.

Recall that Larry was one of 19 children, four girls and 15 boys. He articulates his learning background at university and in the workplace:

After I completed school, I did CABs [course in accounts]. Why I did accounts, I used to enjoy doing principles of accounts at school. And that's where I even had better results. I always wanted to do accounts.

I did two years at CBU [Copperbelt University]. When I finished, I joined Lojwhile. It was a construction company like this one. I was a costing clerk. I was there for four years. Then I worked for National Breweries as assistant accountant. Then I did advanced diploma at CBU in a three years course. The head office was transferred from Kitwe to Lusaka, and then I was retrenched. I stayed for a year then joined this company as assistant accountant.

As stated in the account, Larry did Course in Accounts (CABS) after graduating high school. He enjoyed math even as a young child. He attended two years at Copperbelt University and worked at Lojwhile Company as a costing clerk for four years. He gave part of his salary to help his parents with food. By then, his father had resigned and stayed on the farm, so Larry gave money to his parents for food and helped pay for his younger brother's school fees.

Larry then worked for National Breweries as an accountant. He completed an

advanced diploma in accounts and worked for 13 years at the company. By 2004, he was retrenched when the company was privatized. Larry saw an advertisement in the paper and applied for the assistant accounting position at the construction firm. He did not have any connections to people within the firm; he applied, was called and hired. Larry's job was handling payrolls, creditors and debtors. He was also responsible for reimbursing us upon approval by the CEO for company expenses.

Having worked for multinational corporations and parastatals, the employees in the upper levels exhibited a wide range of technical and leadership skills. In contracting-subcontracting alliances, they were often called upon to dispense advice to the CEO. Thus, they had close and trusted relationships with him. This was certainly the case for Larry and for the boilermaker Harold. Recall that Harold was one of 11 children and stayed in a one-bedroom house, which he shared with his eldest brother, his sister-in-law and their four children.

When he was living with his brother, he used to share some of his earnings by buying food. He explained, "When you're staying at home, there are so many things we need, for example, you need to buy charcoal, bag of mealie meal, buy relish, you need to buy bathing soap and house with commodities. It means we have shared. Not to give money like that." Larry attended Northern Technical College, where he was trained as an engineer and obtained an internship and eventual full time position as a boilermaker. He explained his experiences below.

I went to the Northern Technical College in 1968. My first paid job was engineering in Ndola. I was a boilermaker. Apprenticeship. When you're in school as an apprentice you get paid. They advertise in the paper that they wanted an apprentice, then I applied. They called me for interviews. It was only one. They call you once, you show them the qualification you have, they say okay you come and start.

It was eight hours per day. If you work for one hour, they pay 10 ngwe per hour. We were losing pounds, then we switched from pounds to ngwe. 100 ngwe makes one kwacha. We were just trying to make it simple. We were working for 10 ngwe per hour. But it was one 100 ngwe to make one kwacha. 80 ngwe per day. I was working as an apprentice boilermaker for five years. I completed apprenticeship in 1973.

He completed the apprenticeship and went to work for a company that used to occupy the same premises as the Zambian construction firm. He worked there for 13 years and then joined Minestone Zambia Limited as a mechanical estimator. He worked for 10 years at the company. Then, the CEO of this Zambian construction firm, who knew him from their professional circles, asked him to work at the company as a project manager and mechanical estimator. He agreed and transferred to the company.

Then I came to this company [before it was this company]. I started building here. After finishing that in 1986, I left. I joined another company as a mechanical estimator. Then I worked from 1987 to 2007 as a mechanical estimator. That's when I came to this company. They were looking for a mechanical estimator, I made the application and Mr. A [CEO] and I used to work together for about four years. So I came.

Harold articulated his passion for making steel tanks.

My favorite job was when I was given to make steel tanks because when you make a tank, it gives you a very good impression to other people who say that's a good boilermaker. Another thing is when you make pipe bend, because making pipe bend you have to make lots of developments. That's how you make it. Designs.

The boilermaker played an important role in the mining and gas industries. As explained in the narrative, the boilermaker designed, constructed and repaired machinery and plant equipment, such as steel tanks. Boilermakers possessed strong technical skills and commitment to details and accuracy. They were usually trained in using gas torches to weld metals together.

Having this specialized and valued skill enabled Harold to ease into his

subsequent job as a mechanical estimator. His training and experience as a maker of machinery helped ease him into the position of mechanical estimator, where the job entailed tasks of a project manager, including preparing estimates for costs, materials and labor and coordinating work schedules to complete construction projects.

Mechanical estimator job positions usually required the following skills: critical thinking, communication, decision-making, and problem solving. Harold possessed an additional advantage of knowing the technical aspects of welding and repairing steel equipment in mining plants. As evident in the narrative, Harold's background was replete with skills and knowledge accumulated from technical training and years of work experience.

Similar kinds of apprenticeships also gave the technical project manager Ken indispensable skills and work experience. Possessing extensive technical experience like the boilermaker, in addition to an international background working for a multinational corporation, Ken was also trained in the technical field, as a mechanical engineer.

As one of six children, Ken attended one of the best primary schools in Kitwe, a convent school. Unlike the other Zambian informants, Ken did not board in high school. His parents wanted him to excel academically and he was especially passionate about math. After high school, he went to the University of Zambia on a government bursary. While still in university, his parents died. His father's brother took over partial sponsorship of his schooling fees. While attending university, he obtained an internship as a service coordinator, coordinating all service works and repair works for heavy duty equipment.

Ken worked with Caterpillar dealer, a huge multinational firm. Caterpillar used

to be part of the International Trade Meridian company (ITM). They owned companies in the US and in Europe. They also owned Meridian, which was one of the biggest banks in West Africa and Zambia at the time. The owner of the branch in Zambia was Andrew Sardanis, the famous Greek-Cypriot man who was good friends with former President Kenneth Kaunda. When he graduated university, he became the general manager for the technical division. He worked at the company for six years. He explained in the following narrative.

At university, we had industrial break attachments, so I did those with the same company. So when I graduated it was no problem getting a job. You apply for attachments. I started working with Caterpillar dealer.

My first job was a service coordinator. And my last position was a general manager for a division. We had the division in sales and I was there for six years. I used to coordinate all service works, repair works and so on in workshops. Heavy duty equipment.

At Caterpillar, my job was concentrated on mining equipment and sales. I was heavily trained in that area. It's easy to adapt to another brand of machines because of the type of training I received. It was great.

For Ken, the training at Caterpillar was invaluable. He said, "It really shaped me. I've never appreciated the type of training they offered. I've never seen it in another company. I mostly worked for foreign companies. Well those days, big companies were few – the top notch companies." He further explained in the following comment.

My first job has made me what I am today. Because of the training they gave me. They had intense training programs. Working eight hours a day. The actual training I did in Spain. It was two years in Malaga. Well, that's where we really learned how to use the equipment. The training was very thorough both in service and sales on earth-moving equipment. And it's that training that has allowed me to be able to adjust to anything outside Caterpillar.

Ken continually emphasized the excellent training he received at the MNC. They conducted two years training in Malaga, Spain. He explained, "International companies,

they're well-organized and they have proper systems.” This reminded me of the excellent one-year training my own father a mechanical engineer, received in Hamburg, Germany as part of Taiwan's effort to establish backward and forward linkages through employee training of advanced machinery.

Unfortunately, the group collapsed in 1996 and all the companies also collapsed, prompting Ken to look for a job at Scania company where he was general manager for three years. He then joined Leland, a company started by one of his former bosses, as a sales manager. He stayed for a few years and then joined another company as a general manager.

It was during this time that the CEO of the construction firm approached him. They had attended UNZA at the same time, although the CEO was a few years behind him. The CEO offered him a job as the technical project manager at his firm. Ken had two daughters; one of them was completing high school in the UK and the other one was at a Catholic university in Zambia. Ken's former wife was also living in the UK.

The final participant who had longtime relations with the CEO and was well connected to Zambian politicians was Ian, the white Zambian project manager. Ian was also trained geologist, who possessed in-depth mining and managerial experience. Born in small coal-mining village called Shilbottle in Northumberland, England, his father and grandfathers were coalminers. He attended university at Leeds University in the UK and specialized in mining and mineral sciences. He pursued his doctorate and conducted research in Zambia first in 1971 and returning in 1973. His work experience is captured below.

I came back to Zambia in 1973 and joined a very small high tech

department and we were using advanced linear programming techniques. Multi-dimensional spreadsheet, which has an optimizing function. We developed a huge program and I had additional functions in the department. We would gather all our information and put it in format to management account teams to produce the company's end results for that month.

By 1979, I became head of that department and by that time we had expanded it. I had an operational research group and we were doing all the technical computer system development for the company.

Then there were two mining companies and they merged together in 1981. That was NCCM and RCM. So this function there had been a similar function but not as far advanced as RCM. So I was put in charge of this same kind of function for the mining industry. Part of the structure of ZCCM was that since we are metallurgically oriented we worked to a large extent with consulting metallurgists. These were internal consultants, people who had management positions, the brains of the area; they were there to solve problems. I used to act periodically for these people.

In 1988, I was appointed as consultant metallurgist, but unfortunately, there were three consulting metallurgist. One man had to look over three smelters and three refineries. IT was huge. Another man had overview of cobalt plants and regional operations. What happened was one was fired, one resigned and the other one was then promoted to the top so I ended up doing all three.

Then out of the blue, a department had been set up when ZCCM had been formed called corporate planning. It was supposed to develop corporate strategies of the company for the long term. It was a major link with lending institutions. It effectively controlled the company's capital budgets. I was appointed for two years at this job as the manager of corporate planning. Also, I was dealing with delegations and World Bank and European investment bank and major lending institutions, which were lending through the government to ZCCM.

After taking on that role in 1988, what happened in 1991 was a move towards privatization of the mining industry in Zambia. We actually negotiated with the World Bank. The World Bank lent through government some of our 30 million dollars to engage in consultants to look at all activities of ZCCM. Different functions, finance, mining, geology, maintenance, HR, supply and everything else and in addition to that, there was a requirement to Malambwa Coaleries and the Ministry of Mines geological department. I was handed control of that project and that went on for three years. We had 15 consultants in the country to do several things. We employed 60. Several companies were put together as consortium and the major league was Stanford Research Institute (SRI).

After that, this is when government was involved in privatization and that was used a major carrot for investors. I had a lot to do with the history of privatization.

Ian was a former colleague of Jack the marketing specialist's mother, who also occupied a managerial position at ZCCM. As a white Zambian, he was a part of the same social circles as many Zambian elites. Members of the circles were connected through ZCCM and other mining companies. Their experiences extended beyond the parastatal companies, as the narrative indicates that they frequently interacted with international agencies such as the World Bank. Ian was not only trained in a highly specialized area of mining, he was also involved in management and government policy making, particularly when privatization efforts were made in 1991.

According to Ian, the government owned 59 percent share of ZCCM. He was asked to put forth his view of the way toward privatization. He explained further, "One of our minority shareholders, Anglo American, wanted to take the best project within ZCCM to develop big Konkola. So that became a problem in the sense that the asset they required if you split it, doesn't become a viable unit. Before privatization was fully complete, I left the industry. Because one of the criteria was we get rid of all the expatriates to allow their own people to run it." Ian also argued for a privatization that would compel smaller mining units to work together. He explained, "Privatization would have said, we're selling that and whoever's left with this asset, he's to cut deals with the other guys. I was trying to put units more coherent and working with each other. They wanted to split up. You had Chingola mine, Mufulira, Konkola, Luanshya and Chibuluma and another in Kabwe which I closed down. I had to put together the rationale for closing it."

Before privatization was complete, Ian left the industry. He further explained his reasons for leaving.

I left the mining industry because at that point, I had been with Anglo American who at that time announced that they were taking over Chingola and Konkola mines and I'd done some consulting work for them initially. They did a strange thing; they were delisting from Jo'burg Stock Exchange and moving the corporate to the London Stock Exchange. What happened was they had a bunch of people who now they'd have to bring over. They told them you're going to Zambia, but you're not signing Anglo American contracts; you're signing for a new company in Zambia. I didn't end up with a job. And my problem at that stage, it was corporate. New investors were smaller, second-tiered companies, so I was interested in the corporate side of operation. For several years, I did consulting work.

Ian continued with consulting work until his son, who was on contract as an agent for a major locomotive manufacturing company, received a tender to supply automotive parts. He worked as a supervisor managing the locomotives underground and after six months, received a better job offer abroad. He asked Ian to take over the position, to which Ian agreed and managed the contract until its completion.

Ian was then approached by the former Minister of Defense who wanted Ian to serve as his advisor for mining projects in the DRC and the construction of a copper leach plant in the Copperbelt. The minister had encountered problems in his projects and wanted Ian to resolve them. Ian told him the problems were unfixable and requested "Give me another 500 thousand dollars and I'll built you another one."

Ian then explained, "I was released from the company, because if I resigned; this politician had a bad list of creditors. He would shed that blame on me." Ian then joined another smaller mining company. He worked for them for a year until UK tax officials investigated their principals and Ian found himself once again leaving the company. At this point, he joined a mining company that "had a very solid local backing in terms of major industrial function in the Copperbelt" owned by an "experienced, abrasive Australian investor."

The company encountered problems with the courts. Ian explained that when he got there, “they were involved in activities and I realized that we weren’t going to get anywhere.” The company diversified its operations, but a local business had “set out from the beginning to try to defraud the Australian investor.” About seven months into working for the company, Ian found himself embroiled in another conflict, between the local business and the Australian investor and he attempted to help the investor for the next two years. He said, “We started a legal fight to find out that the legal system is who pays wins.” The local business ended up winning because they paid the judge as well as the lawyers on both sides.

When they finally found out that their own lawyer had been betraying them all along, they tried to change lawyers. As Ian explained, “Unfortunately, his enemies were one up against him. He was physically deported from the country.” Then the investor, who at this point was living in Australia, was diagnosed with cancer.

Ian continued to fight for him on his behalf, but eventually had to give up. Because Ian knew the CEO and they were engaged in a business at one point in one of the largest mines in the Copperbelt, “creating synergies and so forth,” the CEO asked him to work with him as a project manager. Based on his experience and knowledge about mining, Ian brought projects to the CEO and earned commission on them. He was also a former colleague of the marketing specialist’s mother at ZCCM. Ian, the CEO, the white South African who was the head of the Finnish company, as well many of the professionals who lived in the Copperbelt for an extended period of time moved in the same professional and social circles.

Ian expressed to me that he was interested in working with the Chinese, either

in purchasing equipment left behind from failed businesses on behalf of the CEO or consulting for smaller corporate mines. He knew the situation in Zambia well and had key contacts to Zambian elites, politicians and long-timers in the mining industry. This group of experts who occupied the upper positions of management and tended to form direct relationships with the CEO possessed twenty or more years of experience combined with strong credentials.

Since they worked in the industry for quite a long time, they knew the key players and had their share of friends as well as enemies. Their expertise and experience enabled them to navigate the challenges of falling copper prices and failing businesses or duplicitous colleagues with ease. Most importantly, their ability to mobilize their allies during these challenges and within an increasingly cutthroat industry, proved to be immensely beneficial. In this next section, I explore the ways in which trust, friendship and collaboration overlap or remain separate among the employees at the Zambia firm.

Trust, Friendship and Collaboration

Trust was almost unanimously defined as keeping confidentiality. In some cases, participants claimed that they trust was not a necessary component of friendship. Friends served a function in assisting them with favors at work. A trusted friend possessed the distinguishing characteristic of *not* gossiping about the person or in Barry's case, alerting him to people who were saying "bad things" about him.

Faye the HR officer expressed this sentiment, claiming that trust ensured complete confidentiality, "not taking that thing to another person." She then added, "I can be friends with people I don't trust. What I have to do is avoid telling things to that person." Faye preferred to collaborate with colleagues who were "humble, mature and

easy to understand.” She also appreciated advice concerning her personal life dispensed by her colleagues and mentors, such as Adam, the long-time colleague of the CEO.

Harold the boilermaker also offered his views, stating that he had many friends, but few trusted friends. He defined trust as knowing particular and intimate information about the person. “Sometimes, I even know his home village. I even know his father, even his wife, his children; I even go to his home. Sometimes even for lunch we go to his home to eat lunch.” Knowing the other person’s family members gave information and background about the person and instituted accountability measures – all ensuring greater predictability in the person’s behavior and decreasing the chance of betrayals.

Possessing a wide circle of friends, Harold defined friends who shared his same interests, ideas and hobbies. However, he preferred trusted friends of his own age: “You need to find someone at your age so you can share good ideas.” He preferred to be in a leadership position and work with colleagues who listened to him and did not make mistakes. On his preference for collaborators, Harold said, “I tell him what to do and he does it. He doesn’t make mistakes and he’s even punctual, comes here everyday.”

Other participants had more narrow definitions of friendship, which only included those they trusted. For example, Barry the storeman said, “If you tell him no don’t disclose this, and he doesn’t, you can trust that person, but if you tell him and you find stories from different people, then you can say no.” A friend, he added, was someone with whom he could share his secret and “can tell you if people are talking bad things about you. But if he’s hiding something that means he’s not your friend; he’s your enemy.” He preferred to collaborate with his best friend at the company, whom he described as having “good character and work ethic.”

Gavin the payroll clerk also weighed in: “When you trust someone, you say something to someone, don’t expect that he will tell others what you’ve discussed with him.” Gavin only made friends with people he trusted, people with whom he could “share everything” and they provided advice as well as confidentiality. Gavin and Carl were good friends, often spending time outside work together. Gavin expressed his preference for collaborating with people who understood him, gave him useful advice when he was wrong, and followed instructions well.

For some participants, friends were people they turned to for advice and emotional support. For example, Don the workshop staff member articulated the difficulties he had in trusting people. He said, “I think trust with me is in levels. If I can put it in percentages, I never trust anyone 100 percent. With me, so many people have let me down, especially family members. If family members let me down, then who can I trust?”

Don faced numerous financial struggles when his father died and he was only in junior high. He emphasized his disappointment in people. “People were good when Dad was around. My dad we not rich, but we used to have fun. When he passed, most of them didn’t consider me as one of their family members. I forgave them. I have understood I have my own life to live. As far as trust is concerned, I don’t think I can trust anyone 100 percent. I can trust someone 70 percent.” Don explained that he needed a lot of emotional support and valued this contribution among his friends. He defined as friend as “one who will be able to offer me good advice and who will be able to use their brains. Who is able to point out when something is wrong. To help me in my existence. To help me as I live life with others. Not generally material things, but

advice. A friend is one who assists me when I'm down." He preferred to collaborate with colleagues who were intelligent, hardworking and very understanding.

Similar to Don, Carl the driver also expressed his preference for friends who provided useful advice. He trusted people who helped him. Carl explained, "The way someone approaches you and the way he talks to you. How can I say it? Maybe it's someone you can tell you have a problem; then you share it with someone; then you see how he will help you; then you can know that this person can be trusted." Friends, he explained, listened to him complain and gave advice. He preferred collaborating with colleagues who were fast thinkers, educated and self-reliant. His best friend at work was Gavin the payroll clerk.

In a similar vein, Abe the purchasing and supply clerk preferred friends who helped him times of need. He said that he did not trust anyone at work due to the gossip circles. Although he did not trust anyone at work, he had friends and divided them into different types. He had friends in his personal life that he trusted. Friends, he said, "improve my work, my way of thinking. When you don't have friends, you cannot improve. You can have time interact. You share different ideas and values." A friend at work, explained, "is the one who can help me when I'm in need, who advises me when I'm wrong and who can help me in so many ways, who become productive to my life, not a waste of time person. Some participants emphasized a moral component in their definition of trust. Enoch the computer engineer defined trust as someone who had morals and refrained from gossiping about him. He said, "Because for me to trust someone, I should have confidence in him or her. I should give respect to one who gives me respect. Doesn't say bad things about me, doesn't accuse me. Since he has given me

respect, I can trust someone at work who knows what he's doing. And he has morals.”

Enoch stressed the moral element in friendships as well. He valued friends who possessed morals, provided him emotional support and assistance when he needed help. He tended to befriend people he trusted and also preferred to collaborate with trusted friends. Possessing smaller and overlapping social networks, Enoch emphasized that he had around three to four friends at work, with whom he shared his difficulties and they provided assistance, sometimes giving him financial support. He preferred collaborating with them because they gave him advice, helped him, had strong morals and feared stealing.

Along these lines, the assistant accountant Larry expressed his trust in people who were honest and did not steal. He tended to befriend people he trusted. He preferred friends who “[brought] out the best in you. Someone who is honest, especially honest and being straight.” He said that he avoided people who were “bad company and bad influence.” His circle of trusted colleagues and friends overlapped and he had few trusted friends at work. However, he liked to collaborate in a friendly way with most of his colleagues, as long as they were “understanding, cooperative and adaptable.”

Trust played an important role among Larry, the CEO and the head accountant. Because they handled money, accountants were hired based on proven records of trustworthiness. Trust played a significant role not only between the CEO and the accountants but also between the two accountants. Larry described his relationship with the other accountant, “The way we operate in accounts, M [the head accountant] and I have to trust each other because there are times when we forget money so you'd also forget money and nothing has gone missing. You put it in the office and you know

you're working with someone who is good, because being in accounts you have to be honest and trustworthy." He explained that at his previous job at the National Breweries, the accounts department encountered problems with mistrust among the 30 employees when money went missing. The accountant's past experiences taught him the value of trust in any workplace.

