

POLICY POINTS

Allowing foreign telecommunications companies to operate in and help expand telecommunications sectors in developing countries can help improve infrastructure, as well as cultivate local talent through knowledge and technology transfers.

Huawei has seven training centers in Africa, and has reported that it trains 12,000 African students every year.

African governments should provide incentives for foreign firms to establish training centers and should encourage local schools to develop partnerships with foreign ICT companies in order to facilitate knowledge transfer.


DO HUAWEI'S TRAINING PROGRAMS AND CENTERS TRANSFER SKILLS TO AFRICA?
BY BENJAMIN TSUI

Huawei Technologies first entered the African telecommunications market in 1998 when it began operations in Kenya. The company sees Africa as a market with a tremendous amount of growth potential. As of 2014, 15 percent of Huawei's global sales came from Africa.

Huawei has established seven training centers in Angola, Democratic Republic of the Congo, Egypt, Kenya, Morocco, Nigeria, and South Africa, and has sponsored training programs throughout the continent. The company reports that it has provided training to 12,000 African students each year.

This brief examines Huawei's engagement in developing local talent in information communications and technologies (ICT) in Africa, specifically in Egypt, Kenya, Nigeria, and South Africa. Research was conducted using news reports, press releases, corporate reports, and academic studies.

LOCALIZATION MOTIVES

According to its management, Huawei's long-term staffing goal is localization. The company's annual corporate social responsibility (CSR) reports have repeatedly emphasized its commitment to hiring local employees and transferring ICT knowledge to the local community. Its 2014 CSR report pointed out that it "had established 45 training centers globally to nurture local professionals and transfer knowledge."¹ According to Huawei's website, over 60 percent of its 5,800 employees on the Africa team are local.

There are several reasons why Huawei believes investing in training programs for developing local talent is better than relying heavily on Chinese employees:

- The ICT industry in Africa is growing rapidly as many governments seek to invest and expand their telecommunication infrastructure. This requires trained professionals to install and maintain the infrastructure, and there is currently a shortage of skilled workers.
- Utilizing local talent also encourages more efficient responses in the local marketplace. This is advantageous for firms operating in foreign countries as it improves responsiveness to local customer needs and demands.
- Local government regulations pressure foreign companies such as Huawei to train and hire locally. A number of African nations such as Ethiopia, Ghana, Kenya, and Nigeria also require foreign companies to provide more job training opportunities for African workers.

- Another incentive to localize the workforce is cost. By hiring locally, Huawei reduces expenses on salaries and benefits.
- Some managers interviewed suggested that the investment in local training is for public relations—aimed at gaining local acceptance—rather than for human capital return.² Local investments improve the “company’s image in the eyes of local consumers, businesses, and potential partners.”³
- The Chinese government also encourages Chinese firms such as Huawei to promote local training. In 2009, then Chinese Premier Wen Jiabao visited the Huawei’s Cairo training center and encouraged Huawei’s managers to look at training as part of the broader perspective of China-Africa cooperation and friendship, instead of only as a component of the development of Huawei’s enterprise on the continent.

TRAINING INITIATIVES IN AFRICA

Huawei’s efforts to develop local talent in Africa include establishing training centers, sponsoring training initiatives in cooperation with local universities, and sending local trainees to overseas training facilities.

Huawei’s “Seeds for the Future” CSR program, a cooperative venture between Huawei and local governments and universities, sends students to train and attain work experience abroad, including at Huawei’s headquarters in China. The program includes training and work experience at Huawei headquarters in China, as well as academic competitions and essay contests to select top students from local communities to participate in “first-hand learning opportunities through interactions with Huawei staff and visits to Huawei labs.”⁴ “Seeds for the Future” includes six countries: Congo, Ghana, Guinea, Kenya, Morocco, and Uganda. At the 2014 World Economic Forum on Africa, Huawei’s Senior Vice President, Charles Ding, announced the “Seeds for the Future” programs would train 10,000 ICT professionals for Africa over the next five years.

EGYPT

Huawei’s North African headquarters was established in Cairo, Egypt in 1999. In 2009 a new center was built within Cairo’s Smart Village ICT cluster, often regarded

as Egypt’s Silicon Valley. New training equipment worth US\$20 million was provided for the new training center facility. The training programs at the center include telecommunication topics such as optical networks, mobile phone radio systems CDMA and GSM, broadband networking, and next-generation networking. The facility consists of 11 classrooms and laboratories that have the capacity to train 150 people at a time.

