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КАЗАХСТАН И МИРОВОЕ СООБЩЕСТВО: ИСТОРИЯ, ПОЛИТИКА, ЭКОНОМИКА

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## Localization of Chinese Enterprises in Kyrgyzstan: Accomplishing «People-to-People Ties» Through Labor

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**Тирек сөздер:** Қытай; Қырғызстан; Қытай кәсіпорындары; локализация; «Бір белдеу, бір жол» бастамасы

**Ключевые слова:** Китай; Кыргызстан; Китайские предприятия; локализация; инициатива «Один пояс, один путь»

The article examines how Chinese companies operating in Kyrgyzstan contribute to strengthen people-to-people connections («closer people-to-people ties» / *minxin xiangtong*) within the framework of the «Belt and Road Initiative». Even though they face obstacles like political instability and cultural clashes, the localized activities of Chinese enterprises are an important conduit for connecting people. Chinese companies operating in Kyrgyzstan strive for localization, which includes the use of local labor and management. Thus, most Chinese enterprises have achieved a significant level of localization by hiring local workers and interacting with the local society. This not only helps improve material living conditions but also promotes social interaction and mutual understanding. The historical context of the growth of Chinese enterprises in Kyrgyzstan since the 1990s is analyzed, emphasizing the significance of labor localization and corporate social responsibility in establishing «closer people-to-people ties». Examples of successful projects show how Chinese companies contribute to the development of local infrastructure and economy, as well as to the improvement of residents' lives. The localized activities of Chinese enterprises in Kyrgyzstan can be used to strengthen ties between China and Central Asia, considering their particular circumstances and requirements.

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## Қырғызстандағы Қытай кәсіпорындары: «адамдар арасындағы байланысқа» еңбек арқылы жету

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Мақалада Қырғызстандағы бірлескен Қытай компаниялары «Бір белдеу, бір жол» бағдарламасы шегінде екі халық арасындағы байланыстарды нығайтуға қалай ықпал етіп отырғаны сөз болған. Авторлар Қытай кәсіпорындарының жұмысы саяси тұрақсыздық пен мәдени алшақтықтарға қарамастан адамдарды біріктіретін маңызды арна болғандығын атап көрсеткен. Қырғызстандағы Қытай компаниялары жергілікті еңбек ресурстарын кәсіпорынды басқару істеріне де тартып отыр. Жергілікті қызметкерлерді араластыру, қоғаммен өзара әрекеттесу арқылы Қытай кәсіпо-

рындары бұл тұрғыда айтарлықтай жетістікке жетіп отыр. Бұл жайт халықтың материалдық жағдайын ғана жақсартып қоймай, сонымен қатар өзара түсіністікке де жол ашады. Мақалада, сонымен қатар Қытай кәсіпорындарының 1990 жылдардан бастап тарихи даму сатылары аталып, «адамдар арасында байланысты» (*minxin xiangtong*) қалыптастыруда еңбек бөлінісі мен корпоративті әлеуметтік жауапкершілік негізгі рөл атқаратынына тоқталған. Табысты жүзге асқан жобалар Қытай кәсіпорындарының жергілікті инфрақұрылым мен экономиканы дамытып, жергілікті тұрғындардың тұрмысын жақсартуға қалай үлес қосқанын көрсетіп отыр. Бірлескен қырғыз-қытай кәсіпорындары Қытай мен Орталық Азия арасындағы байланыстырды әрі қарай да нығайта түсуге үлгі бола алады.

**Қаржыландыру көзі:** Бұл мақала «Қытай мен Орталық Азия экономикалық ынтымақтастығы: жетістіктер, мүмкіндіктер мен проблемалар» атты зертеу жобасының ішінара қорытындылары болып саналады.