Among the upper levels of management, Ken the technical project manager and Ian the white Zambian consultant trusted those they knew for a long time. Both explained that trust developed over a number of years. Ian's friends were people he worked with on projects, knew for a long time and who did not "screw [him] over." On potential collaborators, Ian commented that he preferred to work with people within his tight-knit circles and had experience in the mining industry.

Ken the technical project manager provided an additional dimension of trust: "What comes after that agreement, verbal or written or whatever – people develop confidence in one another, but once you break that, the trust goes. The trust is something that keeps you together in those situations. Keeping agreements, even confidential information and so on." When trust reached a certain level, then that person became a friend. For Ken, a friend was someone he could confide in and who kept his end of the bargain. Ken noted the difficulties of making friends at work: "At work you have to have limits. Because when you become close to someone, there are certain things that become difficult, like disciplining and delegating. It hinders on these things."

Ken specified that he preferred collaborators with different specializations than his own, including someone specializing in business, another in finance, a director of

projects and a human resources specialist. He noted that the HR specialist and the finance director were the most important people in any firm because together, they handled money matters and matching the right skills to the needs of the firm. He admired and was quite close to Adam, the longtime colleague of the CEO. He articulated, “From the time I’ve been here, he’s really a hard worker and he knows how to push people. The ability to push people is not unique; it’s a skill. Not many people have that skill. From the way I’ve seen him, well I’ve seen him on site and I’ve seen people working when he’s there. The work is done on time and so on.” Ken noted his admiration for Adam’s style of management in motivating workers to be productive.

Jack the marketing specialist also reiterated the emphasis on long-term interactions in his definition of trust. Jack observed that people trusted Ian the project manager because he had been around for a long time. Recall that Ian was a colleague of Jack’s mother. He also said that trust involved making people feel “safe” in the interactions.

Although being friendly was important at work, Jack emphasized that it was not easy to trust people and that friendship should be restricted. He explained, “Normally, friendship will breed gossip and for me, one thing I believe is that owners of businesses should always know what’s going on in his investment. So sometimes, when you create personal ties, there’s confusion because you hear this and that about the accountant, and there’s that culture in Zambia of gossip. Gossip for me, I don’t have time for that. For me it’s work and work. For me, it’s about target, delivery, impressing the owner. For me, friendship is restricted.”

His closest and trusted friend at work was also the person he would choose as

future potential collaborator. Aside from the CEO whom he deeply admired, the person he trusted and enjoyed working with was his assistant. His assistant responded well to crises, communicated well with him, and helped him translate his vision into solid graphic work. He said, “We managed to gel. I’ve worked with other people and we’ve disagreed. So to surround yourself with people who can translate is crucial to me. That’s fundamental and also to have individuals who will realize that there will be risk. The road will not be straight all the time. I need people who are crisis-averse. So in crisis, you need people who respond to the crisis, who don’t get shocked.”

Jack also considered himself a solitary man, spending most of his time with his family and learning from the CEO and Ian and collaborating closely with his assistant. He remarked that he wanted to work for the firm so he could learn from people who had been in the industry for a long time. He said, “The reason I’ve come here is to get exposure. If I get enough on a daily basis, my career will take a certain direction.” He paused and added, “You hang around lions, it’s possible to be one. It takes time for a lion to grow again. I also anchor my life on respect. Ian is older than me. That’s the fundamental aspect of being in an organization with different generations; it gives sufficient exposure. When I get an opportunity to learn from an older generation, I try to listen. A lion is a lion. It’s only the size of its hunt that’s different.”

Now that I have discussed the role of trust, friendship and collaboration within the Zambian firm, I turn to an analysis of the organizational structure of the firm based on responses about the person they most admired at work.

Leadership at Zambian Firm

First, it is important to note that leadership and styles of management figure

prominently in any organization. As I mentioned in Chapter III, the Zambian firm exercised remunerative and normative power. Material rewards such as salaries and bonuses were strong incentives for employees to comply with the organization. For M.G. Smith, power and authority were interdependent yet analytically separate.¹¹² Power was exercised through the manipulation and negotiation of rules, whereas authority was mostly centralized and exercised through positions and traditions.

At the Zambian firm, power and authority were intertwined. Employees pledged loyalty to the CEO through consent. Even when he was absent, they expressed unwavering admiration of him. His actions did not exhibit use of power, unless one is cynical enough to attribute shyness to a form of manipulation. Since the time I worked there, and from the testimonies of people I spoke to, the CEO was by nature very quiet and shy. This gave him an advantage since nearly all employees expressed his quietness as a sign of humility and a characteristic they strongly admired.

His power relied upon his authority, which automatically elicited consent from the employees as well as his personality, which garnered admiration from them. Participants rarely separated his authority from his personality or his successes. They powerfully overlapped, thus casting a spellbinding obedience by the employees in his presence. For example, Faye the HR officer described her admiration of the CEO: “The owner. I think him; he’s not like telling people this that what what. He’s humble.” Barry the storeman made similar remarks: “I admire Mr. [CEO]. He doesn’t like talking too much. He’s quiet and humble. And you can’t even identify this is the CEO or the owner of the company.”

¹¹² M.G. Smith. *Corporations and Society: The Social Anthropology of Collective Action*. Chicago: Aldine, 1975.

Don the workshop staff member also said, “The director of the company is a very good man, very very understanding. He’s got brains, he’s very sharp. He looks forward to greater things what is right now. I think it’s just a matter of time when things like wages are fine. I do have hope that things will change.” Ian, Jack and Larry pinpointed the CEO as the person they most admired. The success of their positions at the company also directly related to how well they worked with the CEO and whether he liked them. The bottom line, of course, was that they had to bring in profits as project managers and run every document by the CEO as an accountant. Their positions depended on a close relationship with the CEO. Furthermore, most of the participants remarked that the CEO provided inspiration to them. The CEO provided *inspiration*, not only in setting forth someone they could emulate, but also in illuminating what was possible and breaking down perceived preexisting barriers.

In contrast to Zambian employees at the Chinese firm, where many harbored aspirations to start their own businesses or reach the pinnacle of the MNC, many employees at the Zambian firm set limitations on aspirations and expressed strong loyalty to the CEO. The exception was Jack the marketing manager who was intent on starting his own firm in the future. It seemed that power in the firm flowed downward from the CEO to employees, with minimal intervention from the intermediaries.

Another interesting observation about the structure of the firm was that workplace relationships provided *emotional support* for the employees. The line between personal and professional spheres was often blurred. The firm mirrored a social structure that employees were accustomed to at home and in their extended families. They sometimes received advances in their salaries due to personal emergencies.

Employees were allowed and encouraged to visit any sick employees at the hospital during work hours. That Zambians, on average, faced numerous daily struggles associated with poverty, death of loved ones and the stress of assuming many responsibilities further amplified the importance of *emotional support* at the company.

Contrary to the view embracing nostalgia and disparaging modernization for inducing the breakdown of the social order, I submit that order was extant, but had been reconfigured. New spaces of social and emotional support were created. One of these spaces was the workplace, where increasing competition for scarce resources coexisted with the strengthening of friendships or friendly relations that provided emotional and social support.

The difference between friendship and friendly relations is crucial. First, as shown in the analysis of friendship and trust, many participants expressed a lack of trust among colleagues due to their fear of gossip. Thus, nearly all the participants in the Zambian company and the Chinese company pointed out that keeping secrets and conversations confidential was *the* most important and underlying element of trust.

Second, despite the distrust among colleagues at the company, most participants emphasized the importance of being friendly to colleagues. Although this was sometimes stated as “being friends,” a closer look revealed that they meant being friendly. Being friends assumed a measure of trust, but being friendly was more about maintaining a harmonious social order so that favors would be reciprocated and about self-protection within an environment where gossip ran rampant. Being friendly did not imply being friends; however, being friendly was crucial to getting things done, doing well at the company, and avoiding the gossip mill.

Most participants had different definitions of friendship, so while many alluded to a measure of trust underscoring friendship, a few noted that they could be friends with people they did not trust. Friendship, in this case, served a more utilitarian purpose. As Faye the HR officer explained, she still made friends with people she did not trust because it was necessary to get things done at work, but refrained from telling them anything about her personal life.

The fourth noteworthy observation was that being friendly with the CEO pertinent among the middle to upper levels of management because they worked closely with him and often competed with each other for his affection and approval. Since it was their personal relationship with him that led them to the firm, they sought to maintain that personal relationship, even if it meant feuding with their colleagues. Battles between project managers only intensified their loyalties to the CEO; because they were divided amongst each other and those in the upper levels rarely convened with the lower level employees, their full attention and dedication was directed to the CEO and *his* firm.

The lower level employees seemed to have stronger relationships with their colleagues, as they interacted more with each other than with the CEO. Nonetheless, this did not detract from their total admiration for the CEO even in his absence.

While one might find Ken the technical project manager expressing disagreement with some practices at the firm, the employees at the lower levels rarely expressed criticism or disagreement with the CEO. They lavished praise upon him. At the lower levels, power and authority of the leader were tightly bounded together; power flowed naturally through the authority of the leader. At the middle to upper

levels, competition and conflict among the managers and keeping them divided constituted a form of power that served to enhance the CEO's authority. His quiet personality was a form of soft power that bolstered his authority by eliciting widespread approval throughout the firm.

Conclusion

In this chapter, I analyzed the structure of the Zambian firm. First, I provided a background of the employees, including information about their childhood, their parental occupations and schooling experiences. By examining their educational and work histories, I sought to extract some of the skills and strategies they used to earn livelihoods and improve their career prospects. I divided the employees into three tiers based on the level of schooling, years of experience and position at the company and examined their skills and strategies accordingly.

After giving a sense of the players and strategies in the firm, I then turned to an analysis of the social dynamics based on their perceptions and actions related to trust, friendship and collaboration. I observed that although definitions varied, nearly all the participants highlighted the importance of keeping confidentiality in their definitions of trust. In discussing friendship and collaboration, some participants had more diffuse social networks and distinguished between friends they trusted and friends they did not trust. Most of the time, collaborators fell into either of the two categories, including the people they trusted or their friends.

Many participants except for Ken the technical project manager alluded to personal characteristics or qualities among desired collaborators, rather than skills. Ken had experience working for an MNC, which may partially explain, his preference for

choosing collaborators with specific technical and job skills. The rest of the responses pointed to the dynamics of the firm, which emphasized personal relationships above all else. I concluded that although many participants expressed strong distrust due to fear of gossip at the firm, they also noted the importance of being friendly with colleagues and turning to each other for emotional support.

I elaborated upon this observation further by noting that turning to each other for emotional support was more common among lower level employees due to less conflict and less interaction with the CEO. Middle to upper level employees experienced greater conflict and competition but had stronger personal ties to the CEO. Power and authority at the leadership level also operated in different ways, based on the level and position of the employees. Nonetheless, the CEO commanded a very loyal following from his employees, which demonstrated the significance of soft and other forms of implicit power and had the effect of further boosting his authority at the firm.

This chapter mirrors Chapter IV in providing a comparative analysis of the dynamics at both Chinese and Zambian firms. Although they were situated in different industries, similarities and differences emerged. Analyzing and comparing the interactions and relationships between Zambian professionals at the Chinese company and the Zambian company provides insight into any distinctive features that characterize Chinese and Zambian interactions. It also provides the context of educated and skilled Zambian professionals across industries. This challenges notions of a unified “Zambian” group and undermines stereotypes of African workers. This is a useful starting point for acknowledging the diversity of Zambian professionals and the ones most likely to maximize advantages in their relationships with the Chinese.

CHAPTER VII

MONEY, TRUST AND RISK-TAKING

Introduction

Previous chapters have attempted to delineate the multiple facets of Chinese-Chinese relationships, Chinese-Zambian relationships, and Zambian-Zambian relationships in the corporate setting. Thus far, I have used two case studies to explore trust and friendship in the firms. The focus on trust demonstrated that business friendships were a crucial component of their daily working relationship. In this third case study, I examine Chinese and Zambians working together within the mining and construction industries.

This chapter will make the following points. First, an analysis of the court cases will demonstrate fairly weak norms of reciprocity with regards to money. Financial risks as they play out in the legal system and in business relationships among Chinese and Zambians. Second, due to the weak norms of reciprocity, trust among networks emerges as a key factor in business negotiations among Chinese and Zambians. This includes the aspect of relationship building among Zambian managers and Chinese supply chains and entrepreneurs in the tendering and bidding process in the construction industry. In a society that is weak on enforcing the legal norms of reciprocity, which I will make clear

in my discussion of court cases in Zambia, trust between entrepreneurs and firms was ensured through these closely-knit networks.

Weak Legal Enforcement

Weak legal enforcement coupled with ineffective mechanisms of debt recovery raises the risks of doing business in Zambia. I sat in around 30 partial and complete cases and a few days of bail extensions at the Magistrate's Court, the Supreme Court and the Industrial Relations Court (IRRC during my fieldwork in Zambia. Most of the cases I observed, including the employment cases, took place at the Magistrate's Court. The cases were divided into the following topics:

- 10 theft cases
- 2 defilement
- 1 wildlife violation (against the Chinese for selling rhino parts)
- 4 employment, wrongful discharge cases
- 6 debt recovery cases
- 1 divorce
- 4 drug cases, including one against a pharmacy for wrongful license
- 1 against a police officer who was shooting a gun while drunk
- 1 family conflict, domestic abuse against a family member

None of the cases I observed involved the Chinese, except I sat in at the end of a case involving two Chinese men accused of selling rhino parts. I did not observe the full proceedings of the case.

The cases I provide in this chapter concern risk in business and advantages that

large companies and wealthy individuals had in the court system. Cases were filed and when space became available, they made their way into the Magistrate's courtroom. If the amount reached a certain limit, then it entered the High Court in civil cases. Contract-based cases related to workplace agreement directly entered the IRRC. Any other labor disputes also entered the High Court. The determining factor was the amount claimed. If it exceeded 30 million kwachas (roughly US \$6,800), then it reached the High Court. The court system favored large companies with large amounts of capital, microfinance institutions, and wealthy individuals. The weakness in legal enforcement of debt recovery raised the risks of doing business overall.

In a case representative of many debt recovery cases at the High Court, the plaintiff was a man who had traveled from the Copperbelt to Lusaka in order to attend the court session. He was ordered to pay 34 million kwacha (roughly US \$6,000) to return money he owed a lending company. He had borrowed money for a business. They rates were 40 percent from a microfinance institution. In the court chambers of a renowned judge, we listened to his case. The man did not understand English and had to have an interpreter for him. The prosecuting lawyer was dressed in a sharp suit and spoke in English the entire time. The man told the court he had to go home to the Copperbelt that night because he had nowhere to stay. They ordered him to retrieve some documents from Legal Aid because he needed to prove to them that he had paid some of the debt back. The judge ordered him to sell his land within five months to pay back the debt.

The debt recovery case showed that many Zambians were disadvantaged in regards to the legal system because microfinance institutions charged outrageous

interest rates and they could afford to pay prosecutors to go after the borrowers and force them to sell their land or any other possessions to pay back the money.

The alimony case, as with the theft and debt recovery cases, demonstrated the difficulty of recovering lost money, enforcing payments and verifying claims made on the witness stand. Magistrates at the Magistrate's Court tended to be underpaid compared to judges at the High and Supreme Court. Going after defendants who failed to pay alimony or who stole from employers was often more costly; unless there was a substantial financial incentive, the onus was on the plaintiff to keep paying paperwork and lawyer fees to try to recover the money. The alimony case involved a man that failed to pay his wife alimony for six month. The couple had children, ages nine, six and one and a half. The husband was ordered to bring in 150,000 (roughly \$30) per month. He said that he was laid off from his job, to which she contested by alleging that he had money. To avoid paying, the husband then proceeded to contest the dissolution of the marriage. The magistrate ordered him to pay 150,000 at the end of every month until further notice and asked him to testify at another date since he was filing a new case contesting the divorce.

In the mining and construction industry, the risks of failure were high. Risks not only involved the loss of substantial amounts of money; in the male-dominated industries where word spread quickly, risks involved losing face. One's reputation had to be carefully guarded by preventing or mitigating risks. Social relations and networks between Chinese and Zambians are crucial to the survival of businesses. Much like individuals at the two companies, Chinese and Zambian firms were characterized by a high degree of interdependence. Zambian firms relied on Chinese suppliers for

affordable products. Chinese firms relied on Zambian middlemen and elites to protect them in encounters with the law and government institutions. In the mining industry, they depended on each other to form collaborative and lucrative partnerships.

Small to medium-sized firms that were not buttressed by governments on either side had to depend on networks consisting of personal relationships to circumvent or mitigate business risks. In the next section, I use the case study of individual entrepreneurs Mr. Zhang and Paul to illuminate the opportunities and challenges of starting a small mining business in Chinese and Zambian partnerships.

The Stakeholders

Mr. Zhang was a mining businessman from Hubei province in China. He ventured to Zambia with his father because his neighbor Mr. Zhu recommended that they follow in his footsteps in opening up a mining venture. Mr. Zhang's father initially worked for the government, then later entered the construction industry and worked "abroad" for most his life in Xinjiang and Russia. At first, his father opened up steel factories and later established copper processing plants. Having worked in small to medium-scale mining in China and surrounding countries, Mr. Zhang was looking to invest in mining in Zambia.

When I asked Mr. Zhang what prompted him to come to Zambia, he provided this narrative.

I was born in Hubei in a village. I have two older brothers. All of them do business. My mother is a peasant. When I was a young boy, I wanted to build my own business. I had a vision. It was my father's influence. My father was a big boss in the government but in 1991, he quit his job and struck out on his own. When I was 17 years old, I went to the city to work for someone. At that time, I felt that today, I can work for someone so that in the future, I could become my own boss. I had this vision. Then in 1999, I started my own business. I sold CD's and VCD's. Then later, in 2000, I switched professions. I sold office

furniture. I lost money. I lost a lot of money. I paid off a lot of debt. Because when I had my other business, I earned a lot of money, but then lost it later, so people looked at me, wondering how I could lose so much money. I felt useless.

I continued to stay in the city. I lived in the city and ate porridge for six months. During this time, I reflected on the mistakes I made, tried to learn from them and started over. After this time, I discovered that I could do business again. Small business. Of course I wanted my family to live well, but I was young, so I could afford to take risks. So then, I started doing mining. I went to mining areas and bought mines from people. I bought the minerals mostly copper and sent it to processing plants. Then I sold it to other Chinese companies. I had lots of connections in China, so I relied on *guanxi*. I did it until now.

It is difficult to determine how Mr. Zhang got the initial capital to start his mining venture after losing “so much money.” I did not probe this further, but speculate that he received money from his father, who had worked in the government and then in the mining industry.

Mr. Zhang was not among the Chinese group that received financial assistance from the Bank of China. He was a rather crude and hedonistic businessman who possessed street smarts, took lots of risks, and made friends with people from all backgrounds. He and his father smoked incessantly and dressed in tattered clothes. They slept anywhere and could survive in harsh conditions. They were accustomed to camping out in mining areas and staying there for months at a time.

As their translator, I did not have access to their financial records. However, I knew that they were in the middle of purchasing a factory that cost at least US \$20,000 and as was the case for many large purchases made in Zambia, it was paid in cash. The chef at one of the Chinese restaurants named Cal who made US \$30,000 a year insisted that Mr. Zhang was rich. Cal was a contract worker for the owner of the restaurant. The owner’s daughter-in-law’s younger brother knew his friend and the

friend asked if Cal would be willing to work as a chef abroad. Cal was already a chef in China, but he was paid about half the amount. His parents were farmers; his father had a third grade education. He expressed interest in the job and met the owner of the restaurant in Beijing.

The owner drafted the contract, which stated the salary of the job, the inclusion of housing, food and plane ticket to Zambia and home once a year. Cal signed the contract and left for Zambia. He arrived in Lusaka, where family members of the restaurant owner picked him up and drove him to Kitwe.

When I asked him about his relations with the owner, he said “They can’t exploit you; we’re always working day to day, so over time, we do have affection for each other. But you can’t say that they’re like family. They’re still your boss.” Cal frequently compared his status to the clients at the restaurant, saying that he was the poor one. Yet he made it his goal to make as many connections as he could so that he could find another job in the future.

Cal married a woman from his village through a matchmaker and intended to bring her to Kitwe and settle there. At the time of the interview, Cal’s wife was living with his mother in the city near Hanzhou where he purchased a house. Due to his intention to settle in Zambia, Cal wanted to make connections with as many customers as he could. He met Mr. Zhang and they instantly took a liking to each other, calling each other “brother.” Mr. Zhang wanted to hire Cal for his mining projects. Cal also introduced him to two Zambian clients who were long-time customers at the restaurant.

Mining activities in the Copperbelt region varied in size, type, labor conditions, degree of risk and amount of paperwork and ease of logistics. Mr. Zhang and Mr. Zhu

were owners of small to medium mines, which carried significant financial risks and rewards. Mr. Zhang commented on the challenges of doing business in China.

In China, it's not easy to do business. So I decided to come to Zambia to make money. When I came out of school and I worked, I set a goal for myself. I said in three years, I want to start my own business. After starting my own business, I set another goal for myself for five years later. Then, I thought if I could make X amount, then I can make another goal for myself. Mostly, I have fulfilled all my goals. It's not actually about making lots of money. Yes, it's important, but it's also about a sense of fulfillment.