The 2015 “Seeds for the Future” program in Egypt selected 15 Egyptian students for two-week ICT training at the Shenzhen headquarters of Huawei.

SOUTH AFRICA

Huawei entered the South African market in 1998 and established its East and Southern African regional headquarters in Johannesburg. As of the beginning of 2015, there were 1,028 employees in Huawei’s South Africa office, over 60 percent of who were local South Africans.

In August 2008, Huawei announced the opening of a training center in Woodmead, a northern suburb of Johannesburg. The center consists of full-time professional instructors and engineers. In the first six years, the center reported to have trained more than 3,000 people including Huawei employees, and engineers from local carriers. Huawei’s plans for the next five years include training 1,000 ICT professionals in South Africa.

Huawei offers training focused on telecommunications engineering skills, as well as project management and “soft skills.” The telecommunications company also offers internship programs, which could eventually lead to full-time employment with the company.

Huawei has actively engaged with local universities such as the University of the Western Cape and University of Johannesburg to recruit students for Huawei’s internship program. In April 2016, Huawei and Tshwane University of Technology (TUT) in Pretoria announced the launch of an ICT educational program at the university’s Soshanguve campus. Huawei will provide equipment, software, and ICT certification courses for university instructors to use to instruct students. The program itself belongs to the Chinese company’s not-for-profit partnership program with higher education institutions throughout the globe called Huawei Authorized

Information and Network Academy (HAINA). A Huawei press release stated “TUT HAINA-trained graduates will be given first priority for internships and employment opportunities at Huawei and its partner companies.”⁵

KENYA

Huawei began its Africa operations in Kenya in 1998. The company established its training center in the Kenyan capital of Nairobi in 2008. According to Huawei’s East Africa regional president, the company invested US\$1 million to establish the training center. The center is used to train company staff and customers and to test new equipment. Initially the training center consisted of 2 training labs and 5 classrooms, capable of hosting 100 trainees at the same time, and over 25 professional instructors and 50 part-time instructors. Huawei regards its training program as complimenting Kenya’s country development program: Kenya Vision 2030. The aim of Kenya Vision 2030 is to transform the country into a “middle-income country providing a high quality life to all its citizens by 2030.”⁶

In 2011, Safaricom, a Kenyan telecoms operator, signed a three-year deal with Huawei in collaboration with the University of Nairobi, Moi University, and Jomo Kenyatta University of Agriculture and Technology to train engineering students in preparation for the ICT industry. Other Kenyan universities, including Kenyatta University and Strathmore University, are also pushing to establish cooperation with Huawei.

In cooperation with the universities, Huawei also offers internships to 30 students per year. Training is not strictly limited to the center, but also includes field work. According to one internship participant, “They [Huawei] are teaching us a lot. They give you everything you need to learn. So it’s up to you to decide whether you want to learn or not.”⁷

A. Ona Akemu, a Ph.D. candidate at Erasmus University’s Rotterdam School of Management looked at the motives and results of the Huawei Kenyan training program. His findings showed Huawei saved money by hiring participants of its training programs as they reduced the necessary amount of post-hire training. Of the 2012 cohort of student trainees, 209 were trained and five of those were employed by Huawei at the end of the year.

The Kenyan training center also serves trainees in the greater East African region. In 2012, Makerere University in Uganda signed a memorandum of association with Huawei to help train top performing students by offering ICT internships. In 2015, approximately 50 students were involved in the 2-month internship training program, doubling the previous year’s intake.

NIGERIA

Huawei entered Nigeria in 1999. The company initially invested US\$10 million for a training center in the capital of Abuja in 2004. In 2013, Huawei partnered with the Nigerian Federal Ministry of Technology to launch a training program on basic ICT knowledge for 1,000 Nigerian female students. This program is part of the “Girls and Women Initiative” (GWIN), a larger federal government initiative in Nigeria. The GWIN program aims to bridge the gender divide in Nigeria by promoting “empowerment, employment, and inclusion of women in the nation’s development.”⁸ The Huawei girls’ program started out with an initial three-day training on basic ICT skills and afterwards selected 200 students who showed the most promise for pursuing careers in the ICT sector. The 200 selected trainees received training to achieve Huawei Certified Datacom Associate (HCDA) certification, which will give them priority for employment at Huawei. Training has been conducted in Huawei’s ICT training center in Abuja and Huawei Exhibition Hall in Lagos.