**Сілтеме жасау үшін:** *Шу Юэ, Батырбаев Қ.* Қырғызстандағы Қытай кәсіпорындары: «адамдар арасындағы байланысқа» еңбек арқылы жету. *Qazaq Historical Review*. 2024. Т. 2. № 3. 233–242-бб. (ағылшынша). DOI: <https://doi.org/10.69567/3007-0236.2024.3.233.242>

## Локализация китайских предприятий в Кыргызстане: достижение «связей между людьми» через труд

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В статье рассматриваются аспекты того, как работающие в Кыргызстане китайские компании способствуют укреплению связей между народами в рамках инициативы «Пояс и путь». Авторы подчеркивают, что локализованная деятельность китайских предприятий является важным каналом для объединения людей, несмотря на вызовы, с которыми они сталкиваются, такие как политическая нестабильность и культурные конфликты. Китайские компании, действующие в Кыргызстане, стремятся к локализации, что включает использование местных трудовых ресурсов и управление. Так большинство китайских предприятий достигли значительного уровня локализации, нанимая местных работников и взаимодействуя с местным обществом. Это не только помогает улучшить материальные условия жизни, но и способствует социальному взаимодействию и взаимопониманию. Рассматривается исторический контекст развития китайских предприятий в Кыргызстане, начиная с 1990-х годов, и подчеркивается, что локализация труда и корпоративная социальная ответственность играют ключевую роль в формировании «связей между людьми» (*minxin xiangtong*). Примеры успешных проектов показывают, как китайские компании вносят вклад в развитие местной инфраструктуры и экономики, а также в улучшение жизни местных жителей. Локализованная деятельность китайских предприятий в Кыргызстане может служить основой для укрепления связей между Китаем и Центральной Азией, с учетом их уникальных условий и потребностей.

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### Introduction

During the visit to Qazaqstan in September 2013, President Xi Jinping put forward the concept of a «Five-Pronged Approach» (*wu tong*). Among them, «closer people-to-people ties» (*minxin xiangtong*) was explicitly stated as «laying a solid public and social foundation for regional cooperation». In policy practice over the past decade, «closer people-to-people ties» has often been understood as work in cultural and academic exchanges, mobility of talents, media cooperation, youth contacts and other related areas, whereas commercial activities have often been classified into the other «Three Approaches», i.e. facilities connectivity, unimpeded trade and financial integration.

By December 2022, China has signed more than 200 cooperation documents on building the Belt and Road with 150 countries and 32 international organizations, and has invested nearly 1 trillion U.S. dollars. Data from the Ministry of Commerce (PRC) shows that at the end of 2019, Chinese enterprises employed a total of 3.744 million employees outside China, with the proportion of foreign employees reaching 60.5% [Zhang 2021]. Therefore, in December 2018, the National

Development and Reform Commission, together with the Ministry of Foreign Affairs, Ministry of Commerce, People's Bank of China, State-owned Assets Supervision and Administration Commission, Foreign Exchange Bureau, All-China Federation of Industry and Commerce and other ministries and commissions jointly issued the *Guidelines for Overseas Operations and Compliance Management* to guide Chinese companies strengthen their compliance management abroad. Against this backdrop, Chinese enterprises have actually become an important factor in developing «people-to-people ties» in daily life.

Based on the author's research in Central Asian states, this paper discusses the profound significance of the localization of Chinese enterprises for the Belt and Road initiative. The localization of an enterprise means that a company makes full use of the resources in the hosting country and community, in order to maximize corporate value. It includes the localization of human resources, management system, corporate culture, brand management, marketing and corporate social responsibility (CSR) [Cheng 2021]. This article mainly focuses on Chinese companies in Kyrgyzstan. First of all, Kyrgyzstan is a close neighbor of China. Its political stability and social-economic development are closely related to the China's interests in its western borderland. Secondly, Chinese enterprises in Kyrgyzstan have been facing a rather complex political and business environment in the last two decades. Some of them have been involved in political struggles or even suffered



Fig. 1. President Xi Jinping made a speech titled «Promote People-to-People Friendship and Create a Better Future» at Qazaqstan's Nazarbayev University. On Sept. 7, 2013. Photo: People.com.cn. URL: <https://www.chinadaily.com.cn/a/202206/11/WS62a3d4c1a310fd2b29e62093.html>

1-сур. Төраға Си Цзиньпин Қазақстандағы Назарбаев Университетінде «Халықтар арасындағы достықты нығайту және жарқын болашақ құру» атты баяндама жасады. 2013 жылғы 7 қыркүйек. Дереккөз: People.com.cn. URL: <https://www.chinadaily.com.cn/a/202206/11/WS62a3d4c1a310fd2b29e62093.html>

Рис. 1. Председатель Си Цзиньпин выступил с речью «Развивать дружбу между народами, совместно создавать прекрасное будущее» в Назарбаев Университете в Казахстане. 7 сентября 2013 года. Источник фото: People.com.cn. URL: <https://www.chinadaily.com.cn/a/202206/11/WS62a3d4c1a310fd2b29e62093.html>

from violence. Chinese enterprises in Kyrgyzstan have been accused of causing «environmental damages», «cultural conflicts» and even so-called «racial invasion».

