

Research on Chinese Expatriates' Welfare from the Prospective of Welfare Pluralism——Taking the Republic of Congo as an example

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Abstract

While an increasing number of Chinese enterprises implement the development strategy of “going global”, Chinese expatriates now face the demands for both statutory welfare and non-statutory welfare. From the prospective of welfare pluralism, the paper, by taking the data of empirical surveys conducted in the Republic of Congo as an example, analyzes the situation of Chinese expatriates' welfare and provides suggestions on the policies to address the problems of staff welfare in the dimensions of the government and enterprises, so as to further improve the welfare system for Chinese expatriates.

Keywords

Welfare pluralism, Expatriates, staff welfare, the Republic of Congo.

1. Research background

Under the strategic background of “the Belt and Road”, an increasing number of Chinese enterprises began to adopt the policy of “going global” and carry out cooperation with other countries. According to Statistical Bulletin of China's Outward Foreign Direct Investment in 2014, the net amount of China's outward foreign direct investment reached 123.12 billion dollars in 2014, and 18.5 thousand investors of the Mainland China totally set up and directly invested 29.7 thousand companies spreading over 186 countries and regions by the end of 2014. In the same year, these enterprises paid 19.15 billion dollars of various taxes to local governments. By the end of 2014, the number of Chinese staff in these companies reached 1.855 million, among which there were 833 thousand foreign employees including 135 thousand from developed country, an increase of 33 thousand compared with the figure in the last year. Therefore, it can be calculated that there are about one million Chinese expatriates working overseas with their group becoming increasingly large. However, since Chinese expatriates live in other countries, these people, especially those working in regions with tough circumstance, are facing problems such as cultural shock, poor environment and nostalgia.

The research object in the paper is the welfare of Chinese expatriates. As a complex system, staff welfare can be divided into various types according to different standards. At macro level, it can be defined as statutory welfare enforced by national legislation and non-statutory welfare independently implemented by enterprises themselves respectively in consideration of the criterion that whether the items of welfare are legally compulsory or not.

The staff welfare researched in the paper, if distinguished according to legal coerciveness, includes both statutory welfare provided by the government and society and non-statutory welfare offered by enterprises and the market. Statutory welfare covers social welfare system afforded by the government and society including social security system while non-statutory welfare mainly incorporates welfare items provided by businesses and the market. At the level of enterprises, the paper mainly focuses on the supplementary welfare except from statutory ones, which includes enterprise supplementary endowment insurance and medical insurance as well as programs of educational training provided by employers.

2. Welfare Pluralism

As an important part of research on social policies, social welfare has drawn attention from all sectors of society, and such a proposing of theory marked a great progress in social welfare theory. Rose believes that social welfare is a critical issue to be researched and that social welfare derives from three sectors, namely, families, the market and the government. As providers of social welfare, each one of the three sectors makes contribution to another two, and the welfare programs provided by the three sectors, once integrated altogether, form a welfare system for society. And the three kinds of welfare are called a portfolio of welfare pluralism in society. In modern society, the aggregate of welfare composes of welfare produced in families, welfare purchased from the market, and welfare granted by the government. Furthermore, Johnson has added voluntary institutions to the sectors of welfare pluralism proposed by Rose, which enriched the content of welfare pluralism. Peng Huamin has come up with the transition of welfare triangle system, researched the arrangement and changes of three systems including employment system, family institution and social welfare system in the discussion on social repulsion in welfare triangle. Family serves as the fundamental constituent unit and one of the basic institutions of society. The paper, from the perspective of welfare pluralism, conducts research in the dimensions of the government and enterprises.

3. The predicament of welfare for Chinese expatriates --taking the Republic of Congo as an example

3.1 The basic information of the Republic of Congo.

Situated in the central part of Africa, the Republic of Congo stretches across the equator with a territory of 342,000 square kilometers. The country is mainly controlled by equatorial climate, with its southern part influenced by tropical savanna climate coupled with its northern and central parts fostered by tropical rainforest climate. However, both the two types of climate feature scorching heat and abundant rainfall. In line with the related regulations stated in List of Regional Classification for Overseas Embassies and Consulates of Ministry of Foreign Affairs of the Peoples' Republic of China and Administrative Measures for Life and Incomes of Chinese Expatriates of Foreign Aid (DAPL 【2007】 No. 526) published by Ministry of Finance, the Republic of Congo is listed as one of the IV Classification of Regions, or the tough region, which is sorted according to extent of toughness and price of commodities.