Similar to its programs in other countries, Huawei cooperates with the African University of Science and Technology (AUST) in Abuja. AUST computer science students have access to the Abuja training center, and the curriculum is developed by AUST computer science faculty and Huawei engineers. In 2014, Huawei provided US\$500,000 in funds and ICT equipment to the AUST affiliated Nelson Mandela Institution.

At the end of 2015, the government of Nigeria and Huawei signed a memorandum of understanding in order to create over 2,000 ICT trainee jobs the next year for Nigerian youth as part of “Seeds for the Future.”

UNANSWERED QUESTIONS

Huawei promotes its training centers and training programs such as “Seeds for the Future” as part of its CSR campaign, and emphasizes its commitment toward

localization by training local employees and possible recruits. However, there are still myriad unanswered questions regarding Huawei's localization training initiatives that require further research:

- How effective are the training centers and training programs? For trainees that were not hired by Huawei after completion of a training programs, did their credentials open the door to other opportunities?
- In addition to non-managerial jobs that require specialized ICT skills and training, do the training programs provide opportunities for local employees in managerial or research and development positions?
- Are the training programs that Huawei labels as CSR programs truly focused on social and environmental well-being, or are they prudent cost-saving, profitable business, or human resource development programs?
- What is the retention rate for trainees? Will successful trainees that are hired by Huawei continue to work for Huawei or leave to find other firms to work for?

POLICY RECOMMENDATIONS

Allowing foreign telecommunications companies such as Huawei to operate in and help expand the telecommunications sector in developing countries can help improve infrastructure, as well as cultivate local talent through knowledge and technology transfers. In order to make the most of cooperation with foreign telecommunications firms like Huawei, African governments should:

- Encourage schools and universities to develop partnerships with foreign ICT companies to initiate training programs and internships for students and faculty;
- Promote partnerships between foreign ICT companies and local network operators, allowing foreign firms to learn about the local environment and market while local firms benefit from skills and technology knowledge transfer;
- Provide incentives for foreign firms to establish training centers in order to train current and potential local employees;
- And relax stringent labor laws that may discourage entry of foreign ICT companies or impede their operation.

ENDNOTES

1. Huawei Investment & Holding Co. Ltd, "2014 Sustainability Report," 2015, <http://www.huawei.com/en/sustainability/sustainability-report>. / 2. F.L. Cook, "The globalization of Chinese telecom corporations: strategy, challenges and HR implications for the MNCs and host countries," *The International Journal of Human Resource Management*, 2012, 23 (9), 1832-1852. / 3. C. Chang, et al., "Huawei Technologies: A Chinese Trail Blazer in Africa," 2009, <http://knowledge.wharton.upenn.edu/article/huawei-technologies-a-chinese-trailblazer-in-africa>. / 4. Huawei Investment & Holding Co. Ltd, "2014 Sustainability Report." / 5. Huawei, "Huawei Launches Huawei Academy in ESA with TUT" 2016, <http://support.huawei.com/learning/news/toNewsInfo?newsId=Node1000010233&lang=en>. / 6. CSR Europe, "Huawei - Telecom Seeds for the Future Program in Kenya," 2013, <http://www.csreurope.org/huawei-telecom-seeds-future-program-kenya#.VwCAovkrKhd>. / 7. O. Akemu, "Corporate Social Responsibility Practice in the MNE as Synchronous Acquiescence and Manipulation: The Huawei Case," Working Paper, 2016, 28, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2752398. / 8. "FG Says No Going Back On Women in ICT Training," *allAfrica.com*, 2014, <http://infoweb.newsbank.com/resources/doc/nb/news/14F3D8ADC06C7D70?p=AWNB>.

The **CHINA-AFRICA RESEARCH INITIATIVE (CARI)** at the Johns Hopkins University School of Advanced International Studies (SAIS) in Washington, D.C. was launched in 2014. Our mission is to promote research, conduct evidence-based analysis, foster collaboration, and train future leaders to better understand the economic and political dimensions of China-Africa relations and their implications for human security and global development.



1717 Massachusetts Avenue, NW
Suite 733
Washington, DC 20036
sais-cari@jhu.edu

[HTTP://SAIS-CARI.ORG/](http://SAIS-CARI.ORG/)



Support for this policy brief was provided by a grant from Carnegie Corporation of New York.

AUTHOR

Benjamin Tsui is a second-year M.A. student in International Economics and China Studies at the Johns Hopkins University School of Advanced International Studies (SAIS). He is also an intern at the Brookings Institution's John L. Thornton China Center.

Editor: Jessica Lasky-Fink
Design: Swedian Lie