However, according to the information obtained from the research, most of the Chinese enterprises that have been operating in Kyrgyzstan for years have formed a relatively stable business model and social network, relying on local partners and local employees to carry out their business. In the long-term interaction with the hosting country and communities, these localized Chinese enterprises have actually become an important channel to strengthen «people-to-people ties» between China and Kyrgyzstan. In the course of long-term business activities, the staff teams of both sides, as well as the local governments and communities, have been working together to improve material living conditions, social governance, mutual values, and jointly explored a better way of life. From these cases, the Belt and Road Initiative should also focus on the social benefits brought about by the localized operations of enterprises, and explore the meaning of a larger community formed by long-term daily exchanges.

### **The landlocked «Global South»: the Industrialization Process of Kyrgyzstan**

Central Asia, in which Kyrgyzstan is located, is one of the rather special segments in the global political and economic landscape. For much of the twentieth century, the region developed on the Soviet Union's modernization track, and for a time it achieved greater success than other countries in Asia and Africa. In Chairman Mao's Three Worlds theory, Central Asia, then as a part of the Soviet Union, belonged to the «First World» along with the United States. After independence in 1991, the five Central Asian states were categorized as developing countries, both in terms of GDP and technological level. In particular, Kyrgyzstan is a land-locked country. Its topography and the population distribution make it more difficult to be integrated into the global economy. However, few researchers have considered them as a part of the «Global South» and explored the dilemmas they face in the post-Cold War international order. In fact, as members of the «Global South», the real problems Central Asian states have been dealing with are how to overcome their landlocked geopolitical conditions and integrate into the global market while maintaining as much independent as possible.

Kyrgyzstan covers an area of 199,951 square kilometers, and in 2023 the country's population was approximately 7.1 million. The country is mainly composed of mountains. 90% of the territory is above 1,500 meters above sea level, and the average altitude is 2,750 meters. The relatively densely populated Chuy Valley in the north and the Fergana Valley in the south are separated by the Tian Shan Mountain range. During the Soviet period, land transportation between the north and south of the country was maintained only by roads, and railroads had to pass westward through the territories of Qazaqstan, Uzbekistan and Tajikistan. As a result, despite living in the same country, the populations of the north and the south differed in their modes of production, social organization, customs and values.

In the Soviet period, the economy of Kyrgyzstan, together with that of Uzbekistan, Tajikistan and Turkmenistan, was organized under the «Central Asian Economic Zone». Contrary to stereotypes, in the 1980s Kyrgyzstan was not an agricultural country. The industrial output accounted for more than 77% of the economy's total output, while livestock production accounted for about 12.6%. At that time, the country's industry was mainly concentrated in the Chuy Valley near the capital Bishkek. It benefitted from the wartime relocation of factories from European Russia during the World War II. In 1981, there were 445 industrial enterprises of various types in Kyrgyzstan, one-third of which were under the command of All-Union ministries. The main industrial sectors were machinery manufacturing and metal processing, which produced machine tools, electric motors, agricultural machinery, instruments and meters, and automobiles; in addition, non-ferrous metallurgy, fuel and building materials industries were also well developed. Kyrgyzstan's resource endowment is mainly concentrated in three areas: mineral products, livestock products and

hydropower. Kyrgyzstan's hydropower resources rank third among the fifteen Soviet republics. The hydropower of the Naryn River, a tributary of the Syr-Darya River, was the focus of Soviet development in the 1970s and 1980s.

In 1981, the generation capacity of Kyrgyzstan's national power system reached 2.728 million kilowatts, with an annual power generation of 10.4 billion kWh, and the proportion of hydropower reached more than 40% [Zhang 1989: 215]. According to data from the International Energy Agency (IEA), Kyrgyzstan's power generation in 2019 was 13.9 billion kWh, and there was still a power shortage in winter; the proportion of hydropower reached 92%, and the total installed capacity of hydropower in that year was 3.07 million kilowatts. It is evident that the industrial heritage of the last century still supports the country's industrial system today.