Mr. Zhang was part of the entrepreneur class in China. According to Cheng Li, the entrepreneur class is composed of people who “own small businesses or are self-employed in the industrial and commercial ventures (*getihu*).¹¹³ They may not be really wealthy, but their standard of living has greatly improved since becoming entrepreneurs.”¹⁷² Many originated from the rural areas with less privilege and experience with formal education. In Mr. Zhang's case, his father worked for the local government at the village level and his mother was a peasant. However, his father's decision to quit his job and start his own business influenced Mr. Zhang to strike out on his own.

As an entrepreneur, Mr. Zhang experienced social mobility through accumulated capital. Although he was not considered among the wealthy in the entrepreneur class, as he claimed to have lost a lot of money, he was nonetheless able to purchase a house for his family and had sufficient capital to start businesses abroad.

Compared to the temporary Chinese workers in the mines and restaurants, Mr. Zhang possessed relatively more wealth. However, it is important to keep in mind that he was still a small to medium-business owner and had not accumulated the amount of capital that would help him overcome significant financial setbacks. Striking out on his

¹¹³ Li Cheng, *Rediscovering China*. (Lanham, MD: Rowman and Littlefield Publishers), 1997.

own and making money amplified his identification with entrepreneurs who overturned convention by moving up the ladder not through education as it was in traditional Chinese society, but through business. Now, let us turn to Paul, a Zambian elite whom Mr. Zhang relied upon as a middleman for starting his mining business. Like Mr. Zhang, Paul was also an entrepreneur.

Paul grew up in Kitwe in most of his younger years. He was the third born of a total of five, including two boys and three girls. His father was a miner turned teacher employed by ZCCM (formerly Zambia Consolidated Copper Mines, Ltd). “Growing up, I was used to rich guys,” Paul said. His educational experiences are captured below.

I went to primary school with around 80 percent white population. The school was nearly all white because at that time, you had a lot of British settled here in Kitwe. By high school, it was nearly all blacks because so many of the whites had left. It was an adjustment for me because I was actually used to a more diverse environment. Now you have to understand too that so many of my classmates died. HIV is a major problem here. Among my social networks of university and high school friends, most of them have died.

Paul emphasized his exposure to diverse environments in school. This expanded his view of the world and widened the possibilities of learning from different kinds of people.

Before attending university, he went to Chipata in eastern Zambia to do clerical work.

From Chipata, Paul went to Bulgaria, where he lived and worked in a cooperative.

President Kaunda at the time wanted to emulate some of the cooperative maize societies in other countries. So I was sent to Bulgaria, where I lived in a hamlet and worked in a cooperative. The idea was that we would plant that kind of model in Chipata. I was sent to the rural parts of Sofia, which was about 90 percent village, and lived there for two years. Then, I went to Tanzania for six months in Arusha for *ujamma*, where we learned the practical aspects of maize marketing and growing. Then I came back and lived in Chipata. The goal was to start to analyze individual needs, teach people farming inputs, and apply the skills we had acquired in Bulgaria and Tanzania. There, I worked hard for three years. After this time, I went onto university. I went back to school to become a chartered accountant in Ndola.

Paul's entrepreneurial desire began to crystallize during his years working for a private company while attending university.

In the meantime, I privately worked for a company that specialized in food processing, canning, purveyors. I was offered a scholarship that paid for school. I also worked at the same time. I received the local qualifications in the diploma of accountancy. So I was exempt from level 1, then level 2 and level 3 still remained. I rose to the highest position in management at the company. The thing is I was not sure about completing level 3 for accountancy. I worked for 16 years at the company. I was a factory manager, then promoted to general manager. I was also an accountant and worked in the area of process control. I covered all aspects and mastered these areas.

I wanted a challenge. Around this time, I met a Ghanaian guy who needed someone to restructure their company. I was recommended by the company I was working for to take on this task, so I did that for two years. This was a way for me to tap into my artistic side. You know, accounting was never for me. I was good at it and worked for a long time in the field, but I was always an artist. At this company, which was one of the biggest printing companies at the time, we handled campaign materials for politicians, billboard posters, TV ads, any form of expression. We had a brilliant and creative artistry group. There was also a designer and graphic artist. So that's what I do now. I went into my own private practice. I have a radio show I run on the side. I also do business consulting, as you see, and I bring projects to companies and they get a percentage and I get a percentage. I run multiple projects. One of them is to improve the company's image. You saw how we did that project for CSR at this company. Now on the side, I'm an artist. I have a passion for arts. You know I'm a musician, I play jazz and I love to write screenplays.

And now, I'm also going into consultancy for these Chinese firms. I can get them set up with the Zambian Development Agency and get them all the licenses and permits they need. I'm thinking of ways to network with people, people at companies, since I used to be in charge of supplying goods to the mines. I have contacts at X and Y companies. And I have some friends who are going to China soon. So I'm thinking of ways to get this business growing.

A long-time friend of the CEO at the Zambian construction firm, Paul was known as a "jack of all trades." He had his own radio show and was working as an independent consultant on a Corporate Social Responsibility (CSR) project and a coke project for the company.

I introduced Paul to Mr. Zhang because he had experience applying for business

licenses for foreign investors and was well connected to government officials. He and Mr. Zhang shared similar goals. Both wanted to expand their businesses. Both were motivated by money, but more than that, they were motivated by an insatiable drive to exploit opportunities, despite setbacks. Both had a wealth of experience starting their own businesses and facing equal amounts of successes and failures. Most importantly, they shared this ethic of entrepreneurship. Chinese entrepreneurs brought capital, which allowed them to work with Zambians like Paul to take care of the entire package for them. Zambian entrepreneurs, unless they were well connected and possess start-up capital like the CEO and the head of the website company, faced major financial challenges in overcoming these hurdles.

The narratives of Mr. Zhang and Paul illustrate the potency of the entrepreneurial ethic in their lives, despite differences in nationality. Their similarities included their desire to continually achieve and to work independently and their willingness to take risks. The similarities were underscored by the fact that all of them benefited from some start-up capital, whether it was in Mr. Zhang's case, help from his father, or in Paul's case, support from the CEO at the Zambian company.

The similarities were illustrated by their use of friends, some with less capital, to help them with their businesses -- for example, Mr. Zhang's reliance upon Cal, the chef, for advice and support. I now turn to the financial and bureaucratic challenges of starting a business in China to illustrate another aspect of Chinese and Zambian relationships. Many Zambian firms and entrepreneurs must rely on affordable Chinese products and supply chains in China to remain competitive in the industry.

Forming the Business

Under Zambian law and in accordance with the Zambian Companies Act, companies operating in Zambia must be registered as a Zambian company. To be eligible to submit for tenders, companies must be registered as a Contractor and a VAT (Zambian tax) Vendor for purposes of the Zambian Revenue Authority (ZRA). The alternative is to appoint a tax agent who acts on behalf of the company and submits invoices for payment to any clients, contractors and ZRA.

Companies must obtain an investment license in Zambia. Requirements for the license can be found on the website of the Zambian Development Agency website. The company must be “incorporated” in Zambia through the Patents & Companies Registration Agency (PACRA). In order to be incorporated, the company must pass the Name Clearance test through PACRA. This involves filling out a form that ensures that someone else has not used the proposed company name. The fee for filling out the form is K10,000. There are two types of companies that can be incorporated in Zambia, including 1) Private Limited Companies and 2) Public Limited Companies (PLC). Under Private Limited Companies, there are three types: 1) Company limited by shares; 2) Company limited by Guarantee and 3) Unlimited Company. Most companies in Zambia assume the first type, which requires a minimum capital of K5,000,000. The minimum shared capital for the different types of company can be found on the PACRA website and is listed below

- Private Company – K5,000,000 – US \$1,000
- Public Company – K50,000,000 – US \$10,000
- Bureau de Change – K250,000,000 – US \$50,000
- Financial Institution or Insurance Company – K500,000,000 – US

\$100,000

- Bank – K1,000,000,000 – US \$200,000

A Private Limited Company has not more than fifty shareholders. The registration fee for this type of incorporation is K265,000. In addition to the fee, one must provide a signed consent from each person listed as Director or Secretary of the Company.

Additional required documents include an Articles of Association of the Company and a statutory declaration that indicates a lawyer who assisted in the formation of the company and the person named as the Director or Secretary of the Company.

The Articles of Association is a generic legal document required by the Companies Act of 1994 that must be tailored for each company. It includes the definition of the company, the process of incorporation, the company name, the objective, the location of the head office, the share capital, transfer of ownership, share capital increase, board formation and term of office, time and place of board meeting, board attendance and voting, information of the chairman, managing director, powers and responsibilities of executive roles, settlement of dispute procedures, auditing procedures, fiscal year and balance sheets and distribution of profit and reserves.

Once the documents are submitted and approved, the company receives a certificate of incorporation with an important company registration number. A copy of this certificate, along with a copy of the certificate of share capital, a certified copy of the list of shareholders and directors, the business plan or feasibility study, resumes of the shareholders and directors and evidence of project finance, typically a letter from a bank or donor must be submitted to ZDA to obtain an investment license. The application processing fee is K1,280,000 and the license fee that must be paid at the end

is K7,670,000. The investment license shows the address of the company and its specific objective. It also has a section that lists the investments in foreign capital in machinery/equipment and the investments in local capital. The license must be renewed every ten years.

The formal establishment of a company also includes licenses that are specific to the industry. Construction firms must register with the National Council for Construction and provide a receipt of its registration when submitting tenders or bidding for other projects. The fee for the registration is K15,500,000. There are subdivisions under this level of certification. For example, the Zambian firm also possesses a Certificate of Contractor Registration under the National Council for Construction, which verifies its ability to conduct general roads and earthworks construction under the Grade 2 category. This license must be renewed yearly and one's grade qualifies the company for jobs of a varying scale.

The firm must also register with the Engineering Registration Board and keep up to date with the Workers' Compensation Fund. This shows that the company is complying with labor laws. The registration with the Workers' Compensation Fund costs K5,208,442.63. All these documents, along with one's company profile, auditing history, and previously completed projects, must be presented when submitting a tender or applying for substantial jobs in Zambia.

Another part of the challenge involved having the capital to purchase machinery and the training to operate and maintain it. The paperwork legitimizes the company and is a necessary component in winning bids. Sophisticated machinery improves the outcome and boosts the image of the company. Foreign investors and wealthy Zambians

have an advantage in possessing substantial capital to overcome these challenges. Struggling entrepreneurs need financial support to sustain their business. Without government assistance, they cannot compete with Chinese companies and must turn to China to supply cheap products and equipment.

The dependency on the Chinese was evident in mining partnerships between investors and Zambians who own mineral-rich land, but these partnerships were fraught with risks.

Risks for Newcomers

Risk was compounded in two significant ways. One related to the uncertainty of the quality of the product and the second, to uncertainty of performance.¹¹⁴ A third additional risk that affected foreigners in Zambia was the uncertainty of one's residential status; one had to face the possibility of being confronted with immigration officials or the threat of deportation.

Performance and quality uncertainty was a serious problem for entrepreneurs or newly minted professionals in developing economies. Once money was lost, it was nearly impossible to recover. Although the discourse of legality was quite strong -- contracts were often used and people do take each other to court -- the problem was located in the lack of enforcement, especially with debt recovery. As I mentioned in the previous section titled "Weak Legal Enforcement", there was no efficient or cost-effective mechanism for the courts to verify his claim and compel him to pay the amount owed. With the exception of the Supreme Court and Court, it seemed that the

¹¹⁴ Paul DiMaggio and Hugh Louch, "Socially Embedded Consumer Transactions: For What Kinds of Purchases Do People Most Often use Networks?" *American Sociological Review*. 1998, 63, 5, pp. 619-637, 624.

lawyers and magistrates in the lower courts were overworked and underpaid. Thus, the incentives for going after lost money, whether in business or marriages gone awry, remained low.

The Chinese in Zambia had multiple disadvantages. They were foreigners and lacked fluency in the English language, knowledge of the laws of Zambia, and the contacts needed to protect them in case of emergencies. One counteracting advantage for entrepreneurs like Mr. Zhang was the possession of initial capital, which he could strategically use to mitigate or eliminate the disadvantages. Mr. Zhang ran across major problems when he was looking to invest in some mines.

Mr. Zhang was looking for good quality copper and other minerals which he could buy and then upgrade the quality of copper at his plant in Zambia and sell the upgraded copper back to Chinese companies in China. Many Zambians had 99-year leases to mineral rich land and looked to the Chinese as potential business partners to invest in their land.

The Zambian government allows for one party's ownership of the title to the land and another party's ownership of mining rights, provided that viability and profitability of mining on the land can be proven. Thus, mining rights supersede land rights.¹¹⁵ It is part of the government's effort to encourage private investors to invest in the country in mining and refining the copper. Mr. Zhang was a likely candidate for this partnership since he had experience in running small mines and had possession of capital and the technology needed to extract copper on a large

¹¹⁵ I must thank my work colleague Paul for his expertise and years of work experience in this matter.

scale.

There are three types of licenses available on the large-scale, including prospecting license, retention license and large-scale mining license. The latter, which gives “exclusive rights to carry out mining operations and other acts reasonably...for a maximum of 25 years” was from my experience, common among the wealthier Zambians.¹¹⁶ Most Zambians, however, due to possession of limited or no capital, purchased rights on a smaller scale. Affordable permits include the prospecting permits, which only grant areas up to 10 km squared and last for two years. The prospecting permits grants the condition for prospecting and conducting visibility studies to determine whether it would be economically viable and profitable to mine the land. The small-scale mining license, which lasts for two years, grants the right to mine land that is restricted to 400 hectares. The artisans mining rights also lasts for two years and grants the right to mine, usually with a hammer and pick, in an area that is less than 5 hectares. Zambians with the least amount of capital tended to apply for the artisans mining rights, which afford many the ability to make a living from mining and selling copper on a small scale.

A sample license from one of Mr. Zhang’s prospective client is shown in Figure 7.2. Information about renewals and transfers was included with the license and shown in Figure 7.1. Paul’s job was to verify the information shown in Figure 7.1 with his government contacts. I have blotted out names, address and license numbers. The small- scale mining license was granted to the holder’s name. The license specifies the

¹¹⁶ “Mining Legislation,” (Lusaka, Zambia: Ministry of Mines and Minerals Development, 2012), accessed January 15, 2013 at <http://www.zambiamining.co.zm/mining-legislation.htm>.

bounded mining area and the specific types of minerals allowed to mine. Lasting for a period of ten years, the license was signed by the Director of the Mines and Minerals Department.

A formal letter written by the exploration unit of the Anglo American Plc group is shown in Figure 7.3. The letter states that Anglo American owned the prospecting license for the land and had the right to terminate mining activities as deemed necessary. The letter granted the owner of the small-scale mining license to mine quartz, emerald and copper in the designated area.

When ZCCM was privatized, the Zambia Copper Investments Limited (ZCI), a subsidiary of Anglo American Plc, bought 80 percent of Konkola Mines in 1999. In 2002, the London-based company pulled out and sold its take in Konkola to Vedanta Resources Plc, an Indian-owned mining company. In March of 2013, Anglo American acquired two mining license to explore copper, oil and other resources in the Northwest part of Zambia.

Kansanshi mine, the largest copper mine in Africa, is 80 percent owned by Kansanshi Mining Plc, a First Quantum subsidiary and is located in the Northwestern part of Zambia. First Quantum Minerals Ltd., a Toronto and London-listed company, is one of the largest copper producers in the world and is listed number 1459 out of Forbes' Global 2000 World's Biggest Public Companies list.

Anglo American is listed as number 139, having acquired 40 percent shareholding in the De Beers Group. Thus, Anglo American's 2013 return to prospecting in Zambia after an 11-year absence draws global attention. The letter captured in Figure 7.3 directs our attention to the fact that the big players are not

Chinese companies and perhaps Anglo American never really retreated, even when it sold its shares of Konkola Mines in 2002, but as the letter shows, in 2003, it still owned prospecting licenses in the Copperbelt. I have included remaining figures in the index. Figures 7.5 and 7.6 show the budget for small-scale mining. The total project cost listed as US \$942,283 is captured in Figure 7.6.

Figure 7.1
Transfer of License Document


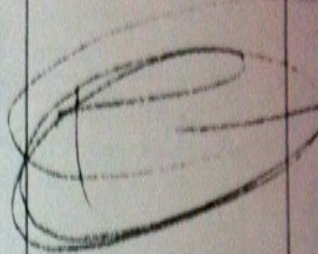

Renewals and Amendments			
Date of Renewal or Amendment	Details of Renewal or Amendment	Date of Registration or and Registration No.	Signature of Director
20.05.2005	TRANSFER OF LICENCE PROSPECTING PERMIT NO. 121 FROM V MINING TO GN TIP LIMITED	05.03.2004 PP NO.	
28.10.2010	RENEWAL OF LICENCE NO. 8 FOR FURTHER PERIOD OF TEN (10) YEARS COMMENCING ON 12.10.2010	28.10.2010	

Figure 7.2
Small Scale License Document

CHILILABOMBWE Form XX
(Regulation 23)


REPUBLIC OF ZAMBIA

The Mines and Minerals Development Act, 2008
(Act No. 7 of 2008)
The Mines and Minerals Development (General) Regulations, 2008

LICENCE NO.

SMALL-SCALE MINING LICENCE
(Section 56 of the Mines and Minerals Development Act, No. 7 of 2008)

Holder's name
Address **PHOU** **CHILILABOMBWE**

The mining areas shall be the area described in the Schedule and annexed hereto and bordered
RED on the Plan.

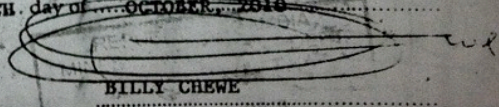
The licence relates to the following minerals **COBALT & COPPER**

The licence is granted for a period of **TEN (10) YEARS** commencing on the **12TH**
day of **OCTOBER, 2010**

The conditions of grant of the licence are as shown in the Annexures attached hereto.

ANNEXURES 1 - 12

Issued at **LUSAKA** this **29TH** day of **OCTOBER, 2010**


BILLY CHEWE
Director

ENDORSEMENT OF REGISTRATION

This Small-Scale Mining Licence has this **29TH** day of **OCTOBER,**
2010

been registered in the Register.

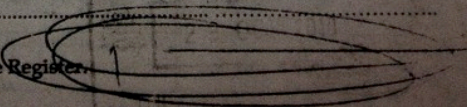

BILLY CHEWE
Director

Figure 7.3
Consent to Mine in Chililabombwe Letter



D)

Equipment

The equipment is estimated as prices following below:

ITEM	QUANTITY	UNIT COST US\$	TOTAL COST US\$
Excavator	1	180000	180,000
4x4 Vehicle	1	7000	7,000
2nd hand prefab Parkhomes	2	4500	9,000
Bell Haulers/Dump trucks (one dump track already bought)	2	193000	386,000
Generator – Haz, 380 V (already bought)	1	7500	7,500
Concrete mixer	1	1000	1,000
Jack hammer (two already bought)	2	4500	9,000
Bulldozer	1	200000	200,000
Water pump (two machines already bought)	1	5500	5,500
Compressor	1	12000	12,000
Solar Panel	2	2000	4,000
Computer + accessories	1	4500	4,500
Washing plant	1	9500	9,500
Camping equipment	1	4200	4,200
Strong room/warehouse	1	3500	3,500
Motorola radios	10	250	2,500
Major equipment sub-total			845,200
Shovel	50		
Chisel	100		
Pick	50		
Wheel-barrow	20		
Chain	10		
Ladder	10		
Hard hat	30		
Overall	60		
Boot	60		
Torch	30		
Bucket	20		
Hammer 10lb	20		
Safety Goggle	50		
Leather gloves	60		
Screen	2		
Minor equipment sub-total			10,000
Equipment – Total			

Figure 7.5
Mining Equipment Costs (part II)

APPENDIX 2 - COST OF MINING COPPER			
WORKFORCE			
POSITION	NUMBER	Unit/month	SubTotal
Mine manager	1	200	200
Chiselman	2	80	160
Driver/mechanic	5	90	450
Guards	5	50	250
Sorter	1	100	100
Labourers	60	50	3000
TOTAL	34		27920
APPENDIX 3			
DIRECT PRODUCTION EXPENSES - 12 months			
	ZMK K'000	US\$	
Fuel, oil and lubricants	900000	185567	
Explosives	72000	14845	
Area charges paid to Ministry of Mines	2000	412	
Freight & customs	12000	2474	
Equipment repairs	22000	4536	
Purchase of new spare parts/Overheads	18000	3711	
SubTotal	979000	211546	
ADMINISTRATIVE EXPENSES - 6 months			
Accountancy fees	2500	515	
Advertising	500	103	
Depreciation	8000	1649	
Donations and subscriptions	5000	1031	
Electricity and water	1200	247	
Fuel and oil	10000	2062	
Postage and telephone	2500	515	
Protective clothing	2200	454	
Printing and stationery	2500	515	
Insurance and licences	8500	1753	
Office expenses	3050	629	
Legal fees	2000	412	
Professional fees - hire of geoscientists	8000	1649	
Medical expenses	6500	1340	
Motor vehicle expenses	6000	1237	
Rent and rates	2500	515	
Repairs and maintenance	5580	1151	
Salaries	70000	14433	

Figure 7.6
Total Project Cost

Travelling	5000	1031	
SubTotal	151530	31243	
TOTAL PROJECT COST			942283

As Figure 7.5 shows, 90 percent of the entire project cost is allocated to equipment. An excavator costs US \$180,000. A bulldozer costs US \$200,000. The bell haulers or dump trucks cost US \$386,000. Altogether, the cost of equipment amounts to US \$845,200. Meanwhile, costs for the entire workforce for the project stands at \$27,920 per month – a mere fraction of the total project cost.