3.2 The cooperation between China and the Republic of Congo.

The situation of the cooperation between China and the Republic of Congo in economy and trade as well as of the Chinese expatriates in the Republic of Congo. The ties of two countries in economy and trade have become increasingly close, which can be demonstrated by the data published by the website of Ministry of Commerce as follows. From January to December in 2015, the value of trade between the two countries reached 992.9 billion African franc (about 1.683 billion dollars), accounting for 41.91% of the aggregate amount of foreign trade of the Republic of Congo and representing an increase of 2% over the previous year. Among the country's exports to China, the major product was petroleum, while in terms of its imports from China the major commodities included machine parts and building materials. The situation of China's direct investment in the Republic of Congo is shown in the table below.

Table: The situation of China's direct investment in the Republic of Congo from 2006 to 2014 (in million dollars)

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014
Amount	13.24	2.50	9.79	28.07	34.38	6.81	98.80	109.94	238.60

There are about ten thousand Chinese employees working in the Republic of Congo, with their occupations mainly involving in transportation and construction. These people have made a remarkable contribution to the local development in economy by constructing infrastructure.

Presently, along with the business connection between the two countries becoming increasingly close and moving forward continuously, more and more enterprises begin to dedicate themselves to the economic development of the Republic of Congo with more industries involved. In 2015, Agricultural Bank of China and the government of the Republic of Congo, in joint effort, set up BSCA Bank in order to develop the financial institutions and inject new vitality to local economic development.

3.3 The predicament in welfare of Chinese expatriates in the Republic of Congo.

What these employees face in local areas is the different working and living conditions which bring about many problems to them. On the aspect of working condition, the expatriates, generally speaking, are all the leading members or key staff members in each overseas enterprise in its preliminary stage of development. During this period they need to recruit local employees, which involves in such problems as the integration into local culture and the communication with local staff. With regard to living condition, they have to adjust to terrible surroundings in such impoverished regions as the Republic of Congo in spite of the fact that they are much more familiar with domestic counterpart. In the capital Brazzaville, the municipal infrastructure has not enjoyed a good development, which can be proved by its open channels along the roadsides. Without established drainage system all the sewage leaks into the soil, which results in the high frequency of infectious diseases represented by malaria. Owing to the backward economy, the local condition of medical treatment is poor so that it is difficult for the people to be cured once they suffer serious diseases. However, China has set some branches of medical institution in the Republic of Congo through international assistance programs in Africa. For example, a medical team organized by Tianjin City has played a vital role in the course of improvement of medical condition in the local area.

Therefore, how to promote the benefits and welfare of these expatriates and satisfy their demand for specific welfare items remain the issues for overseas Chinese enterprises. And only by properly addressing them can these companies remove their employees' worries so as to guarantee the smooth implementation of foreign assignment and the incessant development of enterprises. Nevertheless, the solution to satisfying the expatriates' welfare needs lies in the supply of various welfare items from the government and enterprises so that their demand for welfare can be met.

4. The status quo of the welfare system for Chinese expatriates in the Republic of Congo and the major existing problems.

On the basis of welfare pluralism, the paper, in the dimensions of the government and enterprises, analyzes the status quo and major problems of the welfare system for Chinese expatriates in the Republic of Congo by conducting field investigation, communicating with the concerned staff members and researching related documents of six Chinese enterprises in the Republic of Congo (including four construction companies, an import & export enterprises and a financial company).

As far as the government is concerned, what it can offer is the welfare systems like social security system which are represented by social security systems of both sending country and receiving country.

Social security system.

The major laws of labor recruitment that were formulated by the government of the Republic of Congo are Labor Code enacted in March 15, 1975 and Social Security Code published in February 25, 1986. According to the regulations in the two laws, employers shall pay for social insurance to CNSS for their native and foreign employees who have continuously worked in the Republic of Congo for three months or more in terms of their wage on the basis of the following standards: Endowment insurance as well as insurance for accidental disability and death shall account for 8% of the wage with a cap of 1.2 million CFA francs per month. Employment injury insurance accounts for 2.25% of the wage with a cap of 0.6 million CFA francs per month. All employers shall pay for social insurance in proportion of 4% with their wage with a cap of 1.2 million CFA francs per month. In addition, foreign investors are able to require the government of the Republic of Congo in Investment

Agreement to extend the above-mentioned period of three months to six months, that is, to exempt the obligation of paying taxes and social insurance to local governments for foreign employees working in the country for only a short term.