After independence, Kyrgyzstan's economic structure had to adjust in response to changes in the international and regional environment. Excluding gold production, Kyrgyzstan's industrial output accounted for only 14% of GDP in 2005, and the main industrial sectors shifted from machinery manufacturing and metal processing to mineral mining, textiles and food processing. At the same time, Kyrgyzstan's population has risen rapidly, from 3.976 million in 1985 to more than 7 million today. After joining the Eurasian Economic Union in 2015, the number of Kyrgyz immigrants working in Russia increased from 400,000 to more than 1 million [Petrov 2023]. In recent years, remittances have accounted for 25% to 30% of Kyrgyzstan's GDP, with the vast majority coming from migrant workers in Russia.

To summarize, Kyrgyzstan is a country located in the heart of the Eurasian continent, with a relatively fragmented topography. As an independent state, it faces the difficulties of both internal integration and integration into the international market. During the Soviet period, Kyrgyzstan achieved a certain degree of industrialization and urbanization, and developed non-ferrous metals and hydroelectric resources. After independence, the machinery manufacturing and processing industries gave way to the textile and food industries and agriculture, and a large number of relatively high-qualified laborers could only participate in the international division of labor as migrant workers in Russia.

### Localization of Chinese Enterprises in Kyrgyzstan

The history of Chinese enterprises in Kyrgyzstan is a microcosm of China's development and the political and economic changes in Central Asian states. In the 1990s, Chinese enterprises entering the Central Asian market were mainly engaged in the development of raw materials. China National Petroleum Corporation (CNPC), which has expanded its business in Qazaqstan, was the representative of this wave. At the beginning of the 21st century, with the support of intergovernmental loans from China's policy banks and loans from international multilateral financial institutions, a number of infrastructure and electromechanical equipment companies entered the Central Asian market, mainly engaged in transportation infrastructure construction, power equipment supply and power grid construction projects.

In Kyrgyzstan, the representative enterprises of this wave are China Road and Bridge Corp (CRBC) and TBEA. The former participated in a series of highway reconstruction and expansion projects such as the new North-South Highway supported by the Central Asia Regional Economic Cooperation (CAREC). The latter undertook the construction of the 405km 500kV power transmission project «Datka-Kemin» under the framework of the SCO and the reconstruction project of the power grid in southern Kyrgyzstan, and has completed the modernization of the Bishkek Thermal Power Plant and other significant industrial projects. Since the Belt and Road initiative was put forward in 2013, the number of private enterprises has been growing steadily. They carried out projects to develop oil refineries, thermal power plants, cement plants and a number of gold and non-ferrous metal mines in Kyrgyzstan.

The new situation since 2013 is related to a number of factors. On the one hand, with the improvement of economic development level, the competition in traditional industrial sectors in China was relatively fierce, the wages have risen considerably, and China has intensified the comprehensive ecological management. All of these have led companies to seek space for development in overseas markets. On the other hand, Uzbekistan's incumbent President Mirziyoyev, who came to power in late 2016, has opened large-scale economic reforms, rapidly upgraded relations with other Central Asian countries, and vigorously promoted regional connectivity and industrial development. This echoes Qazaqstan's *Nurly-Zhol* plan proposed in 2014. Qazaqstan is the largest economy in Central Asia, while Uzbekistan, who accounts for nearly half of the population of Central Asia, borders four other countries as well as Afghanistan. Against the backdrop of reforms in Qazaqstan and Uzbekistan, Kyrgyzstan faced new opportunities and worked with foreign companies to upgrade its infrastructure, production capacity and human capital [Dirk van der Kley, Niva Yau 2021].

The operation of Chinese companies in Kyrgyzstan has been one of the focuses of attention of the media and academia in both Central Asia and the West. Some Western media and academics have criticized the low degree of localization of Chinese companies' labor force, and then implied that the local protests and violent attacks on Chinese companies are the result of the companies' own shortcomings. In fact, these assertions are biased. Chinese companies in Kyrgyzstan in general have reached a high degree of localization and are particularly committed to promoting the localization of labor force.