If we added everything together, the total project cost would be US \$1,126,089 for a small-scale mining project. The costs would be significantly lowered by a) buying equipment from bankrupt Chinese companies, which was Ian’s job on behalf of the Zambian firm or b) buying equipment from China, which was the case for Mr. Zhang and the Zambian firm, though shipping costs and VAT (tax) fees at 16 percent were still quite high. The Mines and Minerals Act Section 97 grants duty exemptions for mining equipment and machinery if imported by a licensed mining company, though it seems unclear whether this was consistently put into practice.

Transaction Frequency Risk

Small to medium-sized firms in Zambia lack the reputation and commercialization of large mining firms that safeguard them from risks. Risks are especially substantial in the beginning of a relationship because of the uncertainty in the outcome of the transaction due to information asymmetry.¹¹⁷ Information asymmetry is further complicated by differences in language, culture, handling money and styles of communication in the social interactions.¹¹⁸

Even if both parties have knowledge and experience dealing with people from diverse backgrounds, they still face the risk of defecting arising from onetime transactions. When there is no enduring tie, the interest in preserving some measure of certainty in the relationship is weakened. Let us turn to ethnographic data to illustrate the risks and embeddedness as a response to the risks.

Mr. Zhang met with several prospective clients. The first client Hugh possessed a small-scale mining license in Chililabombwe, shown in Figures 7.1 to 7.6 and the second client had an artisans mining right for land Ndola. In both cases, they claimed that the land had high quality copper and cobalt. Clients who lacked the capital and equipment sought to partner with Chinese investors to garner income from their land. Hugh initially requested a 50-50 partnership, which was then negotiated down to a 40-60 partnership. The second client, leveraging a less impactful license, requested a 30-70 partnership. Paul and friends of Mr. Zhang at one of the Chinese restaurants in Kitwe

¹¹⁷ Paul DiMaggio and Hugh Louch, "Socially Embedded Consumer Transactions: For What Kinds of Purchases Do People Most Often use Networks?" *American Sociological Review*. 1998, 63, 5, pp. 619-637, p. 625.

¹¹⁸ See Erving Goffman, "The Interaction Order." *American Sociological Association*, 1982 Presidential Address. *American Sociological Review*. 48, February, 1983, pp. 1-17.

recounted stories of Chinese investors partnering with Zambian clients, bringing their equipment over, only to discover that the license had expired or they were duped in another way.

One particular story involved an Indian investor who partnered with a Zambian client who brought his equipment, workers and capital to a piece of mineral-rich land in the bush near the border between Zambia and the Democratic Republic of Congo. It was reported that the Indian man simply gave up after a year of drilling. It was said that he had poured hundreds of thousands of US dollars in the mine, even setting up camp and living in the bush for some time, until he simply ran out of money. Apparently, the investor was a novice at mining and did not conduct feasibility studies to determine whether the minerals were genuinely of a higher grade. This story was instructive to Mr. Zhang, who made certain that he would bring his own team of surveyors and geologist from China for feasibility studies.

Paul was well aware that doing mining business in Zambia was fraught with risks. Mr. Zhang hired him as a consultant to guard against risks. His first task was to ensure that the mining licenses presented by the two prospective clients were legitimate. The discovery was that the small-scale mining license had expired in 2009, but Hugh the first client denied this occurrence. It was later discovered that he was a middleman to a friend's sister who sold him the license. Upon hearing about this problem and then meeting with the client, Mr. Zhang demanded that he pay for the license renewal before he would even consider partnering with him. In response, the client insisted that Mr. Zhang pay for the license because he was "broke." Quite frustrated with the situation, Mr. Zhang refused and withdrew from the meeting altogether.

The second prospective client fared no better because the artisanal mining rights permit was discovered by Paul to have a “pending transfer” status attached to it. It was unclear whom the permit belonged to him or if the license had been sold to multiple people. Zambians with the least amount of capital purchased the artisanal mining rights permit. Since it allowed for the extraction of copper only through small hand-held tools, such as a pickaxe, it was virtually useless to Mr. Zhang anyway. According to Paul, Mr. Zhang would have to upgrade the permit to at least a small-scale mining license.

Mr. Zhang, however, insisted that the onus of paying for and securing the permits and licenses should rest on the clients. He was already bringing in the equipment, he claimed, and should not have to expend more capital. He also became very incensed when the clients and Paul, who at this point, had brought in a few other partners to our meetings, requested that Mr. Zhang pay for their transport, food, lodging and gas -- expenses they claimed were accrued because of the meetings. They explained that when they worked with *muzungus*, they tended to pay for everything. The Chinese, from their perspective, were stingy in comparison.

Many Chinese like Mr. Zhang who were looking for moneymaking opportunities were willing to enter into business partnerships with them. Despite what I perceived to be abundant win-win opportunities for Chinese and Zambians, every stage in business negotiations was filled with risk. I referred earlier to the risk of theft. This occurred in multiple relationships -- between Zambians and between Zambians and foreigners.

An additional risk was fraud. I discussed fraud in terms of fake or expired licenses or land that was sold to multiple people. Fraud was especially prevalent in

business dealings between Zambians and foreigners, including Tanzanians, Congolese and Senegalese who came to the northern part of Zambia to open up trading businesses in diamonds. Foreigners were especially susceptible to instances of fraud because their connections to the police and political officials were weak. They also faced the risk of having their residency questioned and being thrown in prison or deported.

It was not unusual for Chinese firms to bring their own security guards and forge connections through Zambian middlemen like Paul. They often relied on Zambian elites who had the connections to government and other institutions to protect them. Chinese state-owned enterprises and large private firms had protection afforded by government-supported wealth and diplomatic relations. However, small to medium-sized firms often did not possess this kind of capital or diplomatic connections.

The Chinese Embassy had a laissez-faire attitude towards Chinese citizens, unless they were employees at the large telecommunications firm. As mentioned in Chapter III, the Chinese telecommunications firm had strong connections with the Chinese ambassador and Zambian politicians. ZCCM also operates under the protection of the Chinese Embassy. It appeared that the Embassy was not involved or even aware of the other Chinese citizens living in Zambia.

I discovered this when I visited them numerous times to collect data on the number of Chinese entering, exiting and living in Zambia. Officials at the embassy told me that they had to rely on figures provided by the Zambian Immigration Office. When I suggested to them that I wanted to do a headcount and brief survey on the Chinese population in Lusaka and the Copperbelt, they asked if I could assist them by passing on information to all Chinese citizens to register with the Embassy.

The embassy officials I spoke to stated that Chinese nationals in Zambia were not reporting to the Embassy. That the Chinese Embassy asked *me* to assist *them* with communicating information to Chinese citizens indicated that they were relatively unaware of the whereabouts of the majority of Chinese in Zambia. They did not have an online registration system and the officers I spoke to provided little guidance about the economic activities of the Chinese living in Zambia. Their lack of knowledge about and communication with most of the citizens meant that they offered little or no protection to them. Their main concern was guarding diplomatic relations with Zambian government officials and Chinese officials at the higher levels, not reducing risks for their citizens.

Buyer and Seller Risks

Usually, sellers wanted to broaden their client base because they have incentives to maximize profits on a larger scale. This was certainly the case with people selling copper. Similarly, buyers also wanted to target a wide variety of sellers in order to get the best deal. However, because both buyers and sellers in Zambia faced substantial risk with product and payment uncertainties, they were likely to operate within network exchanges. In the case with Mr. Zhang, Paul and Cal brought in their friends and friends of friends as prospective clients.

The criteria for selecting the clients depended heavily on a) the frequency of positive interactions with them, b) whether they were trusted friends or c) whether their friends could attest to the trustworthiness of the prospective client. Paul and Cal depended on their networks to bring in clients for Mr. Zhang. Since the minerals and construction industries involved the transaction of large amounts of money, both buyers

and sellers stood to benefit from transaction frequencies and strong social ties in their business relations. Risks were mitigated by the exchange of tacit information about one's ability to make payments and do them in a timely manner. This was certainly the case with a third client introduced by Paul to Mr. Zhang.

The client's brother-in-law was a family member of a well-known politician in the Democratic Republic of Congo (DRC). They owned the rights to the mine that was reported to have high-grade copper. The client and Mr. Zhang negotiated the price of extracting the copper and transporting it to the plant in Zambia. The problem facing Mr. Zhang was trusting this client to a) report the quality of the copper accurately b) bring the consignment over the Congo border in time and c) ensure efficiency in operations without run-ins with the police. He was, however, prepared to buy off the police. During our meetings, he made it clear to Paul that he wanted to forge good relations with the police and asked him how much he had to pay and who he should get to know.

With respect to problem b, it was reported that bringing copper over the border was very risky. First, the taxes were extremely high; second, payment in bribes were costly (on the DRC end, it ran as high as US \$100 for each petty bribe) and third, it was not uncommon to hear of the incarceration of non-Congolese people crossing the border. To defray costs, the client used Congolese workers to transport the copper via their knapsacks on foot over the border from one truck to another. This was labor intensive but cheap. The client was more concerned with stealing, as it was commonly known that on both sides of the border, there were individuals earning their livelihoods through stolen copper.

In some cases, they hijacked entire trucks. In other cases, they were part of the

crew hired to transport copper on foot. Nearly everyone I befriended knew that most cases of theft were “inside jobs.” The smartest thieves were the ones who maintained a low profile and siphoned copper continuously to their clients, but managed never to get caught. Stolen copper was sold on the market to individuals and to companies, including many Chinese ones. In Kitwe, the men who became rich from siphoned copper were at once admired and jeered at, the ambivalence towards these men captured by the term “kopala swag.” They were described by women who were hesitant to date them yet enticed by their possession of ostentatious displays of money as the “rich bums.” Unlike their suave elite counterparts, these young men had money but lacked the social graces associated with high status. Even the women who dated them expressed reluctance in being publicly seen with them. Yet they played a critical part in the copper business for theft was seen as simultaneously illegal *and* fair game in competition among renowned copper companies.

An Afrikaans man made this remark about the rules of the game: “there are no rules in Africa. That’s the great thing about it. And it’s good for business. You could get away with murder.” Having done business in South Africa and Zambia for over a decade, he knew how to manage risks. He was the managing director of a large Finnish company that just won a contract worth US \$85 million supplying equipment to Kansanshi Mines owned by First Quantum. Again, this was not widely publicized news.

Over dinner, other South Africans approached him and congratulated him; he said that he did not want too many people to know. He had his share of enemies. When I asked him how he transported the equipment, he said that they transported the goods from South Africa in containers that “will lock you in if you attempt to steal or enter the

container.” He said, “No one dares.” He then proceeded to tell me that he personally killed two men in South Africa when he was robbed. He was used to carrying guns around. He also told me that most of the machines that came from China were “crap.” He said that some of the crusher plants needed to be re-assembled or taken apart and thrown away. He said the Finnish machines were much better.

Most businesses, including Chinese and Zambian businesses, did not have access to the kind of capital needed to purchase this kind of foolproof security. Mr. Zhang confronted numerous security risks in dealing with the third client. Negotiations with the third client proceeded as follows. Paul sent us an email, shown below.

Janny,

First and foremost let us put the records straight. We have not gotten into any formal sales/purchase agreement with Mr Zhang and my friend is not obliged to supply him the produce before such is done.

The guy has been supplying to other customers and my duty is to convince him to change his customer. That is why he has demanded we give him a price offer on Copper acid soluble.eg

5% acid soluble = 30% of LME price
6% Acid soluble = 32% of LME price

25% acid soluble = 50% of LME

this is an example of an indicative price offer. He would not like to deliver then the parties fail to agree on the price when the good are in his yard. Once he does this the consignment is already in Chililabombwe. Then we can move. This is the standard procedure used in copper sales in Zambia.

The third client was a friend of Paul’s and he had many Chinese clients. They were negotiating the price over phone and email. The contract running for a period of 12 months acknowledged the terms and price. The terms were that the Copper Ore had a minimum Cu content of 20%. Anything less would be rejected by the buyer, Mr. Zhang. For the first shipment, the copper content had to be 20% guaranteed by the seller and the

specification of 20% had to be set as standard on pricing. One truckload amounted to 30 metric tons. Mr. Zhang was asking for three truckloads.

The client had to obtain the necessary documents for transporting the copper from the DRC to Zambia to Mr. Zhang's factory. The client had to provide proof of ownership of the cargo and to prepare a delivery note for each and every load. Mr. Zhang had to bring in his expert geologists and testers to sample, weigh and seal the copper ready for export. Payment terms were specified as follows:

- Once the copper was analyzed and verified, Mr. Zhang was expected to pay the client 50% of the value based on the following calculations:
 - The average purity identified with the Analyser X % of LME (shown in Paul's email) X average LME price for 7 days prior to delivery X tonnage delivered (3 truckloads was 90 metric tons).
- The balance of payment was expected as soon as the 90 metric tons was delivered and verified. The payment should take place no more than 10 days after delivery of the requisite amount of product by the Seller to the Buyer
- The Buyer was expected to pay the Seller the full balance due less any obligatory deductions and upon the presentation of the documents in support of the transaction. Required documents are included here.
 - Commercial Invoice

- Certificate of Analysis issued by the Verifier
- Weighing and Sampling report, and packing list
- Receipt of copper confirming payment with the Buyers Bank
- Certificate of Origin (Mining License) issued by the Government of Zambia

Mr. Zhang said he would pay for each truckload in cash as soon as his team of experts verified the results.

According to the contract, the copper was the property of the client until he received final payment from Mr. Zhang in full. The client bore all costs and risks for the copper while it was in transit. Once the truck reached the factory, Mr. Zhang would be responsible for the product. Because he had never worked with the third client and did not know who his Chinese clients were, he was concerned about his trustworthiness. He questioned whether the copper would be transported on time. He also questioned whether he was getting the best deal.

In the beginning, both parties had to learn to work with each other and discern whether the other party was trustworthy enough to establish an enduring tie. The third client, who was relatively close to Paul, was also concerned with whether he was getting the best deal and whether he could trust Mr. Zhang to pay for his services. When customers failed to pay, there was no guarantee that the client would ever recover the money he had already paid to transport the goods from the DRC to Zambia. The client assumed full responsibility for the goods until they reached Mr. Zhang's factory.

Upon delivery of the goods, Mr. Zhang was responsible for conducting an independent verification of the goods. Once analyzed, he was supposed to pay 50% of

the load value based on the calculation shown in the terms of contract. The balance of payment would be paid once the 90 metric tons was delivered. Until then, if anything happened to the load, the client would have to assume full risks.

Another matter of concern for the client was maintaining confidentiality in his business. During the business negotiations, Mr. Zhang wanted to compare prices with the client's other Chinese customers. The client was adamant about not revealing the identities of his other clients. Paul captured the back-and-forth negotiations in second email sent on behalf of the client.

Hi Janny,

The copper is now in Chilibabombwe. The prices I indicated on that example were for you to appreciate the fact that there is a standard way of making an offer. **If he makes an offer which is better than what we are currently obtaining** from the other Chinese they are willing to deal. However without an offer they are unable to transact.

Not that we have been dealing in copper for a long time and have lost out when we have delivered to a customer who later declares the copper to be of a lower grade and then a dispute ensues. This is what I would not want to protect both parties.

I hope that this will be understood and taken as an open gesture of good faith on our part as the seller. The seller is not obliged to disclose how much he is being offered by other companies.

Talk to you later. Rgds.

Paul's email illustrates one of the risks involved in the beginning of establishing a relationship between the buyer and seller. He writes, "Now that we have been dealing in copper for a long time and have lost out when we have delivered to a customer who later declares the copper to be of a lower grade and then a dispute ensues. That is what I would not want to protect both parties." This part shows that the client faced the risk of financial loss if anything happened to the load or if the copper turned out to be of a lower grade. If Mr. Zhang or other clients were not pleased with the quality of the

copper and refused to pay, then it would be a huge loss for the client. Where would he take the shipment? It would be too expensive to transport it back across the border. He would have to dump it at his warehouse and then wait for a prospective buyer to purchase the load. In the meantime, he would have to swallow the entire costs of mining and transporting the copper. Thus, Paul asserted that the client was as invested as Mr. Zhang was in ensuring the quality and timeliness of the delivery of the product.

The other concern was about confidentiality. As Paul also stated in the email, “The seller is not obliged to disclose how much is he being offered by other companies.” The client did not want to reveal information about his other clients because they were in direct competition with Mr. Zhang; furthermore, if they called each other and found out that they were getting different deals, this would jeopardize the client’s business and his relationship with his customers. It was in his best interest to keep everyone’s information private. The emails revealed the complexity of the negotiations process and highlighted potential misunderstandings and conflicts that might emerge in the process. The beginning of the business deal involved a steep learning curve as both parties learn to work with each other. Part of the learning process was ascertaining whether they had adequate mutual trust to proceed with the deal. Trust was established through frequency of transactions.

In most business deals, the buyer traveled to the mineral-rich land to verify the claims of high quality copper. This was the case with Hugh, the first client whose small-scale mining license had expired. Hugh was studying to be a minister; he came to our meetings dressed in a suit. Most Zambians tend to be very attentive to their sense of fashion; business attire was professional and suits were cleaned and neatly pressed. One

visible difference between the rich and those with less capital was that the former, like my boss, the CEO, had tailored suits. Many Zambians wore suits purchased from *salaulas* and the second-hand clothing was often oversized. Hugh's suit was neither tailored nor oversized. He wore glasses and had a calm demeanor, which Mr. Zhang immediately liked.

Mr. Zhang decided to travel to Chililabombwe to survey the land. Hugh was in the process of securing a license for another parcel of land owned by his grandfather in the northwest province. The copper, he claimed, was of an unusually high caliber, but getting there would be a chore. It would take two days of full driving to a destination, where his father would meet us in a nearby *boma* and we would ride scooters for three hours on dirt road to the piece of land. Due to the extreme physical risks of taking this journey especially concerning Mr. Zhang's elderly father, he decided against it and opted to investigate another piece of land that was quite far but closer than the one in the northwest province.

Mr. Zhang asked Cal, who asked his network of Chinese friends at the restaurant to help him plan the trip. Although many of Cal's friends were competitors of Mr. Zhang, they were more than willing to give advice about preventing risks of fraud. They were also long-time customers at the restaurant and knew Cal, so they gave snippets of advice about negotiating the deals. One of Cal's friend, a well connected Zambian man, helped Mr. Zhang contact his cousin who worked in the police department in Chingola, which was on the way to Chililabombwe. Heeding the advice of his Chinese friends, Mr. Zhang rented a car, paid a fully equipped police officer to accompany us, and promised to compensate Hugh and his cousin for the long journey. Renting a car was

my responsibility; we needed a four-wheel drive. Hugh was also an astute entrepreneur who tapped into his network of friends and found a good deal for the car hire. For US \$150, we borrowed his friend's car; Hugh did the driving. It was clear that he received a share of the profits from his friend.

Hugh initially requested money for his wife, from whom he had separated a few years ago. He also requested money to support his current girlfriend. When Mr. Zhang refused, berating the client for having so many women in his life when he could not afford them, the client re-negotiated the terms and asked for a week's worth of groceries, including a big bag of maize and some vegetables and a village chicken. Mr. Zhang agreed to this because he knew that food could not be squandered in the same way that money could easily be spent on mistresses and beer. Once all the finances were settled, we picked up the police officer, a tiny man who was armed with an AK-47 and traveled a full day before reaching the piece of land in Bisa country, where the ethnic group Bisa resided, near the Zambian and DRC border. It was a bumpy ride and Hugh drove like a madman. Mr. Zhang and his father smoked several packs of cigarettes during the drive. We also stopped along the way to grab some snacks and water. Mr. Zhang paid for everyone in the car.

While surveying the land, it was evident that a mining camp had previously been set up in the area. Hugh revealed that a previous investor had attempted to mine the land and for unbeknownst reason, left after six months. Some of the stones containing copper were gathered above ground. When Mr. Zhang and his father surveyed the stones and surrounding areas, they concluded that this did not appear to be high-grade copper. They could not be sure, as their expert geologist and drills were not present and they were

planning on a return trip once the proper licenses were secured. However, from the looks of it, the copper was of a significantly lower grade than the client had claimed. Mr. Zhang commented that he still wanted to partner with this client because he had a “good feeling” about him. He sensed that this client was a decent man, even though, he stated with a chuckle, he needed a lesson about handling his money and women. It would take nearly a year before Mr. Zhang and his father returned to the land to test the minerals.