The security of labor contract.

Labor Code specifies three main types of contract, namely, fixed-term labor contract, open-term labor contract and probationary labor contract. The statutory minimum wage in the Republic of Congo is 54 thousand CFA francs. The related laws also stipulate the major conditions for employing foreign labor forces in the country and the functions of State Office for Employment and Management of Labor Force. According to the specification in related laws, a foreign employee can obtain a work permit on condition that the enterprise has made necessary efforts to make local employees, who are equipped with the same qualification with that of their foreign counterpart, to be hired in a certain post. In addition, the 29th clause of Labor Code stipulates that if the performance term of a labor contract is over a consecutive period of three months within the territory of the Republic of Congo, the labor contract shall be subject to labor laws of the Republic of Congo. Hence, all the Chinese expatriates who work in the Republic of Congo for a long term (over three months) shall abide by labor law of the Republic of Congo and pay for the related taxes and social insurance specified in labor laws of the Republic of Congo whether their contracts are subject to China's law. A labor contract shall be signed by both the employer and the employee, and it shall be formulated according to the format and template provided by State Office for Employment and Management of Labor Force. The wage of employees shall be agreed by the two sides and specified in the labor contract or it shall refer to the collective agreement for related industry. Employers shall consider providing employees coming from other countries with compensation of absence from home (assignment allowance). The property of labor contract (fixed-term or open term) shall be stated. The work permit of a foreign labor is valid within two years from the date when he or she was employed. However, the employment certificate issued for a foreign labor is valid within only one year from the date when he or she was employed, and the employee can apply for the renewal of employment certificate with a handling charge of 10,000 CFA francs.

The security for minimum income.

The department in charge of labor affairs shall formulate regulations so as to standardize the minimum wage in the industry after consulting with National Labor Advisory Committee. Besides, the department shall set the minimum wage for all walks of life and the wage for overtime work, night shift and holiday overtimes, and set standards for seniority pay and award of diligence if necessary. Moreover, it shall set the maximum limit for housing subsidy and guarantee the sanitary conditions for female youths and women living outside their homes.

The security provided by the Chinese government for employees in foreign aid institution.

According to Administrative Measures for Life and Incomes of Chinese Expatriates of Foreign Aid published by Ministry of Finance, the government will provide technical service allowance of 2000 CNY for each expatriates from state-owned enterprises and public institutions per month. The medical costs of expatriates are included in public medical expense in accordance with related regulations. All the expense of drugs, prevention and medical treatment provided to Chinese expatriates who are infected with malaria, dengue fever, cholera, typhoid fever and leprosy and injured on duty will be afforded by the Chinese government through application for reimbursement. Meanwhile, according to the related regulations, the expatriates, during the assignment abroad, also can participate in national social insurance which is paid by the employee and the original unit in respective proportion so that expatriates' rights and interests can be guaranteed, including endowment insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance.

In general, the welfare and security provided by the two governments has been improving gradually. However, some problems still exist in the course. Most investigators hold that the Chinese expatriates working in the Republic of Congo have a weaker willingness of paying for social insurance. On the

one hand, there is little possibility that these Chinese expatriates will settle down in the Republic of Congo after their retirement. On the other hand, since China has not signed a mutual recognition agreement with the Republic of Congo yet, the failure in transfer of paid social insurance of the latter country to their domestic accounts will cause the loss of personal property, and it also increase unnecessary cost for the enterprises concerned.

As the second subject of social responsibility following the government, enterprises shoulder heavy responsibility of improving staff welfare, especially in health service and security for labors.

In the field of health service, National Commission of Health, Security and Occupational Risks Prevention is established under the Department of Labor according to related laws of the Republic of Congo in order to research the issues concerning the employees such as health, security and prevention of occupational risks. In terms of Law of Social Security, all the enterprises and other units have to provide health or medical service for their employees and the family members recognized by the institutions in charge of social insurance. For enterprises that are not equipped with medical facility, they can be united with other ones to set up a medical service institution for involved companies.