According to a survey conducted by Australian scholars on the projects of Chinese enterprises with an investment size of more than 50 million U.S. dollars in Kyrgyzstan, Chinese enterprises would like to hire more local employees [Dirk van der Kley 2020]. There are three main reasons for this. First, hiring Chinese employees means higher costs in wage, working permission expenses and travel expenses. And companies had to bear higher uncertainty in the process of obtaining labor permits. Secondly, in recent years, Kyrgyzstan has gradually improved the laws in order to guide foreign enterprises to employ more local workers. Third, people in Kyrgyzstan have strong concerns about environmental protection and labor ratios, and tend to use collective action (sometimes violent) to put pressure on firms.

The extent to which different Chinese firms have localized their labor force is significantly related to the industry in which they are engaged and the length of time they have been operating in the country. Overall, enterprises engaging in EPC projects (engineering, procurement, and construction) tend to employ more foreign workers, especially at the levels of technicians and skilled labor. Because their projects are usually constrained by a time limit, and they often encounter a lack of skilled labor in Kyrgyzstan. The ratio of foreign to local workers in these projects sometimes even reach 1:1. This situation is related to the regional political and economic landscape. As mentioned earlier, Russia is the first choice for cross-border workers in Uzbekistan, Kyrgyzstan and Tajikistan. As a result, Chinese companies actually have to face the problem of competing with the Russian labor market. However, for mine development, product sales and other production enterprises, the localization of labor is the inevitable path for long-term operation. The ratio of foreign and local workers in such enterprises is generally around 3:7, and in some enterprises, it can be lowered to 1:9. After a long period of operation, some enterprises have already absorbed local workers into their management. These phenomena are clearly different from the stereotypes portrayed by foreign media.

The trend of localizing the employment of Chinese companies in Central Asia is in line with the overall trend of Chinese companies operating overseas. A 2017 McKinsey study of more than 1,000 Chinese enterprises in eight African countries noted that 89% of the employees of these enterprises were national residents of African countries, and that Chinese enterprises as a whole had provided nearly 300,000 jobs in African countries [Yuan Sun, Jayaram, Kassiri 2017]. Similar

conclusions have been reached by European and American scholars in their surveys of Chinese enterprises in Latin America [Irwin, Gallagher 2013: 207–234].

### Localization and «Closer People-to-People Ties»

Employment localization is only part of the overall localized operations. For experienced Chinese companies operating overseas, maintaining relationships with the hosting countries, local governments and communities is equally important. All of this are closely related to the «people-to-people ties» in the broader picture of Belt and Road Initiative. Over the past two decades, Chinese companies in Kyrgyzstan have experienced ups and downs. Some of them did have conflicts with local communities due to the management's negligence of people's demands, the underestimation of local communities' capacity of collective actions, the limited capacity of law enforcement, etc. Such incidents often become the focus of negative reports on China, which puts more pressure on the main actors of China-Kyrgyzstan cooperation at all levels. However, most long-term production enterprises have accumulated rich experience in localized management, carried out various forms of corporate social responsibility (CSR) programs, and cultivated a social support network. The significance of such practices for «people-to-people ties» has long been underestimated due to the limits of business practices, market positioning, and public relations resources. Based on the following cases, this article will explore how the localized operations of Chinese companies contribute to people-to-people ties.

Company W, a Chinese state-owned enterprise in the field of transportation infrastructure, has been operating in Kyrgyzstan for more than ten years. It mainly undertakes medical facilities, water conservancy, road and other construction projects. According to the interviewee, a Chinese project manager stationed in Bishkek, the projects conducted by this company are beneficial to the local communities, so in general they were not affected by the political fluctuation in Kyrgyzstan. Non-governmental organizations generally do not organize social campaigns against such livelihood projects, because delays in the progress will not be beneficial to the local communities, the Kyrgyzstan government, and the multilateral financial institutions that finance the project. In terms of labor, the interviewee said that only unskilled laborers can be recruited locally, with monthly wages ranging from 400 to 500 U.S. dollars. They are not highly motivated to work. Fortunately, the labor ratio limit in Kyrgyzstan is relatively low, and a ratio of 1:3 will be sufficient for the operation of an infrastructure project. In order to cope with the rising wages in China, this company even hired foreign employees from African and South Asian countries. That is to say, employees who have participated in the company's previous infrastructure projects can work more efficiently and are more economical in terms of wage costs than hiring skilled labor directly from China. Of course, the company also needs to provide skills training for local unskilled workers to develop human resources for future projects. In terms of dealing with cultural differences, the interviewee emphasized the importance of treating people as equals.