Although Mr. Zhang and Hugh encountered more problems regarding money, he agreed to ask for money from relatives to renew the small-scale mining license. Mr. Zhang agreed to meet the client, as well as future clients, at restaurants closest to their homes so that they could pay their own way to the meetings. All other expenses, Mr. Zhang made clear in subsequent meetings, would be dealt with on a case-by-case basis, and only after contracts had been signed and the copper had arrived at his processing plant and the correct grade had been validated by his team of experts. Only then would he pay in full upfront. Once they established a routine and trust strengthened over time would Mr. Zhang be willing to pay in advance and add additional perks for those who worked with and for him.

Establishing a business in Zambia was fraught with risks. As I have shown, the risks were mitigated by the strategic use of resources by Hugh, Paul, Mr. Zhang and the other clients. Everyone tapped into their networks to receive a cut of the profits and move initial interactions to a cemented deal. Bringing a potential business partner into one’s network involved a host of variables, including reputation, compatibility of interests, and in Mr. Zhang’s case, a “good feeling” about the partner. One did not

indiscriminately partner with others; in fact, Mr. Zhang, Paul and the clients were selective about potential business partners. They had to “click,” among other factors. These relationships and networks among the Chinese and well-connected and experienced Zambians such as Paul were critical in mitigating financial risks. Yet as I have shown, without a history of interacting with each other, the formation of these networks depended upon compatibilities and interests, among other factors.

Conclusion

This chapter has explored the role of risk in starting a business in Zambia. I explored the procedure, amount of paperwork, fees and numerous challenges that emerged from the process. This chapter delineated the challenges and benefits of establishing partnerships among Chinese and Zambian entrepreneurs. Most of the benefits, as I illustrated through the major negotiation and bidding processes in the mining industry, relied upon the establishment of trust. Trust reduced the risk of uncertainty in product and service quality as well as the risk of fraud and theft.

In a society that is weak on enforcing the legal norms of reciprocity, which I made clear in my discussion of court cases in Zambia, trust between entrepreneurs and firms was ensured through the social embeddedness of transactions. While their within-network exchanges helped reduce substantial risks, they also raised the opportunity costs of keeping their relations small and stable.

They had to forge relations with buyers and sellers outside their networks to lower the opportunity costs of getting the best bargains. Direct and indirect assistance from their in-group networks addressed the problem of information asymmetry and performance uncertainty. It also addressed significant challenges confronting foreigners

and immigrants unfamiliar with the rules and norms governing the relations between businesses and government agencies in Zambia. Therefore, embedding relationships in economic transactions proved to be effective in reducing risks and increasing opportunities for business survival and expansion.

Money remains one of the greatest challenges, a deal breaker among Chinese and Zambians working together. However, the strategic use of one's resources, evidenced in the use of social networks by the CEO, Hugh, Paul, and Mr. Zhang, among others, demonstrate that the obstacles related to money were indeed surmountable.

CHAPTER VIII

THE CONSTRUCTION INDUSTRY AND STRATEGIC ALLIANCES

Introduction

In this chapter, I further probe the benefits and challenges of increasing Chinese investments. I explore this question through a close examination of our third case study, the Zambian construction firm, where I worked and served as a representative of the firm in business negotiations.

I begin by outlining the historical and contemporary context of the mining industry in the Copperbelt, including racial and economic dynamics because it is important to understand how the Chinese compare to British colonialists and other expatriate groups. I draw extensively from Andrew Sardanis' memoir about his long-time friendship with former President Kaunda and his experiences as a Greek-Cypriot-Zambian.

I then explore the different types of strategic alliances formed between Chinese and Zambian firms, including buyer-supplier and contractor-subcontractor alliances. These alliances can be considered a type of social network, which A.L. Epstein evinced in his work on the Zambian Copperbelt.¹¹⁹ The first refers to the emergence of social class as the basis of general social interactions. Whereas in the villages, relationships were based on more rigid, yet fluid ties of kinship and residential membership, in the

¹¹⁹ A.L. Epstein, *Scenes from African Urban Life: Collected Copperbelt Papers* (Edinburgh: Edinburgh University Press, 1992).

urban setting, the same system that set forth obligations to one another, was enlarged to include multiple social networks. One person could belong to multiple social networks and be obligated in varying ways and to differing degrees to assist financially. Epstein provides examples of obligations towards one's neighbors, colleagues, classmates, and members of the same ethnic group. Expressions of kinship often extended to members of other ethnic groups, simply because in a cosmopolitan setting, the chances of interacting and bonding with diverse groups of people were higher.¹²⁰ Moreover, broadening one's social network increased the chances of being financially supported in an unstable and volatile urban environment. Similarly, in this case study, forming multiple strategic alliances within the mining and construction industries increased the chances of success within in the business realm.

I discuss the possibilities of Zambian firms entering into joint ventures with Chinese firms to benefit from the provision of key technology and knowledge in order to facilitate the growth of more domestic firms.

Historical Background

The major players in the mining industry were the South African and European mining construction firms. This phenomenon was discussed in Chapters I and II. For example, Murray and Roberts, a South African company that garnered multiple contracts against the Zambian firm for which I worked, recently received a US \$320 million shaft sinking and equipment contract from Mopani Copper Mines. South African construction firms received most of the contracts to build large shopping malls in the

¹²⁰ A.L. Epstein, *Scenes from African Urban Life: Collected Copperbelt Papers* (Edinburgh: Edinburgh University Press, 1992), p. 72.

capital city of Lusaka.

While they had a visible presence in Lusaka, their presence in the Copperbelt seems to be overshadowed by controversial reports surrounding Chinese firms. Although complaints lodged against Chinese mining firms for not adhering to proper safety standards and exploiting Zambian workers, as they did with their own Chinese workers, were legitimate, I submit that it was easy to scapegoat the Chinese in the face of severe economic problems that left so many Zambians impoverished.

The Chinese received more negative media attention and dominated public discourses for several reasons. They were perceived to be foreign; in terms of phenotype, mannerisms and language, they possessed attributes that many Zambians deemed as non-Western and therefore, inferior compared to the European man. Compared to Western and South African firms, most Chinese firms had yet to polish up their image or launch CSR projects. One exception was the large MNCs like the private telecommunications company, the main object of the case study in Chapters IV and V. This company was the exception rather than the norm.

South African companies, on the other hand, had the advantage of sharing a history with Zambians, since many remember a time when the Copperbelt was filled with South African expatriates, who eventually went home or emigrated elsewhere when the economy collapsed. The physical proximity of South Africa to Zambia and the lingering effects of British colonial legacy, which perpetuates the racial hierarchy, add to their rather positive or image.

Andrew Sardanis, a Greek Cypriot and one of the most powerful and richest men in Zambia who at one point owned many companies that provided jobs for

Zambians,¹²¹ had this to say about the racial hierarchy in 1950 in the Copperbelt of Zambia.¹²²

A whole new class of entrepreneurs and chancers was in the making. They were all white of course, English, Greek, Italian, Yugoslav and some South Africans, though the South Africans mainly worked on the Mines. The town had two shopping centres set a couple of miles apart. They were euphemistically called first and second-class shopping areas, instead of white and black or African or European. Blacks were not allowed inside a shop in the first-class shopping centre. They could buy from there, if they wanted something specific, but they were served from the back yard, through a hatch in the wall.

On the town of Chingola, which was about 30 minutes away from Kitwe and home to Nchanga mines, Andrew Sardanis described it as “complex.”¹²³

Each town was subdivided into black and white areas separated by huge tracts of no man’s land. In a corner of Chingola’s no man’s land there were a few houses for the “Coloureds” – people of mixed blood. Some years later when the Solankis, the first Indian family who came to live in Chingola, bought a house in the European township, the residents of the street petitioned the Town Management Board not to allow them to live amongst the whites. The whites of Northern Rhodesia did not like the Indians and the whites of Chingola saw the Solanski as the vanguard of the Indian invasion. They wanted them to live in a separate area as happened in other towns with large Indian communities. But the Solankis, being the only Indian family then, stayed amongst the whites and the other Indians that followed did the same.

In the late 1950s, when the Government decided to build the first black secondary school in Chingola near the quarters, the Coloureds were up in arms. They did not want black boys and girls around them. . . . There was complete racial separation between blacks and whites. They met at work, the whites as masters and the blacks as servants. But in everything else they had a separate existence. African shops, European shops; African schools, European schools; African hospital, European hospital. For entertainment, the whites had a huge mine club complex with restaurant, bar, ballroom and library. It was surrounded by playing

¹²¹ See Chapter VII for more information about Andrew Sardanis and his ownership of MNCs that provided jobs and training for many Zambians, including Ken the technical project manager at the Zambian construction firm. As I will show in Chapter VII, Ken’s experience at a large MNC firm, the Zambian branch owned by Andrew Sardanis, proved to be beneficial in providing two years training of heavy equipment in Spain and launched his career as a manager in sales and mining projects.

¹²² See Andrew Sardanis, *Africa: Another Side of the Coin: Northern Rhodesia’s Final Years and Zambia’s Nationhood* (London: I. B. Tauris, 2003), p. 24.

¹²³ Andrew Sardanis, p. 24.

fields: tennis, cricket, football, rugby, hockey and bowling greens. In another location they had a golf club reputed to be amongst the best in southern Africa. All built and supported by the mining company.

His description of the racial dynamics of a Copperbelt town in the 1950s demonstrated that the blacks and whites were segregated from each other, with the whites obtaining access to the best facilities and higher pay. Schools were segregated and so were clubs and hospitals. Only Europeans and Coloureds were allowed to use the movie theaters.

Racial discrimination also operated in the mines. The European Mineworkers Union made sure that blacks recruited for unskilled labor would not be trained. They were paid US \$9 a month for their work – a small fraction of what the white miners received. Much of this still holds true today, for Kansanshi mines in the Northwest province is reported to have top-notch facilities that are available only to the expatriates. Even the Zambians I worked with knew nothing about the giant swimming pools and other facilities in the mine, yet every white South African I spoke to knew about it.

Sardanis explained further that the mining company built welfare halls, beerhalls and a football stadium for the blacks. In addition to these differences, housing was also segregated. Whites had large and spacious houses with a yard and black workers were crammed into one or two-room shacks. Sardanis remembered that their homes had no windows, electricity or running water. He acknowledged that the majority of white miners “were a rough lot. Their thinking was conditioned by the South African racial prejudices and attitudes they grew up with.”¹²⁴ He concluded, “The racial bigotry of South Africa was all-pervasive.”¹²⁵ Richard Sklar, cited by Sardanis, pointed out that in

¹²⁴ Andrew Sardanis, *Africa: Another Side of the Coin: Northern Rhodesia's Final Years and Zambia's Nationhood*, p. 25.

¹²⁵ Andrew Sardanis, p. 26; original source came from Richard L. Sklar, *Corporate Power in an*

1966 Zambia had 3.8 million people and 70,000 were Europeans and 10,000 were Asians. More than half of the Europeans lived on the Copperbelt.¹²⁶

In the mining industry at the end of 1965, 40 percent of the expatriate labor force of 6,500 employees was from South Africa. The majority of whites supported white rule and a large number had been spying for Rhodesia since the United Declaration of Independence (UDI) was declared in 1965.¹²⁷ Even after independence, Sardanis notes that many whites in Zambia supported Ian Smith and his UDI and deprecated the attempts of the government to seek multiple routes to the ocean.¹²⁸ Colonialism had not ended at independence and the British government had strong influence over the Zambian government. By following the wishes of the British government in sanctioning policy against Rhodesia, Zambia had to seek alternative routes, preferably through Tanzania. Kaunda had expected, upon the promise of Britain, that they would pay for all the costs of transporting copper and help build a pipeline or railway to Tanzania. Not only did Britain refuse to pay after they saw how expensive the prolonged UDI would cost, but they also did not want to see permanent links between Zambia and Tanzania because they wanted Zambia to remain the major market for the British companies in Rhodesia after the UDI ended.¹²⁹

At the same time, the British pound was devalued and they did not give Kaunda

African State: The Political Impact of Multinational Mining Companies in Zambia (Berkeley: University of California Press, 1975).

¹²⁶ Andrew Sardanis, p. 27, Richard L. Sklar, *Corporate Power in an African State: The Political Impact of Multinational Mining Companies in Zambia*.

¹²⁷ Robert Sutcliffe, "Zambia and the strains of UDI," December 1967, *The World Today*, 23, 12, pp. 506-11, p. 507.

¹²⁸ Andrew Sardanis, p. 209.

¹²⁹ Andrew Sardanis, p. 181.

a chance to transfer the Zambian reserves out of Britain or guarantee against future devaluation; Zambia lost 20 million pounds. Sardanis explained that at this point, with backs turned from the British and the whites living in the southern African region, they knew they were on their own. There was no doubt that the Southern African liberation wars from Rhodesia and apartheid South Africa hampered the development of Zambia in multiple ways.

Colonialism in Zambia, William Tordoff and Robert Molteno argue, was “an extension of the white south.” They elaborate that the British South African Company, which ruled Zambia from 1890s until 1924 and then transferred the administrative tasks to the British Colonial Office, was essentially a South African enterprise. As the authors articulate, “colonial rule came to Northern Rhodesia [Zambia] from the already white minority-ruled and racist south so that the country was, and continued to be, the major northernmost outpost of southern African European settler rule.”¹³⁰ Fast-forward to modern times and although Zambians are free now, it seems that the settler population, standing at around 50,000 people,¹³¹ many of whom are white South Africans still dominate the Copperbelt.

The greatest blow occurred with the privatization of ZCCM. The parastatal sector, which encompassed many industries, had not been running efficiently for a long time due to the lack of resources to update their equipment and problems in management, but when Sardanis proposed to Kaunda that they could sell some of the businesses to get capital for rehabilitation and also bring in the Zambian businessmen to

¹³⁰ William Tordoff and Robert Molteno, “Introduction,” William Tordoff, ed., *Politics in Zambia*, (Berkeley, CA: University of California Press, 1974), p. 6.

¹³¹ William Tordoff and Robert Molteno, p. 2-3.

run the businesses, Kaunda refused.¹³² It was not until the Movement for Multiparty Democracy (MMD) gained ground in 1991 under Chiluba that the parastatals were nearly bankrupt that they were pressured to sell at very low prices. As Sardanis notes, “It transpired afterwards that some of the new owners did not even have mining background and experience. They had been selected because of their political connections and the mines under their control went into receivership, exacerbating the unemployment and hardships of the people who work in the mining industry.”¹³³ Ultimately, the Anglo American Corporation bought part of the ZCCM in 1999 and then pulled out in 2002. They were required to make a down payment of only \$30 million upon purchasing the mines. Thus, it was easy for them to pull out a few years later because they had invested so little.¹³⁴

As mentioned earlier, Anglo American has recently purchased prospecting licenses in the Northwest province and only time will tell whether they intend to invest for the long-term. Foreign investments will yield long-term benefits including employment and knowledge and technology transfer if they local businessmen and companies like the Zambian construction firm are given a fighting chance. Thus far, the South Africans, the UK and Indians monopolize the mining and construction industries. Zambian firms end up competing with Chinese firms for small to medium-sized projects. Without assistance from the government, foreign investors will always have an advantage.

¹³² Andrew Sardanis, p. 325.

¹³³ Andrew Sardanis, p. 301-02.

¹³⁴ Andrew Sardanis, p. 315.

Although Christopher Burke's research on the construction industries in Tanzania and Zambia asserts that the Chinese have tapped into 30 percent of the market share in Zambia, it seems that this might be overestimated.¹³⁵ Even Burke concedes "Western companies...maintain a slight competitive edge over the Chinese in specialized or technical areas of construction and in the finishing or final appearance of the project. There are also lingering perceptions, especially in Tanzania, that Western companies are generally more reliable which enables them to secure work...."¹³⁶ Furthermore, it is easy to overestimate Chinese market share because the multi-million dollar bids secured by South African firms are not publicized.

An Internet search reveals countless news articles regarding Chinese firms in Zambia, yet very little is published on South African firms, unless one searches for updates for specific firms. This contradicts data gathered from fieldwork, for it was well known in the mining industries that South African firms were the big winners when it came to substantially lucrative bids. It was also well known that many of the white South African managers were explicitly racist, sometimes manifesting in ill-treatment of workers, yet this was hardly ever publicized. In an insightful analysis of the "emergence of South African capital," Rohit Negit provides a window into the dynamics among white South African managers and Zambian workers at Kansanshi mine, an up-and-coming mine 80 percent owned by Canadian First Quantum Mining and Operations

¹³⁵ Christopher Burke, "China's Entry into Construction Industries in Africa: Tanzania and Zambia as Case Studies." *China Report*, 2007, 43, p. 323.

¹³⁶ Christopher Burke, "China's Entry into Construction Industries in Africa: Tanzania and Zambia as Case Studies." *China Report*, 2007, 43, p. 331.

(FQMO).¹³⁷ Negit provides insight into cleavages based on race and class.¹³⁸

Kansanshi also attracts brickbats on accounts of the class character of its development practices. The company has built homes, pools, a gymnasium, and even golf course, but to the annoyance of workers and Solwezi residents, these are for the use of those high up on the mine's organizational structure. Given that there is a degree of overlap between race and the division of labor at the mine, these words of a Kansanshi worker are perfectly understandable: "This is apartheid...Kansanshi has created a new Cape Town." This discursive connection is all the more pertinent because many expatriate managers at Kansanshi are from South Africa.

There is likely a combination of factors that explains why South African firms receive less publicity. That they have become experts at impression management is perhaps one of these factors. For example, in an advertisement featuring the new Managing Director for Bell Equipment in well-known *Zambian Traveller* magazine, claims to insider, African status is repeatedly put forth. It says, "Not everyone is aware that the Bell Company is a true southern African success story. Founded in the sugar belt of Natal, South Africa in the 1954, Bell is a family run business that has grown in to a global player in the material handling, construction and mining equipment industry. We pride ourselves on our African heritage and our 'built tough for Africa' product philosophy."¹³⁹

The claim to insider status is not entirely unfounded, for South African expatriates do often express a love for the continent and are the ones most likely to settle in Zambia, some marrying Zambians and raising their children there. Along with white

¹³⁷ Rohit Negit, "The Micropolitics of Mining and Development in Zambia: Insights from the Northwestern Province," *African Studies Quarterly*, 2011, 12, 2, pp. 27-44.

¹³⁸ Rohit Negit, "The Micropolitics of Mining and Development in Zambia," p. 35.

¹³⁹ "New MD for Bell Zambia," *Zambian Traveller* (Kitwe, Zambia: Loginvest 42 (Pty) Ltd., 2012), p. 21.

Zambians and elite Zambians, they often frequent the same upscale restaurants and boating clubs. They also share similar experiences of regularly getting malaria, of taking full advantage of the breathtaking nature that Zambia has to offer and often times, speaking the local languages fluently. Many adopt a supercilious, aggressive and racist attitude towards black Zambians; in my observations, many black Zambians were quiet or displayed obedience to white South Africans. Was this a sign of resistance or a sign of fear? This kind of heated power dynamics that I observed in meetings with Zambian colleagues and South African whites was limited or absent in interactions between Chinese and Zambians.¹⁴⁰ Racial hierarchies left behind by the legacy of colonialism seemed play out in business interactions. That many Zambians seemed to view the Chinese as either equal or inferior to them may actually work to their advantage in terms of striking partnerships and strategic alliances and learning from each other.

Strategic Alliances

A strategic alliance has been defined as an arrangement between two or more organizations that contributes to long-term mutual goals.¹⁴¹ The emphasis leans towards deriving benefits from the alliance that would otherwise be difficult to obtain. Therefore, the conditions of a strategic alliance include collaboration that involves differing degrees

¹⁴⁰ In 2007, I ventured to Zambia with a friend, a white male American, who documented the kind of discomfort he experienced – an overwhelming submission by many black Zambians to him simply because he was white. He did not take advantage of his privilege, like some of the white expatriates living in Zambia, acting like kings. I do not mean to obviate a controversial or sensitive topic, but I do think the way race plays out and the privilege accorded to white males, including researchers, must be noted here. I also do not intend to single out Zambia as a place that operates according to this racial hierarchy; indeed, in the United States, with a different history of colonialism, whites continue to occupy the top of the racial hierarchy as well and media images perpetuated by Hollywood continue to dominate the global market. Zambia is no exception.

¹⁴¹ John Daniels, Tim Radebaugh and Ronel Erwee, In *Global Business: Environments and Strategies, Managing for Global Competitive Advantage*. Johan Hough and Ernst W. Neuland, eds., (London, UK: Oxford University Press, 2000).

of shared decision-making, control and learning.¹⁴²

The worldwide construction industry has become increasingly competitive. Stiff competition in rapidly developing countries like China has propelled many of the construction SMEs abroad. This is a phenomenon occurring in multiple places, as United States construction firms have also assumed a significant presence abroad, particularly in Asian markets.¹⁴³ In fact, the Asian construction markets have experienced an increasing presence of foreign firms, thus partially explaining the move of Asian firms to less developed countries to remain competitive in the construction industry.¹⁴⁴ While it is apparent that strategic alliances provide advantages from knowledge and technology transfer in the learning process, it is also clear that they have become an inevitable consequence of increasing competition in the construction industry. For construction firms forging new or expanding existing ventures abroad, strategic alliances form a critical part of their access and entry into the local markets.

