



New Airport Terminal, Entebbe, Uganda, 2023

Beyond state-backed funding

Multiple Embeddedness and the Internationalisation of Chinese construction SOEs in Africa

Elisa Gambino

elisa.gambino@manchester.ac.uk

Hallsworth Research Fellow in Political Economy
Global Development Institute (GDI), University of Manchester

Costanza Franceschini

c.franceschini@fsw.leidenuniv.nl

Postdoctoral Researcher
Institute of Cultural Anthropology and Development Sociology
Leiden University

Rationale of paper

- **Changing global geography of development** (N-S to S-S) and the potentialities associated with Southern-centric economic development
- Questions remain around how the intended notions of S-S cooperation match with / translate into the economic realities of engagement
- Seeks to highlight **how the market expansion strategies of Southern firms impact the broader context** in which African infrastructure development processes take place
- The paper does so by complementing the study of the motives of Chinese SOE spatial expansion (the *why* of internationalisation) with the study of **the modalities of internationalisation processes** (the *how*).



New Airport Terminal, Entebbe, Uganda, 2023

Key argument

The **internationalisation of Chinese construction SOEs in Africa**, initially reliant on Chinese state financing, **is increasingly dependent on market expansion through non-Chinese funded projects.**

As state-backed funding decreases, the **embeddedness is crucial to companies' sustained spatial expansion.**



Lamu Port, Kenya, 2019

Embeddedness

- We build on the Global Production Network (GPN) approach (see Dicken, *et al.*, 2001; Hess, 2004; Coe, *et al.*, 2008; Yeung, 2009; Coe and Yeung, 2015)
- **Embeddedness:**
 - **The ways in which economic activities are shaped by social, cultural, and political processes**
 - **The extent to which firms part of a network are anchored to a specific location through both material production and their relationships to institutional and political economic practices**

Our approach

Multiple Embeddedness (Hess, 2004)

In the context of Chinese SOE internationalisation in African markets

Societal

The 'genetic code' / baggage of the firm

- Influenced by Chinese state-business relations
- Manifests in the availability of and access to incentive regime (i.e. loans, preferential exchange rates) that support market expansion and attractive bidding

Network

The structure of relationships amongst individuals and organisations regardless of their location

- Trust-negotiated firm-level relationships
- Manifests in relations between Chinese SOEs and African/Chinese/Western (non)economic and (non)state actors across projects.

Territorial

The 'nodes' in global networks

- Relational anchoring of firms to extant social, political, and economic practices
- Manifests in sets of individual or individualised actions and strategies that emerge from the integration of Chinese SOEs in African markets

China Communication Construction Company (CCCC) subsidiaries

Kenya (CRBC)



中国路桥工程有限责任公司
CHINA ROAD & BRIDGE CORPORATION



Kenya says Chinese firm wins first tender for Lamu port project

Reuters

April 11, 2013 5:41 PM GMT+2

Chinese Firm Wins Sh9bn Mombasa Road Repair Deal

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

Project will incorporate a BRT line to ease traffic congestion.

CRBC-built Nairobi expressway marks one-year anniversary of operation

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa

Updated August 2, 2013 Source: Star and East Africa



Ghana (CHEC)



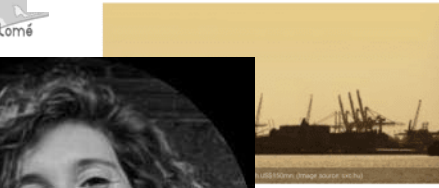
CHEC wraps up Tema new container terminal project

INFRASTRUCTURE
June 16, 2020, by Zlatan Hrvacevic
As the largest hydraulic project in Ghana, the Ghana Tema New Container Terminal Project has been completed on June 12, informs China Communications Construction Company (CCCC).



Africa's first LNG terminal to be built by China Harbour Engineering Co.

The LNG terminal achieve affords
China and Ghana enter Takoradi Port expansion deal
Michael Marzay
12 Sep 2018
30 NOVEMBER 0001



Authority (GPHA) has entered into a deal with the company (CHEC) to begin work on the Takoradi Port



Societal embeddedness

Evolving state-SOE relations vis-à-vis firm internationalisation processes

Influenced by Chinese state-business relations

Manifests in the availability of and access to incentive regime (i.e. loans, preferential exchange rates) that support market expansion and attractive bidding



Nairobi Eastern Bypass built by CRBC, Kenya

Territorial embeddedness

Sets of individual and individualised strategies that are linked to the evolution of networks in which company leaders and managers are embedded in

Getting projects off the ground

Unsolicited feasibility studies

Buying tenders



New Airport Terminal, Entebbe, Uganda, 2023

Liwatoni floating footbridge in Mombasa over 92% complete

Posted by Anita Anyango | Date: December 09, 2020 | In: COUNTRIES, EAST AFRICA, KENYA, MOMBASA, NEWS | Leave a comment



Conclusion

The analysis of the operations of CCCC overseas shows that:

- **Non-Chinese funded infrastructure projects emerge or are scouted** through interactions with different networks Chinese contractors are embedded in;
- Chinese companies' **multiple embeddedness is increasingly crucial to sustained spatial expansion** in Africa;
- Embeddedness as a key feature of infrastructure development in a South-South context, thus shaping the parameters and context within which economic activities take place



Axim Port, Ghana, 2021

Thank you!

elisa.gambino@manchester.ac.uk
c.franceschini@fsw.leidenuniv.nl



Lamu Port, Kenya, 2019