Company K, a Chinese privately-owned company engaging in mineral development, acquired a copper-gold mine in southern Kyrgyzstan in the early 21st century and invested more than US\$10 million in the construction of a mineral processing plant. The project has provided more than 200 job positions and has become the backbone industry in County C. Interviewees from the company admitted that the company has contributed far more than normal requirements of corporate social responsibility. Due to the limited state budget, County C could barely rely on the central government to sustain public expenses. Therefore, Company K has built schools, stadiums, roads, bridges, water supply system, mosques, houses and even cellars at the request of the district government and neighboring communities. At one point, two-thirds of the machinery and engineering equipment in the mines were requested for the above constructing projects. In addition, the company also cooperated with the district government in facilitating the travel of local residents to major cities for medical treatment. Nonetheless, Company K did not receive

any privilege from government in terms of environmental protection, safety and taxation. For example, the mine is located at an altitude of more than 2,500 meters above sea level, and the local residents use the melting water from the snowy mountains, while the foreign company cannot use it directly, but have to drill its own wells to use the underground water and pay the corresponding underground resource use fees.

In terms of employment, the interviewee bluntly stated that some local workers (mainly from County C) perceive job positions as rotatable part-time jobs, and they find friends and relatives to cover their shifts from time to time. The main interest of some workers going to work is to dine at the canteen. Almost none work overtime even if overtime pay is provided. Local employees have a relatively low level of official education, while their transregional mobility is significant. Despite the remoteness of County C, educated employees with some savings tend to buy property in the major cities of Kyrgyzstan, or migrate to Russia to work after gaining some experience. The company's management summarized that they had been warned that County C is one of the most difficult areas to do business in Kyrgyzstan, but they have «survived» and operated here for more than a decade. The most important lesson they learnt is that only developing government relations is far from enough. «You have to work both at the upper-level and at the grassroots level». Before the arrival of Company K, the local residents had long been used to a life of farming and pastoralism, and were not accustomed to the lifestyle of industrial enterprises, nor did they seek to change their destiny through education and industrial skill-training. However, after Company K's long-term operation, «in the past few years, we have convinced the local residents that they have money to spend when we are around». These simple words reflect the fact that after a long period of interaction, exchange and integration, people from all over the world can finally realize that the pursuit of a better life is common, and that mutual benefits and win-win situations are achievable.

Company A, a private enterprise engaged in the construction materials industry, is a China-Kyrgyzstani joint venture and has been operating in Kyrgyzstan for nearly 20 years. The social influence of the Kyrgyzstani partner is a crucial factor for its long-term operation. The Chinese and Kyrgyzstani teams have laid down a framework for the division of labor since the beginning of the plant: the former is responsible for procurement, production management and technology updating, while the latter is in charge of local sales and public relations maintenance, and the finances are jointly managed by both parties. The advantage of this model is that the Kyrgyzstani partners can deal with the complicated processes of license, taxation, litigation disputes and maintain public relations. However, this kind of cooperation relies heavily on the credibility and integrity of the partner. According to the interviewee, there were cases that the Chinese investors were kicked out after the founding period.

Company A has realized a high degree of localization. It currently hires about 50 Chinese employees and about 500 Kyrgyzstani employees. In recent years, Chinese enterprises engaging in constructing materials are springing up in Uzbekistan, Kyrgyzstan and Tajikistan. Company A feels the pressure of market competition. The staff mobility enhanced: the frequency of resignation of the local management and technicians increased. The interviewee emphasized that employment is a two-way selection process, and a balance should be struck between respecting local customs and maintaining working discipline. On the one hand, the management guarantees the right to rest and offer gifts for employees and the community. On the other hand, bad habits such as absenteeism, drunkenness and gambling have gradually been corrected. Local employees often suffer from cardiovascular diseases. For this reason, the company has maintained a vegetable garden, where both Chinese and Kyrgyzstani employees grow vegetables and raise chickens to improve the catering.

Company G is a Chinese state-owned enterprise in the field of mining development, which has acquired several mining companies in Kyrgyzstan in the second decade of the 21st century. Its gold mine project N is located in western Kyrgyzstan, in a county with a resident population of just over 20,000 people. Another project, the gold mine S, is located in central Kyrgyzstan.