Whether the alliance is sustained depends on numerous factors. An increasingly significant factor is the “project-based mindset” unique to the construction industry. This stream of research points to risks arising from incompatibilities in alliances and local conditions such as weak national standards that exacerbate problems of trust and

¹⁴² Robert E. Spekman, Lynn A. Isabella and Thomas C. McAvoy, *Alliance Competence: Maximizing the Value of Your Partnerships* (New York: John Wiley & Sons, Inc., 2000).

¹⁴³ Warf, B., “The International Construction Industry in the 1980s,” 1991, *Professional Geographer*. 43, 2, pp. 150-162; see 吳學良, “Dynamic partner fit of International Alliances: The Experience of Taiwanese Construction Consulting Firms,” Working Paper Series (Taipei, Taiwan: Chung-Hua Institution for Economic Research, 2011).

¹⁴⁴ Raftery, J. B. Pasadilla, Y.H. Chiang, E.C.M., and B.S. Tang. *Globalization and Construction Industry Development: Implications of Recent Developments in the Construction Sector in Asia*. *Construction Management and Economics*, 1998, 16, pp. 729-737; also see 吳學良, “Dynamic partner fit of International Alliances: The Experience of Taiwanese Construction Consulting Firms.” Working Paper Series (Taipei, Taiwan: Chung-Hua Institution for Economic Research, 2011).

communication. This makes long-term alliances less likely, yet also results in the limited scope of achieving a sustainable competitive advantage that is at the core of motivations to forge a strategic alliance in the first place.¹⁴⁵

Some types of strategic alliance involve greater degrees of collaboration, such as joint ventures or equity-sharing partnerships while subcontracting may involve more task delegation and less collaboration. The advantages of joint ventures include sharing costs and risks and access to complementary, specialized knowledge. The disadvantages include undesirable knowledge transfer, lack of control over technology and strategic coordination.¹⁴⁶ Building a stable and competent alliance involve several characteristics. Spekman et al enumerate the characteristics “necessary but not alone sufficient to enhance the ability of the alliance partners to accomplish their goals.”¹⁴⁷ I have listed the characteristics below and contextualized them within the construction industry in Zambia.¹⁴⁸

- a. *Goal Compatibility*
- b. *Trust and Commitment*
- c. *Interdependence*
- d. *Symmetry*
- e. *Open Communication*
- f. *Coordination of Work*
- g. *Joint Planning*

¹⁴⁶ Bingunath Ingirige and Martin Sexton, “Alliances in Construction: Investigating initiatives and barriers for long-term collaboration,” *Engineering, Construction and Architectural Management*, 2006,13, 5, pp. 521-535.

¹⁴⁷ John Daniels, Tim Radebaugh and Ronel Erwee, in Johan Hough and Ernst W. Neuland, eds., *Global Business: Environments and Strategies, Managing for Global Competitive Advantage* (London, UK: Oxford University Press, 2000), also see Ariela Caglio and Angelo Ditillo, *Controlling Collaboration between Firms* (London, UK: CIMA Publishing, 2008).

¹⁴⁸ Robert E. Spekman, Lynn A. Isabella and Thomas C. McAvoy, *Alliance Competence: Maximizing the Value of Your Partnerships* (New York: John Wiley & Sons, Inc., 2000), p. 52.

- h. *Long-Term Focus*
- i. *Cultural Compatibility*

Similar end-goals must be aligned between partners. In the construction industry, this may involve partners using different expertise and technologies but sharing a supplier in the value chain to complete a project that results in shared goals of higher quality and customer satisfaction.

In the construction industry in Zambia, social circles were small, particularly among the big players, so an added risk was the damage to one's reputation. Related to trust, commitment included the willingness of both partners to use energy, time and resources to fulfill the mutual goals. This was usually based on reciprocal behavior or a set allocation of resources agreed upon well in advance. Alliances served as vehicles for knowledge transmission and learning. Open communication involved more than knowledge sharing. It also involved respect for decisions made about knowledge that partners wanted to share and knowledge that remained proprietary.

Strategic alliances imply that partners are more efficient in partnership than alone. Part of this efficiency stems from applying the strengths of each party to achieve mutually desired goals. Tasks related to the goals may be shared to improve efficiency. In the construction industry, this may involve an alliance in which one firm installs the crushers in a mine while the other sells and distributes the products from the crusher plant.

Chinese firms make an optimal partner for Zambian firms for several reasons. First, the proliferation of Chinese construction firms increases the likelihood that Zambian firms will find one that provides a symmetrical match in terms of size, assets

and management styles. Second, Chinese suppliers have access to cheaper equipment than their South African and European counterparts, which makes buyer-supplier alliances with *Zambian* firms likely and common. Third, *Zambian* firms' exposure to marketing skills and connections with *Zambian* social circles carves a niche for potential co-marketing alliances to form with Chinese firms, which are usually lacking expertise in this area.

Interdependency is quite high among Chinese and *Zambian* firms, but whether it is recognized depends on the specific area of construction and the preexisting relationship between clients and contractors. Overall, Chinese firms possess the greater advantage in competition for projects, which means that without the intervention of government policy, *Zambian* firms will either have to pursue strong personal relationships with the Chinese, hedge specialized knowledge in order to win bids and elicit interest from Chinese firms to form strategic alliances.

Buyer-Supplier Alliance

This was the most common type of alliance among Chinese and *Zambian* firms. The *Zambian* firm provided a wide range of services, including mechanical engineering works, civil construction works, plant installations and mining and construction equipment supply. The organizational history and structure is included in Chapter III. Large projects completed for the major mines include demolition of concrete structures and rehabilitation of the grounds and construction and erection of water tanks, pipe laying and installation of borehole pumps and waterlines. The large projects account for US \$1 to \$2 million of company profits.

There are four different types of mining: dredging, surface mining, underground

mining and *insitu* mining. The Zambia firm provided equipment and infrastructure for dredging, surface and underground mining. Surface mining tends to be more common among entrepreneurs or small companies. In Chapter VII, I discussed partnerships between Chinese and Zambian individuals involved in open-pit mines that required drilling, blasting, electric or hydraulic excavating and transporting the material onto front-end loader trucks. In contrast, large mining companies engaged in underground mining, which required the construction of vertical shafts which provide access to the underground mine, tunnels that reach the ore deposit, conveyor belts, and all equipment and infrastructure needed for extraction. The mineral deposits needed to be separated by either crushing or grinding, which transformed the material into sand.

The Zambian firm also provided crushing equipment, such as the Jaw Breaker and grinding equipment, such as the Ball Mill. A common practice among this Zambian company and other construction firms was to own a crushing plant and install it on the premises of a large mine. This served the purpose of servicing the mining company's crushing needs as well as the needs of other local users. Since the Copperbelt region had a shortage of crushed building materials, the crushed elements were often mixed with concrete of high quality in a Concrete Batch Plant and used to build roads. In addition, crushing equipment were installed in a crushing plant and leased.

According to mining and metals expert Ken Boyd, the layout of crushing plants and ancillary equipment is an integral part of ensuring that production remains high and operational costs remain low.¹⁴⁹ The output in tons and overall electrical power

¹⁴⁹ Ken Boyd, "Crushing Plant Design and Layout Considerations. TechnoMine: Mining Technology," (Vancouver: AMEC Mining & Metals, 2004), accessed January 2013 at <http://technology.infomine.com>.

consumption are key considerations in purchasing the particular type of crusher.

Crushers ranged in capacity and price. A typical jaw crusher, like the one that the Zambian firm owned, is shown in Figure 8.1. Boyd writes that gyratory crushers in the US can range anywhere from US \$2 million to \$18 million.¹⁵⁰ This is a low estimate, considering the import tax, roughly 16% VAT that must be paid on equipment brought into Zambia. Then, there are accompanying parts and spares in case of wear and tear on the equipment. An SME may need a jaw crusher, an impact crusher, hydraulic cone crusher, vibrating screens, conveyor belts and control systems for he crushers.

One way to maximize profits for the Zambian company was to purchase excavators, front-end loaders and tippers and rent them out to companies in the Copperbelt. Local construction firms must therefore rely upon affordable equipment offered by Chinese companies. The Zambian firm bought crusher parts, liners and spares from a Chinese supplier in Xiamen.

The Chinese supplier's website stated that it has increased its volume of exported machines to Southeast Asia and African countries. It also stated that it specialized in manufacturing and selling machines, excavators and all parts and accessories associated with engineering machinery. A related website of another Chinese supplier stated that their jaw crusher was designed by engineers to have a "simple structure, large reduction ratio, evenness in the product, and low maintenance costs." The supplier attracted a broad foreign base due to its polished website and transparency. It also publicly posted

¹⁵⁰ Ken Boyd, "Crushing Plant Design and Layout Considerations. TechnoMine: Mining Technology," p. 1.

an audit report and all required certificates to demonstrate its trustworthiness as a global partner.

In addition to supplying affordable equipment, the Chinese supplier also guaranteed that clients would receive guidance and assistance in assembling and maintaining the product. It achieved this goal by sending engineers to the client's country to assist with this process. The Zambian company regularly received four engineers from China to check on the machines. They stayed at one of the Chinese restaurants in Kitwe for two weeks, courtesy of the Zambian firm, and made sure the machines were working efficiently.

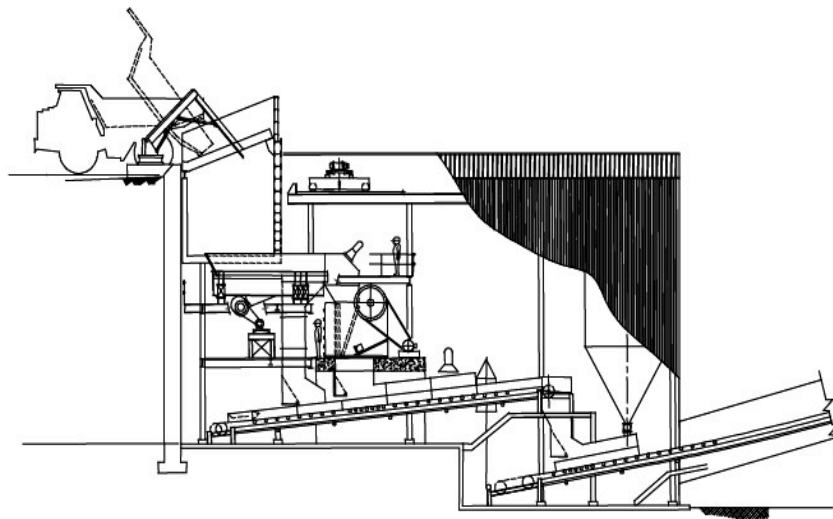
Due to differences in language and culture, even the short visits were fraught with conflicts and misunderstandings. At one point, I was brought in to translate and mediate a misunderstanding regarding the logistics of moving the machines from the company premises to the restaurant. The Chinese engineers were frustrated with the lack of punctuality of the Zambian employees and the Zambian employees were frustrated with their angry manner of expression. One party expressed the need to "relax" while the other party expressed the need to "perform well and on time." When the engineers' stay in Zambia was extended beyond two weeks, further frustrations were expressed regarding the delay in applying for an extended visa.

The Zambian firm, with strong connections to the immigration office, was in no rush to expedite the process of applying for an extended visa for the engineers, but the engineers were completely incensed at the delay. They frequently cited issues of trust stemming from differences in culture and work ethic as contributors to major conflicts in the buyer-supplier alliance. Although conflicts were quite common, they were also

easily resolvable. This may be due to the limited interactions between representatives of the Chinese supplier and Zambian employees from the company. To reach a more intense level of collaboration such as a joint venture, problems with punctuality, competencies and communication on both sides must be remedied.

Figure 8.1

Typical Jaw Crusher Plant¹⁵¹



What is a Joint Venture?

Buyer-supplier and contract-subcontract were common alliances formed between Chinese and Zambian firms in the mining industry. These alliances are relatively weak compared to joint ventures. Moving to joint ventures will require greater trust and commitment to knowledge and technology sharing

The Zambian company had a joint venture with a UK company. The venture was moderately joined in that their tenure had an expiration date when the

¹⁵¹ The figure was taken from Ken Boyd's work on crushing plant design. See Ken Boyd, "Crushing Plant Design and Layout Considerations. TechnoMine: Mining Technology," (Vancouver: AMEC Mining & Metals, 2004), accessed January 2013 at <http://technology.infomine.com>, p. 1.

projects ended and were in effect in pre-qualification, bidding proposals and tenders. The *Zambian company* benefited from the prestige associated with a foreign firm, thus giving it an advantage in the tendering process. However, joint venturing can also raise costs, which makes the venture less competitive compared to Chinese firms.

Cooperation began during the bidding process. Each project that was successful garnered would entail a separate agreement that defined the coordination of work for each partner. The objective was to obtain successful tenders and secure contracts. Depending on the project, each partner shared its area of expertise. As Robert Wallace points out, joint venturing is suitable for businesses that want to grow rapidly, expand and accumulate maximal profits.¹⁵²

The *Zambian firm* was responsible for leading and implementing technical projects. This included procurement of materials, local permits, licenses for the implementation of projects, including immigration services, project development from start to finish, and all civil engineering tasks. The *UK Company* was responsible for procuring and fabricating equipment outside Zambia and providing operations and maintenance of services. The joint venture entailed equal contributions made in furnishing in-house staff or associates and contract staff. They were also required to coordinate activities necessary for the completion of the project.

In line with requirements of the *Zambian government*, the *UK Company* had to facilitate capacity building and technology transfer. This included providing specialist engineering design and detailing as well as specialists and staff required for the projects.

¹⁵² Robert L. Wallace, *Strategic Partnerships: An Entrepreneur's Guide to Joint Ventures and Alliances*. (Chicago, IL: Dearborn Trade Publishing, 2004), pp. 20-35.

Equipment and software were also provided. Staff exchange and overseas were provided for Zambian staff. Knowledge transfer was indicated as an important part of the joint venture. The type of knowledge must be relevant to engineering practices of the Zambian company. All technical and commercial knowledge must be kept confidential.

In joint venturing, the risks are high, but rewards are great. For the Zambian firm, the astute CEO was constantly looking for ways to expand his business. Joint venturing was a way to capture an untapped part of the market in Zambia and expand into new markets in other countries.

The CEO diversified company earnings by bringing on partners for multiple kinds of projects. As far as expanding into other countries, joint venturing proved to be a lucrative possibility. In the construction of residential areas, for instance, companies are likely to enter into joint ventures because the procurement of massive construction may be too cumbersome for one company, thus raising the likelihood of two or more companies sharing the workload. If a company procured 2,000 houses, then the partner may assume one-fifth of the work by building 400 houses.

Terms of agreement clarified the amount shared by the procuring firm and whether the payment would be made upon completion of each house or blocks of houses. Even if the percentage given to the secondary firm seemed insignificant, it amounted to a substantial amount in lucrative construction projects such as this one. Additionally, a percentage of the contract fee was agreed upon and paid. Both parties were expected to show transparency with capital received from the client, with coordinated work schedules and agreed-upon quality in regards to workmanship.

Whether Chinese and Zambian firms will enter into joint ventures depends on numerous factors, including government policy and the ability to follow through with enforcement. Beyond that, successful joint ventures depend on the complementarity of skills, perceived competencies, trust and overall relations. Second-order benefits include technology and knowledge transfer, which would push for higher standards in the construction industry, including efficient and cost-effective methods of building infrastructure. Combined benefits have the potential to spur the proliferation of domestic construction firms and ensure the transfer of new materials and key technology to give domestic firms a competitive edge.

The implication for Chinese and Zambian strategic alliances is that useful connections and positive relations with the government could work in favor of Zambian firms. Chinese firms could either benefit from the established presence of Zambian firms by having them submit the tender or learn from Zambian firms in assembling a proper tender with all required documents. Bids for construction projects were highly competitive and favored Chinese firms. In this next section, I discuss another form of strategic alliance between Zambian and Chinese firms in the process to win bids.


Tenders and Bids

The Zambian company competed for contracts in small to medium-scale construction projects. The CEO of the company established contacts with some of the wealthiest and well-connected Zambians in the Copperbelt. It was said that the wealthiest Zambians belonged to social circles that were most exclusive. One of the main reasons for secrecy was protection from witchcraft accusations and physical danger that arose from envy and jealousy. Bidding wars occurred in clandestine

quarters.

First, government contracts were awarded by invitation only. An invitation to bid and visit the site is captured in Figure 8.2.

Figure 8.2
Sample Bidding Advertisement



MOPANI COPPER MINES PLC
Company Registration No. 44139
CORPORATE OFFICE
KITWE

COMPULSORY SITE VISIT
NCC REQUIRED

Closing Date/Time: Tuesday, 18th October 2011

Service Request No	Location Description
SYNC010MCM	MAIN CONSUMER SUB-STATION

You are hereby formally invited to attend a site visit for the above referenced works as follows:

Date.....: 11th October 2011 Tuesday
Time.....: 10:00 HRS
Meeting Place.....: ENGINEERING BOARD ROOM

All Technical queries may be directed to: -
Name.....:
Tel.....: +260 212 247581

All Commercial queries may be directed to: -
Name.....:
Tel.....: +260 212 247505

Please inform us if your company's normal representative will not be able to attend the site visit and forward us the person's name and NRC number who will be attending the site visit at least 24 hours prior to the visit.

Quotations from Contractors who did not attend the site visits will not be considered for adjudication.

↓
ALL TENDERS ARE TO BE E-MAILED BEFORE THE CLOSING DATE TO

The CEO at the Zambian company, also my boss, had connections to government officials and a solid track record of successfully completing infrastructural projects. For this reason, his company was nearly always invited to submit tenders for bids. Second, competition was stiff and professional circles were small. Winner and losers were all subjected to the rumor mill. Men whose egos were tied to the results of the competition dominated the construction and mining industries. Much like the dynamic of the Balinese cockfight depicted in Clifford Geertz's study, winning a bid boosted his masculinity and reputation amongst other male competitors.¹⁵³ The social circles and town itself was so small that losing a bid was equivalent to losing face.

One of the challenges facing the Zambian company in bidding for government contracts was the price. Looking at the tender results for the Kitwe water project in Figure 8.3, it seems evident that the Zambian company shown in slot number 1 cannot compete with numbers two, four, nine and 10 – all Chinese construction companies with half the bid price of the Zambian company. Similarly, the tender results for the Kitwe sanitation project shown in Figure 8.4 yielded similar outcomes. The Zambian company entered into a joint venture with a UK company, shown in the second slot, and offered a bid price that was four times more than one of the Chinese companies shown in slot eight. Notice also that in both projects, at least 70 percent of the bidders are Chinese.

¹⁵³ What makes Geertz's observations especially relevant here is the following: 1) cocks come to represent their owners' personalities, the "narcissistic, male self," 2) cockfighting itself structures social relationships and comes to represent the stratification of Balinese society. What makes a match deep is the close identification the owner has with his cock and the competition between near status equals. Analogously, in addition to profit motivations in winning bids, organizational leaders are akin to participants in a cockfight, the bid as the cock, and the match involving great emotion and stakes in reputation. A loss is as much a blow to the cock as it is to the male ego. See Clifford Geertz, *Deep Play: notes on the Balinese Cockfight* (Indianapolis: Bobbs-Merrill, 1972).

According to the *Zambian Public Procurement Authority*, preferential treatment for domestic companies and goods only factored in 15% of the total decision.

Tenders were evaluated according to a point system and 15% of total points in addition to having connections to insiders were not enough to win the bids. Decisions were often swayed by the cheapest price, usually provided by Chinese companies. The South African companies tended to win bids for the large and lucrative projects. They rarely bid for government contracts. *Zambian* companies competed with predominantly Chinese companies in small to medium-sized projects.

