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Chinese expats in India*

The Chinese community in India comprises immigrants from China and Indian-born people of Chinese ancestry. In the late eighteenth century, Chinese immigrants came to India to work at the Calcutta (Kolkata) port and Madras port. In 1962, the Indo-China border dispute resulted in a war leading to mistrust and frictions between the two neighbours. However, the situation started to normalise when India and China resumed diplomatic relations in 1976.

The ethnic Chinese in India have contributed to many areas of social and economic life. They have engaged in manufacturing and trade of leather products as well as beauty parlours and restaurants. Today, there are thousands of Chinese living in Kolkata, Mumbai, and other cities in India. Many Chinese companies, entrepreneurs, and managers are operating in India in fields as diverse as telecommunications, power, construction, heavy machinery, and pharmaceuticals.

Chinese investors

In the aftermath of the economic liberalisation policy of 1991, the Indian government has been encouraging foreign companies to set up manufacturing units in India under its 'Make in India' programme (Ribeiro and Kan, 2015). China is now the world's largest economy (by output), producing 16 per cent of all goods and services, whereas India accounts for 7 per cent (IMF, 2105). In 2014, Indo-China trade was estimated to be about \$72 billion (BI, 2015). In the aftermath of economic liberalisation policies of India since 1991, there has been an influx of not only Western but also Chinese investors and companies. Investors from mainland China as well as Taiwan have started operating in India, at times also relocating their skilled employees and managers.

One such example is Foxconn Technology Group (Hon Hai Precision Industry Co., Ltd.), a multinational electronics contract manufacturing company headquartered in New Taipei, which is estimated to be the third-largest information technology company by revenue. In August 2015, Foxconn entered into a memorandum of understanding with the Indian state government of Maharashtra and announced that, as a part of its plan to set up 12 manufacturing facilities in India by 2020, the company will invest US\$5 billion in a large electronics factory and other facilities in the India. The investment is likely to create employment for at least 50,000 people (Ribeiro and Kan, 2015). For a contract manufacturing company like Foxconn which makes a variety of products for various companies, including the iPhone, India presents an opportunity to build products such as smartphones both for the

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booming local market and for global customers. The company employs over a million workers in China where it has factories across the country. The company has, however, faced labour shortages in China as many workers are looking for the highest wages possible and are happy to leave for better jobs.

To expand its manufacturing base, Foxconn is looking at setting up factories in India and Indonesia. In a statement, Foxconn said that the investments in Maharashtra will be in the areas of manufacturing, research, and development, and other strategic capabilities, to tap into the pool of local talent in the technology and manufacturing sectors (Ribeiro and Kan, 2015).

In the aftermath of Prime Minister Narendra Modi coming to power in 2014, many Chinese companies are finding the confidence to step into the Indian market. While Lenovo, Huawei, and Xiaomi are already household names in India, new entrants such as Gionee and Oppo are equally active. More companies such as Shandong Tiejun Electric Power Engineering, Xian Electric Engineering, and Shanghai Urban Construction are charting out India plans after the Indian government cleared these companies in 2015 (BI, 2015).

India remains a difficult terrain for Chinese expatriates

Chinese manufacturing companies, including mobile phone makers, are expanding into India, utilising human and other resources available in the local market. With Chinese firms setting up their factories and offices in India, they have brought with them Chinese high-ranking officials. While some Chinese expatriates adjust to the Indian culture, most of them find it difficult to adjust to the local culture, and some Chinese expatriates may find it difficult to absorb the culture shock of India's many chaotic festivals, elections, cuisines, and languages (Mandavia, 2015).

Most of the 5,000–7,000 Chinese expatriates living in India prefer to remain isolated from Indian culture (BI, 2015). The Chinese expatriates form close communities within themselves. Many of them live together and interact together while very few mingle with the local Indian community. The number of Chinese expatriates in India has doubled over the past two years, as a result of hundreds of Chinese nationals moving to India in search of business (Mandavia, 2015). Most of them choose to stay secluded from Indians due to language and cultural barriers and their inherent shyness. A Chinese expatriate, Pan Xuan, who has been in Gurgaon for six years, said his 'talkative' Indian colleagues helped him adjust to the diverse country to a great extent by taking him out for biryani or inviting him for Holi and Diwali celebrations (BI, 2015). Most Chinese expatriates live in Gurgaon, Mumbai, and Bengaluru and often avoid public transport. Many return to China after two to three years on the completion of their assignment. It is tough to get work visas, Chinese expatriates complain, and they have to go back home periodically to comply with regulations (BI, 2015).

Mandavia (2015) reports the case of Shengyu Yang, an Oppo employee, who is in India to help the Chinese phone maker make inroads into a fiercely competitive handset market. The 29-year-old Yang lives with his wife in Powai, an upcoming hub for Chinese expatriates in Mumbai. Despite his affection for India, Yang reports certain teething problems, such as the difference in work cultures. 'It is not easy to manage teams here. Indians also understand time differently. It is stretchable for them,' he laughs. His wife Jessie and himself, like most other expatriates from China, spend weekends socialising with others from their home country or engaging in sports. Most Chinese expatriates don't find it easy to mix with locals. Yang's wife Jessie is trying to learn Hindi to feel more at home. But she is still not comfortable with the idea of venturing too far outside Mumbai without her husband. 'When I came to

India, I didn't leave home without my husband for one-and-a-half months. In China, we had a negative view about safety in India. Only now I know Mumbai is safe, but we have not travelled much outside' (Mandavia, 2015).

A 2014 Pew Research Centre survey found that only 30 per cent of Chinese hold a favourable view of India (Pew, 2014). For that to change, Chinese investors and expatriates may consider that despite all the misgivings about the Indian culture and economy, there are opportunities for business and employment, especially for IT professionals and producers. Learning Indian culture and Hindi, in addition to English, may improve their prospects substantially. Equally, the Indian government and local business partners may consider relaxing working visa regulations as well as opportunities for Chinese expatriates to learn the local culture and language while also ensuring their safety and wellbeing.

Questions:

1. What are some of the key difficulties facing Chinese expatriates in India?
2. What can (a) multinational companies (b) host country do to address the challenges facing Chinese expatriates in India?
3. What factors should Chinese multinational companies consider in (a) recruiting and selecting and (b) training managers and other employees for international assignments in India?