In 2019, a conflict occurred between Chinese employees and the local community. As a result, the company, once plagued by negative public opinion, has paid more attention to localization and public relations. There are about 70 Chinese personnel and more than 500 local employees in the gold mine project N. According to the interviewee, villagers near the mine are very concerned about environmental protection and employment. Every time the county government organized a hearing related to this project, three to four hundred local residents signed up to attend, and the atmosphere of discussion was lively. The villagers asked sharp questions, but it does not mean that it was impossible to communicate.

In terms of employment, the interviewee mentioned a similar situation: the candidates who come to apply for jobs are generally young and physically fit, but their overall motivation to learn skills is limited. It is very difficult to train skilled workers, but comparatively easy to train management personnel who understands the business and boasts communication skills. For example, the current director of logistics support for Company G is a Kyrgyz female who used to serve as a nurse in a village clinic near the N Project mining area. She later worked as the principal of the village kindergarten. Company G valued her education background and working experience, and appointed her as the project coordinator. During the COVID-19 period, she demonstrated her nursing skills and organized medical support for workers in the prevention and control of the pandemic. Thanks to her outstanding work, she was promoted to the canteen manager, a position responsible for the daily meals of more than 300 employees. Under her management, the canteen not only saved expenses, but also significantly improved the food quality. Since then, she has served as deputy director of the mining area office and then director of logistics support. At present, she manages the catering, accommodation, medical care, and sanitation of hundreds of Kyrgyzstani and Chinese employees of the entire company. In the daily life and work, she has mastered fluent spoken Chinese, but has not systematically learned to write Chinese characters yet. In addition, the Chinese staff canteen is also headed by a local chef, and after a long period of interaction, the Kyrgyzstani chef from is fully capable of catering banquets for Chinese business receptions of dozens of people.

### **Conclusion: A New Community of the «Global South»**

In some media coverage, the overseas operations of Chinese enterprises are either seen as a symbol of the transfer of hegemony, following the same logic of global capitalism, or as the return of the so-called «Chinese Empire» and «colonialism». From these perspectives, the localized operations of Chinese enterprises abroad are inevitably subject to tinted glasses. Normal business activities are deprived of legitimacy, and Chinese enterprises are in a state of aphasia for a long time.

As a matter of fact, the People's Republic of China has never carried out military occupation outside its borders, nor has it ever used state-backed violence to support overseas colonization. Chinese companies are not simply seeking profits when going overseas. The localized operation of Chinese companies in Kyrgyzstan offers the following insights.

First, under the premise that China adheres to the Five Principles of Peaceful Coexistence and the neighborhood diplomacy of amity, sincerity, mutual benefit and inclusiveness, Chinese companies in Kyrgyzstan will not be able to rely on violence to obtain excessive profits. Instead, they were guided to gradually establish a mechanism for sharing benefits with the hosting government and local communities by «working together at the top and the grassroots».

Second, in China's tradition of government-enterprise relations, business operations are often not based on book profits in a narrow sense, but rather on a «big account» that comprehensively takes political, economic, and social benefits into considerations. Chinese companies' overseas operations are also affected by relevant mechanisms and interest considerations. For example, besides profits, engineering contracting companies in Kyrgyzstan also value the employment

brought by projects, the overall project completion, and international reputation. The above-mentioned mining companies often invest in personnel training, infrastructure upgrading, and public relations maintenance.

Third, in the actual operation of Chinese enterprises overseas, the identity of the people is by no means the essentialist «Chinese» or «locals» reported by some foreign media. Many of the above cases reflect that in long-term joint work and communal life, people from different regions can often shape new social relations, combining the capital, technology, labor, raw materials and market relations of all parties. This kind of «people-to-people ties» in the micro-scenarios is also worthy of attention and discussion.

The above cases and analyses do not mean that there were no negative incidents and conflicts in the operations of Chinese enterprises in Kyrgyzstan. On the contrary, they are bound to face risks and challenges at multiple levels. It is suggested that the development and challenges of countries in the «Global South» should be viewed in the light of their unique conditions and needs, and not only through the prism of neoliberal economic theories and practices, which may not always be appropriate for these regions. The same applies to the localization of overseas Chinese enterprises that also needs a new discourse to shed light on its value for «Closer people-to-people ties», along with the other «Four Approaches» of policy, facilities, capital and trade, become the cornerstone for promoting the construction of «communities» at all levels.

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