Figure 8.3
Tender Results for Kitwe Water Project

TENDER RESULTS

PROJECT : KITWE WATER [REDACTED]

No.	BIDDER NAME	TOTAL BID PRICE (USD)	FURTHER DISCOUNT
1	[REDACTED] Zambia Ltd; [REDACTED] UK (Joint Venture)	9099 45,495,732.88	(6)
2	China [REDACTED]	5029 25,145,514.51	(3)
3	China [REDACTED]	8466 42,330,965.62	(2)
4	[REDACTED] Engineering	4736 23,683,363.80	(2)
5	China [REDACTED]	6179 30,896,166.66	(4)
6	[REDACTED] Kenya Ltd	6799 33,998,537.42	(6)
7	China [REDACTED] Engineering	10336 51,680,994.01	(1)
8	[REDACTED] Engineering & Infrastructures	6525 32,623,357.23	(5) 6%
9	China [REDACTED] Engineering	4367 21,815,326.34	(1)
10	[REDACTED] Construction Engineering [REDACTED]	5508 27,541,103.78	

Figure 8.4
Tender Results for Kitwe Sanitation Project

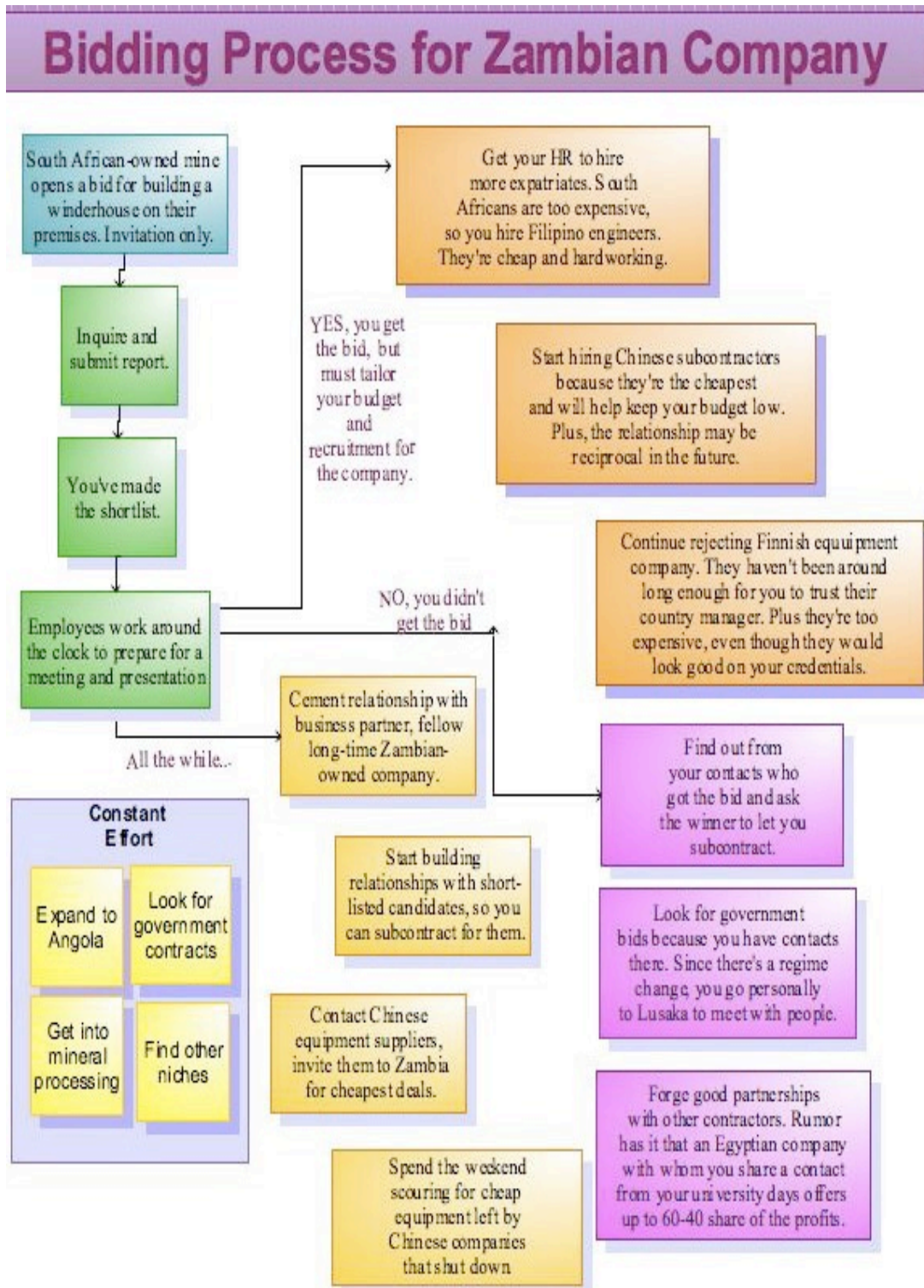
PROJECT : KITWE SANITATION [REDACTED]

No.	BIDDER NAME	TOTAL BID PRICE (USD)	FURTHER DISCOUNT
1	[REDACTED] Construction Engineering, [REDACTED] Zambia Ltd; [REDACTED] UK (Joint Venture)	2337 11,684,866.05	
2	[REDACTED] Engineering	3982 19,912,063.11	
3	[REDACTED] Engineering	2465 12,326,050.92	
4	[REDACTED] Engineering International; [REDACTED] Construction (Joint Venture)	2828 26,789,166.80	
5	China [REDACTED] Enterprises	5357 17,570,707.04	
6	[REDACTED] Corporation	2353 11,769,026.00	10%
7	China [REDACTED] Corporation	1650 8,403,963.22	
8	China [REDACTED]	2413 12,066,666.66	

NB. All bidders complied with minimum requirement of K2bn bid security and bid validity 120 days.

In order to remain competitive for the bids, the Zambian company built strong relationships with Chinese companies winning the bids. It remained competitive by purchasing equipment and products from Chinese companies to keep prices low and by making itself available for subcontracting positions. This entire process for a South African mining bid is captured in a flow chart in Figure 8.5 and subsequently discussed.

Figure 8.5
Bidding Process for Zambian Company



The process started with an invitation-only bid for building a facility on the premise of a South African-owned mine. The Zambian company made the short list, making it one of two companies to make a presentation during a meeting with one of the mine executives. Ultimately, the Zambian company lost the bid to a South African one. The South African mining companies were difficult to penetrate since their strong identification with the continent of Africa, gave them a sense of entitlement to ownership of Zambia, particularly flourishing industries in mining, restaurants and entertainment. Also, South African white social circles in Kitwe were extremely tight-knit, with the Afrikaans sticking to fellow Afrikaans and the English mingling with the English and British-originated Zambian whites forming their own cliques.

South African mining companies gave preference to South African construction companies, even if the company was primarily based in South Africa without a strong subsidiary base in Zambia. The large white Afrikaans man who was the MD for the Finnish company and called Africa a place with “no rules,” explained the preference for South African companies in the bidding process.

The company which got the bid had an edge because they were from South Africa and they have little expenses here. They literally have a few people handling the tenders here and most people directing from South Africa. There's barely any overhead fees. Plus they have an in with the mine here.

It was not only South African companies that were difficult to penetrate, but also South African social circles. They rarely ventured outside their cliques, unless it was to have a fling with a Zambian woman, all done in secret, and the same ones making racist

comments about Zambians to other South Africans. They held a braais weekly and unlike the British-originated white Zambians, they rarely mingled with people from other nationalities. The South African man knew Ian, the white Zambian geologist, quite well, but the CEO of the construction firm did not trust him. They were not direct competitors, but circulated the same professional and social circles.

There were also other Europeans operating in the area, including Italian Sardinians and UK firms. I spent a weekend with the Italian Sardinian firm and discovered that their firm did not hire South Africans, but mainly the Sardinians occupied the supervisory and managerial positions. They lived together in houses and had a Zambian chef that cooked Italian food three times a day. On the weekends, they frequented the bars and nightclubs. Although most of the men I met were married, they had numerous sexual flings with Zambian women, often times, tossing them aside and courting other women when they got bored. This particular firm worked on medium-sized projects. Another firm that was co-owned by a Zambian man and an Italian man worked on large-scale projects and the supervisors and managers were nearly all South Africans, with black Zambians occupying the lower positions.

Because the Copperbelt construction industries was ruled by South Africans, it seemed that South African engineers and managers were given preference by most companies, except for the Chinese, to work there. Even the CEO of the Zambian construction firm stated his preference for South African engineers over Filipino ones, but since the former expected extremely high salaries, he chose to hire the latter.

South

Africans were paid substantial money to lead these projects.

Many South Africans deprecated Chinese firms, claiming that their equipment was second-rate and their buildings shoddy. Note that the South African man who managed the Finnish company called their equipment “crap.” However, he also said that a lot of the equipment that came from Europe and South Africa was also “crap.” He explained that due to the lack of mining equipment in Zambia and the high costs of transportation, suppliers knew they could get away with charging six to seven times the original price, knowing that people would be willing to pay. For Zambia firms trying to cut costs and remain competitive in the bidding process, working with the Chinese in a buyer-supplier alliance became an optimal strategy.

As shown in the bidding process captured in Figure 8.5, diversifying the process of relationship building ensured the survival and growth of the company. The CEO, accountant and project managers worked to cement already existing relationships and forge new ones. The key was to explore all niches and expand. The first strategy involved establishing relationships with candidates on the short list. Should the Chinese company win the bid for example, having good relations meant that the company would likely hire the Zambian company as a subcontractor. It may not be a 60 to 40 share, but even an 80 to 20 share was better than nothing. The second strategy involved tapping into one’s supplier network in order to produce the most cost-competitive bid. This often meant hiring Chinese subcontractor and purchasing or renting equipment from Chinese companies. The third strategy involved boosting the image of the company by hiring

some expatriate engineers. This was one of the requirements set forth by the South African mining company.

The CEO expressed frustration with a few of the rank and file members at the company for failing to do their jobs. He was very impressed with the work attitudes and resumes of Filipino engineers and put me to task in hiring them. Part of the reason for hiring engineers from other countries was the demand imposed by South African mines and other mining companies for having expatriate engineers in supervisory positions. The other reason was that a few of the employees did not do their jobs, compelling the CEO to turn to the global workforce to find suitable engineers. We used a recruiter company in the Philippines and called the individual engineers and set up phone interviews over Skype. Many of the engineers we spoke to were working in Saudi Arabia and Dubai.

Due to pressing concerns of loyalty, the CEO specified in the contracts that expatriates who worked for him were not allowed to interview for another company during their stint in Zambia. If they wanted to switch companies at the end of the contract, which was two years, they had to go home to the Philippines and then buy their own plane ticket back to Zambia. According to the contract, the Zambian firm provided a round-trip ticket at the beginning and end of the contract and a visit home once a year. It also provided food and shared housing as well as an income of US \$1500 to \$2000 a month. This was far cheaper than hiring South African engineers, who had incomes at least six to ten times the amount.

Relationship building with outside actors remained at the management and

executive levels. The social embeddedness of these relationships guarded against risk and opportunity costs in two ways. First, the reliance upon friends and colleagues to provide advice and references for dependable suppliers and potential partners reduced the risk of uncertainty. Second, the relationship with the seller may turn into an ongoing personal relationship, which both would be unwilling to jeopardize. The costs imposed on the seller would be too high since he would not only lose a customer and the possibility of frequent transactions with this buyer in the future, but also lose out on the network of other potential clients to which the buyer has access. Furthermore, the ongoing personal relationship the buyer's friends and colleagues have with the seller plays a key role, since failing to fulfill one's obligation in the network exchange may wreak havoc on other personal relationships and induce group-wide or nationally inspired retaliation as well as other potentially irreparable costs. Therefore, socially embedded transactions reduced risk and opportunity costs by enforcing reciprocal obligations in the expansion of businesses beyond within-network exchanges. An ethnographic example was captured by the CEO's trips to China to meet with sellers.

The CEO of the company had friends from his university days who frequently traveled to China to do business. They also knew key representatives of NFCA and other large state-owned Chinese companies. A few times a year, the CEO visited China. His Chinese contacts were friends of his university friends. They arranged the hotel, transport, entertainment and everything related to his stay in China. This also included special tours conducted by employees whose main task was to take the CEO around to different equipment companies. Upon deciding on a company he liked -- the owner, an

engineering professor spent many years in Zambia and frequently returned to Zambia -- the CEO drafted a contract, got it signed and arranged for two trucks to be shipped to his company. The truck came with spares and visits from four engineers to instruct Zambian employees how to operate and maintain the machinery. Goods were delivered within six months. In the meantime, a local Chinese supplier arranged to meet with the CEO. One of the many divisions of the Zambian company was responsible for making oxygen for underground miners. The Chinese supplier sold spare parts and knew the CEO well. They had frequented the casinos together, drank together, and shared the same business partners. For small items, the Zambian company relied on Chinese local suppliers to provide them.

In line with diversifying projects for the company, the CEO also hired consultants such as Ian and Paul to bring in projects that provided the company a part of the share. One of the consultants, who introduced me to the CEO, was working on a project that involved the conversion of minerals into coke in Mozambique and use to make steel. The consultant had brought in a Chinese investor to bring in technology that would enable them to extract gas from the coke battery and convert it to compressed natural gas for fuel usage in Zambia. Relationships were built with Chinese suppliers, transporters, purchasers and distributors.

While interactions were professional and business-focused, their relationship was not purely transactional. Some level of trust must exist for money to flow through. The second enforcer of trust was in contracts. Contracts specified the time and amount of payment. Due to the tenuous nature of contracts, the relationships and networks

served as the guarantor and mediator of business transactions.

Potential Alliances

We have already seen the pervasive buyer-supplier and contractor-subcontractor alliances formed between Zambian and Chinese firms. The buyer-supplier alliance was common because the constraint of limited capital compelled Zambian firms to purchase equipment, spares and assistance from Chinese firms. While short-term benefits were recognizable, long-term benefits would depend on the propensity of both parties to form joint ventures and share key knowledge and technology.

With massive construction projects, the contractor-subcontractor alliance is highly probable. In an earlier example, I discussed the efforts of one construction firm to subcontract a portion of the massive project to the Zambian firm. In a similar manner, part of our residential housing project could be subcontracted out to a Chinese firm, as a symbolic gesture intended to instantiate a reciprocal business relationship. Since contractor-subcontractor alliances tend to be relationally based in emerging economies, it is highly likely that the Chinese firm will reciprocate and subcontract work to the Zambian firm in future projects. The relationship benefits both parties because it gives the Chinese firm access to good government relations and the Zambian firm the ability to lower its costs of production, which also gives it a competitive edge in winning bids.

All civil works and construction projects in Zambia must be registered with the National Council of Construction (NICC) and all contract firms have to be registered with the Engineering Registration Board (ERB). The legal requirements and certification may pose a challenge to some Chinese firms trying to penetrate the Zambian market. Gaining local knowledge and access to local networks, as well as

forging positive relationships with the local government, remain an urgent priority amid uncertainties in overseas markets. This would give Zambian firms an edge in providing Chinese firms with specialized knowledge that can be exchanged for capabilities in technology and Research and Development (R&D).

Conclusion

This chapter concentrated on the historical and current conditions in the mining industry in the Copperbelt in Zambia. The history of colonialism indicates that Zambians have made tremendous strides by gaining independence and owning their own companies, like the Zambian construction firm I was privileged to represent. Just as these accomplishments were rightfully coming into being, the enormous dependency on the copper industry and the collapse of the economy negatively impacted the mining industry and the rise of domestic firms.

Without given a strong preference in the bids by the government, it is very difficult for domestic firms to compete with Chinese ones. It is also difficult for to assert independence from buyer-supplier alliances with Chinese firms. At the same time, many individual Zambians who were building their own homes even stated their preferences for hiring Chinese firms because they were considered cheaper, provided better materials and completed projects in a timely manner.

Whether their assessments were accurate is not the point here; the point is that the bottom line for government contracts and bids come down to the price. How can the construction industry give rise to Zambian firms and ensure their successes in competition with other firms? How can we turn their disadvantages into potential advantages? How can they maximize their situations, given the decreasing reliance on

the state? Here, the hollowing of the African state, put forth by Achille Mbembe in caring for citizens or enacting policies that favor domestic firms figure prominently here; Zambia is no exception.¹⁵⁴ Rather, than fall into Afro-pessimism, this chapter has attempted to look at potential benefits derived from strategic alliances between *Zambian* and Chinese firms.

In my opinion, the spaces of control and agency for *Zambians* reside in business activities, where *Zambian* firms stand a chance of forging a win-win situation. In this chapter, I concentrated on the projects implemented by the *Zambian* construction firm and the role of trust and relationship building in expanding the business. This chapter also examined potential benefits, including the transfer of materials and technology that can be derived from joint ventures between compatible Chinese and *Zambian* firms. I by suggesting that joint ventures between Chinese and *Zambian* firms might alleviate some of the problems facing domestic firms and lower the costs for potential homeowners.

¹⁵⁴ Achille Mbembe, *On the Postcolony* (Berkeley, University of California Press, 2001).

CHAPTER IX

CONCLUSION

Summary

In the dissertation, I explored the complexities in Chinese and Zambian interactions at the workplace. I used three case studies, which highlighted Chinese and Zambian interactions on a regular basis: a Chinese telecommunications firm, a Zambian construction firm and strategic alliances between Chinese and Zambian entrepreneurs. In each case, I analyzed the role of trust, which was underscored by differences in ascribed meaning as well as a history of interactions, and challenges arising from a fairly new kind of cross-cultural communication and relationship building in the business world. By examining the concrete mechanisms of relationship building and their role in laying the foundation for future alliances among Chinese and Zambian professionals, this dissertation supplements the growing literature focused on China and African studies.

Debates about China's involvement in African countries tend to focus on resource extraction and government-endorsed enterprises. While this does raise concerns about colonial and neo-colonial endeavor, the context and specific country, industry and firm are significant variables to consider. As I have shown in Chapter VIII, the construction industry is more prone to buyer and supplier alliances due to the asymmetrical nature of information flows and the lack of quality enforcement in

equipment and infrastructure. The problems are not unique to Zambia and are germane even to the United States' construction industry.

Despite the challenges, I also emphasized the interdependent relationship, albeit an unequal one, between Chinese and Zambian private construction firms. Due to requirements set forth by foreign companies and major cost constraints, Zambian firms must rely on Chinese firms to supply affordable products. Chinese firms have a competitive edge in winning bids in terms of keeping costs down. However, their vulnerable position within a political context that stresses the importance of personal connections and growing resentment against the Chinese may compel them to form joint ventures with Zambian firms. It could potentially be a mutually beneficial endeavor.

Yoon Park's study of the Chinese population in South Africa also demonstrates that specific context matters.¹⁵⁵ The history and diversity of the Chinese population in South Africa differs from the groups in Zambia, making it difficult to generalize about their motivations and level of integration in a continent as vast and diverse itself as Africa. In South Africa, with Chinese, along with the Coloureds and Indians were considered "honorary whites" within the apartheid system. The more recent attempt to apply for "black" status to rectify a complex history of discrimination *and* privilege is unique to the Chinese population within the African continent. Unlike in South Africa, the Chinese in Zambia comprise a smaller population.

¹⁵⁵ The notion of migrants in motion is not new and has been discussed by Yoon J. Park on her study of the different Chinese groups in South Africa. See Yoon Jung Park, *A Matter of Honour: Being Chinese in South Africa* (Lanham, MD: Lexington Books/Rowman & Littlefield Publishers, 2009).

As I illustrated in the dissertation, most of the Chinese living in Zambia are migrants in motion and have two to four year working contracts. Even within the telecommunications firm, the employees differed based on provincial origin, skill, experience, department affiliation and personality. Similarly, the Zambian professionals at the firm were also diverse in their identification (or lack thereof) with specific ethnic groups, their educational background, the department affiliation, skills, traveling experience and qualities they looked for in collaborators and leaders. In this dissertation, I have attempted to analyze workplace interactions through the individuals and their strategies for overcoming challenges and achieving their desired goals.

The chapters highlighted trust and perceived benefits as major factors influencing their decisions to form deep alliances with each other. We can speculate that a confluence of conditions that give rise to massive projects, such as the residential housing project, may set in motion project-based joint ventures, which over time and increased trust, will lead to sustained and strong alliances. These alliances hold the key for powerful knowledge and technology transfer that will maximally benefit domestic firms.

Another important aspect illuminated in the dissertation includes the use of networks, strategies and skills by Chinese and Zambians to achieve their goals. Chapter IV and Chapter VI elucidated the various facets of the strategies by looking at the different kinds of relationships forged at the workplace. The relationships, combining various degrees of instrumentality and affect, such as trust, also extended to the mining sector among Chinese and Zambian entrepreneurs. Due to significant risk, they relied upon these relationships to reduce risk.

Trust can be strengthened through mutual understanding of individual backgrounds, motivations and needs. It also requires a history of interactions, which is still in nascent form for Chinese and Zambians just beginning to learn to work with each other. The potentialities for beneficial joint ventures are great and can be brought to fruition by cultural brokers, including Zambian employees who have studied or worked in China, Chinese employees who have resided in African countries for extended periods of time, the children of Chinese settlers who have grown up in Zambia and have stakes in both China and Zambia. It is possible that business and economic anthropologists can also contribute to potential benefits derived from alliances.

Potential Benefits

Improving working relations between Chinese and Zambians has significant implications for the future of economic development. It presents opportunities to collaborate and innovate and may facilitate the growth of the Zambian middle class and entrepreneurs, a group that has already expanded. Spaces for these opportunities rest not only on policies and structural forces, but as this article stresses, they hinge on affective components of workplace relationships, such as trust and care. Without the fostering of these affective components, relationships may turn sour, and the instrumental benefits may dissipate. From both Chinese and Zambian perspectives, trust remains a crucial element of working together and doing business with each other.

While stereotypes, prejudices and misunderstandings occur, this is a part of the learning process of individuals from different backgrounds striving to work together toward common goals. Since Chinese presence is already significant in Zambia and other African countries, the chances for affective relationships loom large. Ever

increasing Chinese presence will inevitably open up even more opportunities for myriad relationships, including business friendships, advice and mentor networks, and romantic relationships between Chinese and Zambians to form.

Labor Problems

Allegations against the Chinese for violating labor laws do need to be addressed.

I refer to expert Dr. Jolly Kamwanga, a professor and researcher at the Institute of Economic and Social Sciences at the University of Zambia, and specialist in China and African relations for insight. Dr. Kamwanga offered his perspective.

The new government made a lot of promises -- not just in Chinese companies, other companies too. Issues of low taxes, change from casualization to full term employment. Chinese firms are known to employ people on short-term contracts. The major issue is that they're taking advantage of the weak labor laws in the country. Even in China, the working conditions – they do not adhere to international standards. They tend to import those practices to countries like Zambia. If you have weak labor regulations, it's fertile ground for labor practices. which go against international standards to occur. China is not as forced to adhere. It's up to recipient countries to maintain stringent standards. If they don't, even South African firms, which also import labor, take advantage of those with regulations. The only difference with China is that back home, they've been accused of having same bad work condition in their workplaces even within China. The Chinese firms will shift their practices here. It's up to the local government to make sure that labor laws are strictly adhered to.

Dr. Kamwanga noted the “window of opportunity” that the newly elected president had to compel Chinese firms to adhere to labor laws. During the elections, he promised to force the Chinese to leave the country. After he was elected, he realized that this was not fiscally possible, so he held a party for all the major Chinese investors to strengthen relations with them and as a gesture of apology for his rhetoric during the elections.

Dr. Kamwanga’s point was reiterated by a labor inspector I interviewed in 2010. She vehemently stated that the Chinese were there to “rape” the Zambians. Her

inspections occurred mostly in Kamwala market, which was heavily dominated by Chinese and Indian shopkeepers selling cheap household and clothing items purchased primarily by Zambians. In these small niches, it was apparent that Chinese shopkeepers had driven some Zambians out of business and the imported clothing posed a threat to the salaula, or second-hand clothing markets, which provided the livelihood for many Zambian women. When I talked to her again in 2011, she had toned down her statements.

She mentioned that there were still labor problems, and also mentioned how poorly she was compensated, the difficulty of having transport to make repeated visits to the market and the challenges in resolving this problem. She presented one possible solution – to create a workshop that informed the Chinese who just arrived about the labor laws of Zambia and introduce them to their history and customs. Yet the major obstacle to carrying out this workshop was funding. Where would the money come from to fund the workshop?

In many of the public sectors, for example the University of Zambia (UNZA), this was a common complaint. Employees had excellent ideas, possessed the skills and education to carry out the ideas, and yet they were poorly compensated. During the elections, UNZA students complained about this pitiful condition. The word most frequently used was “suffering.” Many Zambians I talked to said, “We’re suffering; we’re ready for a change.”

Business Relations

What I found in my research is that shreds of hope reside in the business world. Already, Zambians are eager entrepreneurs. Some started their own shops, restaurants,

and hair salons and have done quite well financially. This group of entrepreneurs stand to benefit from Chinese investments and look upon the affordable products as well as potential clients or suppliers as favorable. The small to medium business owners also favored Chinese investments, although in certain industries where they compete with each other, this left room for resentment.

Again, this points to the need on the domestic end to give stronger preferences to domestic firms and actively enforce the key transfer of knowledge and technology as well as Corporate Social Responsibility (CSR) projects by foreign investment firms. It is common knowledge that when this fails to happen, the local officials and government are complicit. After all, money is flowing into the pockets of some Zambians who are part of the effort to weaken enforcement. The Chinese do not work alone.

This brings us to the question of collusion. Certainly, the part of the labor law that requires foreign investment firms to hire at least 51 percent Zambian staff and 49 percent expatriate staff places Zambians at a disadvantage and seems to be an irrational move. Again, the quandary begs many questions. Why did the Zambian government make these extreme concessions to attract foreign investors? Where are the American and European telecommunications firms in their pledge to alleviate poverty in Africa? Why do we not see Google or Microsoft forming companies to train young Zambians to become future programmers and lead the technology revolution in the country? Why does Zambia have to “bend over backwards,” the expression used by the diplomat, to get investors to stay and invest? Is it not a “hot spot” for investment?

Strategies

The dissertation does not answer these questions, but merely raises them for

discussion, for they are salient to any discussion about increasing Chinese investments. We cannot elide the potential advantages that Chinese investments bring – advantages emerging from individual Zambians, who are not victims, but intelligent, astute and business-minded people who attempt to negotiate the situation to their advantage. Paul, the consultant and leader of the CSR project at the Zambian firm and Hugh, the first client of Mr. Zhang, and also a future minister, exemplified the deployment of strategies to turn the situation of Chinese investments into an advantage for them. Similarly, most of the Zambian employees at the Chinese firm tapped into their networks of friends and contacts to garner a position at the firm and intended to take advantage of the resources offered at the firm, including contacts, training and skills, to achieve their future goals of starting their own firms or rising to an executive position.

The dissertation has shown the myriad ways that individuals use strategies and tactics to disrupt the structure. While the outcome may not be revolutionary, the accumulation of ruptures over time may effect larger structural changes. The increase of domestic technology firms is an example of a structural change. Another example of structural change is the increase of businesses and enterprises that capitalize upon the growing numbers of Chinese people interested in African countries. As more Chinese individuals invest in African countries, this also engenders greater interest among Chinese people in Africa. Zambians can tap into the large Chinese and Asian market by creating tour groups for Chinese visitors, diplomats and politicians. This will create jobs in the restaurant, hotel and general service industries. Another niche lies in the production of knowledge. Already, research centers on African studies are being established in China. They will need African scholars and students to be bridge-builders

and navigate multiple cultures and languages. Similarly, universities such as Beijing Jiaotong University, one of the leaders in transportation and technology, may resurrect training programs that were instituted during the building of the TanZam railway to train and partner with *Zambian engineers*.¹⁵⁶

It can be mandated that Chinese firms must partner with *Zambian firms* to ensure transfer of knowledge and technology. A final example of structural change lies in technology. Educational institutes like the Confucius Institute offers multiple scholarships for students interested in studying in China. This can provide opportunities for *Zambians* interested in learning computer programming to study in China, gain employment and experience and take that experience back to *Zambia* to start their own firms. They will be able to gain Chinese contacts that will help them when they decide to start their own firms. The market in *Zambia* is still wide open because financial mobile banking is not yet saturated as it is in South Africa and there is great demand for making mobile apps as more *Zambians*, *Africans* and people living on the continent use software on their cell phone for everyday purposes. All of these apps need to be written by programmers. There is no reason why *Zambian techies* cannot fill this void – with the right training.

The *Zambian construction firm* is an example of the successful outcome of training and capital invested in education during the Kaunda era that produced highly qualified engineers such as the CEO who later built a company, which financially provides for hundreds of *Zambians* and their families and gives them a sense of

¹⁵⁶ Ying Chen, Chinese Director of the Confucius Institute at Texas Southern University, personal communication. Houston, Texas, February 1, 2014.

ownership. The potential for likely successful outcomes from increased human capital and plethora of social networks should not be underemphasized.

Due to overlapping interests in economics and business studies, this study also obliquely contributes to research on total factor productivity (TFP) by economists, who use this variable to measure economic growth. TFP growth encompasses a broad range of factors, including improvements in technology, organization and distribution processes, corporate procedures and knowledge building. Some economists even contend that businesses have the potential to add to knowledge accumulation within a society, thus raising everyone's public knowledge and economic growth.¹⁵⁷

More importantly, as I have shown, the greatest potential lies in increasing human capital. At the telecommunications firm, the investment in training employees in technical skills and cross-cultural knowledge increases the average level of human capital in the economy. The effects of highly skilled employees cannot be underestimated, for with the right collaborators and conditions, they will be equipped to form their own companies within the industry. Furthermore, entrepreneurial Zambians serve as inspirational models for young Zambians aiming to follow this trajectory.

Future Research

One area I have yet to discuss in depth is major hindrances at the individual level to better working relationships and joint ventures. At the individual level, psychological obstacles seem to be the major hindrance in achieving maximal outcomes from workplace relationships. Conal Ho has illuminated in his insightful work on the

¹⁵⁷ Elhanan Helpman, *The Mystery of Economic Growth*. Cambridge, (Massachusetts: The Belknap Press of Harvard University Press, 2005).

Chinese in Ghana that contrary to narratives of upward mobility, boredom among his informants figured more prominently in their everyday lives.¹⁵⁸

Beyond boredom, among my Chinese informants, I found that stress due to loneliness and a cumbersome workload was common. In current Chinese economic conditions, more professionals are paying attention to the rise of mental illness as well as coping mechanisms in stressful situations with an increase in violent outbursts, depression and suicides. It is well known that a few employees in other branches of this company in China committed suicide due to work stress. It must be noted, however, that the company does offer a hotline for employees dealing with personal problems. Whether the hotline is used or the extent to which the stigma of psychological issues hinders the use of the hotline remains to be seen.

While being abroad adds to stress in one way, it also mitigates stress in other ways. For example, some of my Chinese informants told me that they learned from their Zambian friends to relax and enjoy the present moment. Learning how to cope with work stress is a crucial component of their overall life as well as the possibility of forging meaningful relationships with Zambians. Taking into consideration that degrees matter and a certain level of stress as well as some degree of tension and conflict may actually be beneficial, our focus is on what has been deemed by experts as “unhealthy” levels.

The threshold for every individual differs, so I leave this point of contention to the experts and hold that this warrants further investigation. Although my Zambian

¹⁵⁸ Conal Guan-Yow Ho, *Living in liminality: Chinese migrancy in Ghana*. Ph.D. dissertation in Cultural Anthropology, University of California, Santa Cruz. Ann Arbor: ProQuest/UMI, 2012. (Publication No. [AAT 3540840].)

informants showed that, overall, they were better at dealing with stress, it is important not to overlook the trauma many faced in their lives, which severely reduced their trust in people. One memorable interview comes to mind. An employee said, “Even my own family betrayed me; who else can I trust?” This particular employee experienced the death of family members, major financial hardships, and relatives, which according to him, treated him more like a servant than a family member, all before the age of twelve.

The reality is that many of my informants had similar experiences and expressed their bouts with prolonged sadness. It was also common knowledge that those who were orphaned were often times mistreated by relatives and their predicament was accepted as normal.

Their reliance on the Christian religious faith undoubtedly helped them cope with life’s vicissitudes. However, the lack of trust in people outside of the nuclear members remains a worldly problem that does not seem to be lessened by their religious faith or the lack of institutional support and personal attention to the effects of trauma. The increase in prolonged alcohol consumption may give us some clue in how many young Zambians cope with hardships and as I have been told, how they cope with extreme boredom as well.

Although this broad topic has been overlooked unless associated with HIV/AIDS, it forms the fulcrum of relationship building and deserves attention. The lack of support for psychological challenges can severely hinder or prevent a meaningful workplace experience, which can limit their capacity to achieve their desired professional goals. It can also hamper or erode elements necessary for employees’ motivation, receptivity and confidence in oneself.

Without this support, any form of alliances or joint ventures would be highly unlikely or unsustainable. Although the hindrances demonstrate a limitation of this research, it also presents fertile ground for future research that can help us understand the obstacles to cross-cultural relationships. Any pragmatic outcome from this type of research would place an emphasis on pressuring companies to provide mental health services for their employees.

Research of China and Africa Studies

The dissertation provides a snapshot of the benefits and challenges of increasing Chinese investment in Zambia. By exploring three business domains, I demonstrated the diversity of relationships between Chinese and Zambians and argued against easy generalizations about neo-colonialism or imperialism. I do not deny that these allegations hold sway in some quarters; however, as the dissertation shows, benefits and opportunities also abound. It was important for the dissertation to show that “China” and “Africa” relations is really constituted by relations between individuals – individuals who are learning to understand and communicate with each other on a daily basis. Even diplomatic relations credited for implementing policies occur at the individual level.

Using a grounded anthropological approach, the dissertation contributes to the China and Africa field by showing concrete processes and relations forged in specific business settings. The grounded approach based on empirical data collected in 2007, 2008, 2010 and 2011 to 2012 provides a useful complement to research at the macro-level conducted by up-and-coming scholars such as Jessica Achberger and Namukale Chintu. Achberger focuses on the pre-Deng period and from archival research, deduces

China's strategic attempt to lower its status in the world order beginning in 1954 to gain influence in the Third World.¹⁵⁹ Focusing on the post-Deng period, Chintu brings the distinct characteristics of Chinese foreign direct investment (FDI) on the African continent to the modern context and examines its divergences from western models.¹⁶⁰

The dissertation also adds to the growing body of work based on long-term fieldwork by anthropologists such as Conal Ho on the Cantonese-speaking Chinese community in Ghana, Di Wu on Chinese agricultural companies in Zambia, Roisin Hinds on labor conflicts among Chinese and Zambians in Kamwala market, and Arwen Hoogenbosch on Chinese language courses at the University of Zambia.¹⁶¹

As the body of literature expands, our knowledge and understanding of the issue will gain depth and nuance. A more nuanced understanding of the diversity in Chinese firms, groups, and individuals will help us arrive at conditions and policies necessary for ensuring the benefits that rightfully belong to Zambians and other Africans.

¹⁵⁹ Jessica Achberger, personal communication with author, online China-Africa forum, December 2012.

¹⁶⁰ Namukale Chintu, personal communication with author, online China-Africa forum, January 2013.

¹⁶¹ Di Wu, personal communication with author, Lusaka, Zambia, August 10, 2011, Roisin Hinds, personal communication with author, Lusaka, Zambia, July 20, 2010, Arwen Hoogenbosch "‘Made-in-China’: Chinese as a commodity and a socio-economic resource in Chinese Language Schools in Zambia," Masters Thesis (Utrecht: Utrecht University, 2012).

GLOSSARY

Ya-li: Very simply, the direct translation in English is “pressure.” Among my informants, this term refers mainly to “stress.” It has a negative connotation, referring to outside pressures that cause unhappiness, anxiety, depression and boredom. While the English term “stress” seems to come from a vague external source, many Chinese informants attributed “ya-li” to someone or an event. “My wife gave me ya-li” or “My boss gave me ya-li” or “The housing bubble in China is giving me a lot of ya-li.” In this way, there seems to be a slight nuance between the English term “stress” and the Chinese term “yali” in that the Chinese term is more specific about the person or event that causes stress.

POE (Privately Owned Enterprise): Many of the POEs in China originated from former collectives that show the traditional values of Chinese businesses. It was not until 1997 when POEs were seen as an important part of the Chinese economy. POEs in China tend to be export-driven and domestic firms make goods and services for domestic markets.

FDI (Foreign Direct Investment): This refers to the investment made by a company or entity from one country into another company or entity based in another country. Direct investments mean that the entities making the investment have greater control over the company or entity in which the investment is made. This stands in contrast to indirect investments, which can be made through a nation’s stock exchange. The general rule is that the foreign investor must directly own at least 10% or more of the voting stock or the investee company.

SEZ (Special Economic Zones): SEZs are designed to encourage foreign investment, business and trade in special zones. Some policies include special tax incentives, encouraging joint ventures, products that are primarily export-oriented, economic activities drive by market forces. Each SEZ is different and is meant to incorporate local needs into the policies to make it conducive to increased foreign capital. In China, there are 15 free-trade zones, 32 state-level economic and technological development zones and 53 high-tech development zones. In Zambia, an SEZ is currently being built at Chambishi mine area.

GDP (Gross Domestic Product): The monetary value of all finished goods and services produced within a country’s borders in a specific period of time.

MD (Managing Director): In the Chinese firm, the MD was in charge of the Zambian, Malawian and Zimbabwean branch. He reported to the MD in the South African branch. Depending on the firm, the MD may take on similar responsibilities as the CEO. This was certainly the case in the Zambian firm, as the CEO was often also called the MD. In the Chinese firm, the MD had local control, but had superiors that oversaw operations on the continent of Africa. The CEO of the Chinese firm was not present in the daily operations of the Zambian or other African branches.

CEO (Chief Executive Officer): The highest ranking executive in a company whose main responsibilities include high-level strategy and decision making, as well as managing operations and resources of a company. In the Chinese company, the CEO was not present in these operations. In the Zambian company, the CEO was also the founder and the MD and assumed very hands-on control over the resources and daily operations of the company. The size of the firm as well as its structure, its industry, and history shape the role and influence of the CEO. When I refer to “the CEO” in this dissertation, I am speaking of the CEO of the Zambian firm, also my incredibly shrewd and intelligent boss during my stint there.

MNC (Multinational Corporation): This is also called MNE or Multinational Enterprise. It refers to a company that has operations in more than one country. MNCs identify strongly with its headquarters, for example, the Chinese telecoms company marketing itself as a Chinese company, whereas a transnational company (TNC) may hire senior executives from many countries. One theory is that MNCs eventually evolve to TNCs once they become more established.

NGO (Non-governmental organizations): NGOs are legal entities that operate independently from the government and in general pursue broader social or political aims. Some are funded totally or partially by the United States government. They assume a nonprofit status.

KPI (Key Performance Indicators): KPIs are benchmarks used to evaluate employee performance within a company or organization. There are often different types of indicators used, ranging from quantitative indicators to process or output indicators. The Chinese company was known to evaluate employee performance regularly through KPIs. The sales department strictly used financial indicators as KPIs. The IT department used other indicators in addition to costs, dollars spent, labor and time to complete projects. KPIs were viewed by most employees as objective ways of measuring their performance.

SOE (State-owned Enterprises): SOEs were wholly owned by the Chinese state until the 1990s when the government privatized some portions of the enterprises. SOEs still compose a large part of the Chinese economy, particularly in industries that deal with natural resources, petrochemicals, telecommunications and banking. There have been multiple reforms implemented to change the organizational culture and other aspects of SOEs to make them competitive with the private sector.

HR (Human Resources): HR refers to the department within a corporation or an institution that handles the recruiting and training of employees, improving employee well-being, administering benefits and evaluation programs. The autonomy of HR and level of assistance provided to employees varies depending on the company or institution in which the department resides. In the Zambian company, HR was its own department, but it was heavily controlled by the CEO. In the Chinese company, HR concerning Chinese employees was handled at Headquarters in China, whereas the HR for the Zambian employees and at the Zambian branch was handled locally in Lusaka, Zambia. The HR department in Zambia had a greater degree of autonomy than in the Zambian company.

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Appendix - Details about Employees at Chinese Company

Name	Position at Company	Department	Origin	Education	Foreign Experience	Company Training
Jenny	Contracts Handler	Administration	Southern Province	UNZA	Rural development NGO for 3 years	Training in South Africa
Frank	Tower Site Supervisor	Technical Services	Lusaka Province	UNZA Advanced Diploma in Progress	Worked for Ugandan man for 4 years	Training in South Africa
Mark	Network Engineer	Technical Services	Copperbelt Province	Copperbelt University	Just graduated from university	Training in Zambia
Ben	Software Programmer	Technical Services/Also at Client Company	Lusaka Province	University of Russia	Worked for US company in Russia	Training in China
Charlie	Architect	Technical Services	Copperbelt Province	Copperbelt University	Domestic company	Training in China
Roz	Verifications Manager	Administration	Originally, Southern Province, but moved around a lot	NIPA	Paralegal officer in NGO	Training in Zambia
Shelley	Lawyer	Under MD	Copperbelt Province	UNZA	Magistrate for several years	Training in South Africa and China
Carla	Documentation Controller	Administration	Copperbelt Province, but moved around a lot	UNZA	Worked in Namibia as a journalist for 2 years	Training in Zambia
Bart	Logistics and supply chain manager	Marketing	Szechuan Province	Xian University	Just graduated from university	Training in China
Parker	Transmission Engineer	Technical Services	Shandong Province	Xian University	Just graduated from university	Training in China
Gary	Project Manager	Technical Services	Inner Mongolia	Chengdu University	Worked in Algeria for three years	Training in China
Zack	Chief Financial Officer (financial manager)	Finance	Hubei Province	Wuhan University	Domestic company	Training in China
Sam	Interface for clients	Marketing	Henan Province	Henan University	Domestic company	Training in China
Martha	Events and gifts coordinator	Administration	Henan Province	High School	Domestic company	Training in China
Will	Systems Engineer	Technical Services	Hubei Province	Kunming University	Just graduated from university	Training in China
Gil	Information Engineer	Technical Services	Shandong Province	Chengdu University	Domestic company	Training in China

Appendix - Details about Employees at Zambian Company

Name	Position	Description	Origin	Education	Foreign Experience	Company Training
Abe	Purchasing and Supply Clerk	Low level, less specialized knowledge	Copperbelt Province	High School	Mopani Mines	Little Training
Barry	Storeman	Low level, some specialized knowledge	Copperbelt Province	High School	None	None
Carl	Driver	Low level, less specialized knowledge	Copperbelt Province	High School	None	None
Don	Workshop Staff Member	Low level, less specialized knowledge	Copperbelt Province	High School	Konkola Mines	Training in the mines
Enoch	Computer Engineer	Mid level, highly specialized knowledge.	Copperbelt Province	Copperbelt University	Little foreign experience	Training at Nkana Water Company
Faye	Human Resources Officer	Mid level, medium specialized knowledge	Originally, Southern Province, but moved around a lot	Zambian Institute Business Studies Industrial Practice	None	Training for certificate in HR
Gavin	Payroll clerk	Low level, less specialized knowledge	Copperbelt Province	High School	Mopani Mines	Training in the mines
Harold	Boilermaker/ Chief Estimator	High level, highly specialized knowledge	Originally, Copperbelt Province, but moved around	Copperbelt University	Foreign company experience	Training in mechanical estimation
Ian	Project Manager/Consultant	High level, highly specialized knowledge	United Kingdom	UK University	Multiple Zambian mining firms	Training in UK and Zambia
Jack	Marketing Specialist	Mid level, medium specialized knowledge	Copperbelt Province	UNZA	World Bank and Wimpy's (South African chain)	Training in bank and international business
Ken	Technical Project Manager	High level, highly specialized knowledge	Copperbelt Province	UNZA	Caterpillar Dealer and many foreign companies	Training in Spain and Zambia
Larry	Assistant Accountant	High level, highly specialized knowledge	Southern Province	Copperbelt University	National breweries	Training in Zambia