In respect of security for labor, a probationary contract can be signed by the employer and the employee to specify the things that need to be paid attention by both sides. On the one hand, the qualification and ability shall be stated. On the other hand, the contract shall elaborate wage, work and living conditions, sanitary and security conditions, and work atmosphere. If an employee was laid off due to the misconduct by the employer, he or she should obtain corresponding rights and interests according to customs, length of service, age and other conditions.

The establishment of organization for employees' interests. In the Republic of Congo, if the number of employees of an enterprise or an institution reached seven or more, representatives should be elected to be act on behalf of the staff. Generally, the representatives of staff need to be nominated by the labor union of company. If such an organization had not been established yet, the staff members have to, by themselves, make a list of employees who enjoy the right to vote and the right to be elected. The obligations of representatives include as follows. They stand for the interests of the staff in all personal or collective appeals that are related to their work condition and protection of labors and do not directly satisfy the subject concerned, supervise the implementation of collective agreement as well as the application of professional level and wage scale, supervise the observation of rules relating to employees' sanitation, health, social insurance, propose necessary suggestions and measures, and they need to provide the employer with advises that may help to improve the institution of company and enhance its benefits. Representatives are allowed to perform their obligations with 20 hours per month which should be included in their paid work time.

Holiday entitlement. An employee who has worked for the enterprise for a full year enjoys 26 days of paid leave. Besides, the employer has to afford the travelling expense and baggage fee for the employee, as well as his or her legitimate spouse and children under age who have been living with their parents, when he or she performs the labor contract.

Other material welfare. Labor law of the Republic of Congo stipulates that the staff members of all nationalities, genders, ages and status in a enterprise, enjoy the same wage if there is no disparity among them in working and professional qualifications. In spite of the above-mentioned specification, foreign employees are entitled to acquire certain material welfare and specific subsidies in practice, including allowance for overseas assignments, travel and moving. And the welfare, especially in health care and foods, provided by enterprises appears to be of vital importance. In the process of survey, we find that a construction company, in order to cater its staff during its building of a stadium, reclaims a patch of land to plant vegetables and breeds hogs independently so that the shortage of market supply was addressed and the living quality of staff was guaranteed.

The regulations in China. As for salary, the original unit should still pay salary to its expatriates and take their salary increase, promotion and appraisal of higher professional title as the priority into account with their all things being equal with others. The company affords all the due welfare items

for its expatriates including social insurance when they are in the receiving country. As for vacation system, the period of all-day rest due to illness or work-related injury shall not surpass 60 consecutive days. Those who need to recuperate with over 60 consecutive days of leave should be sent back to China. During the period of leave, foreign duty pay and tough area work allowance should be paid to them as usual.

Through the survey, we find that the related problems existing in enterprises lie in the relative imperfection of supplementary welfare such as enterprise annuity and supplementary medical insurance. Currently, fewer domestic companies establish enterprise annuity system and seldom set up system of supplementary medical insurance. Moreover, even if the supplementary medical system was completely established, it is even more difficult for these expatriates to accept health examination since the service can only be enjoyed in Mainland China owing to the restriction on expenditure.

5. Suggestions on Policies of Satisfying Employees' Demand for Welfare under the System of Welfare Pluralism

At the government level, as far as the connection of social security systems between two countries is concerned, China has only agreed with a few countries such as Germany and South Korea to transfer social insurance of employees with them in a mutual way. In the future, an increasing number of Chinese employees will be dispatched to other countries. However, most countries requires foreign expatriates to pay for social insurance in local, which means that these expatriates have to pay two pieces of bill of social insurance at the same time if the insurance they have paid in receiving countries cannot be transferred into the domestic system. It will not only damage the interests of expatriates but also make the sending country suffer the loss. Therefore, it is a requirement to continuously improve China's mechanism of mutual recognition on social insurance with other countries.

As for enterprises, they need to optimize the system of staff welfare, including supplementary medical and endowment insurance, and provide their expatriated employees with more improved training and security systems. Great importance should be attached to developing talent team and the competitiveness of salary in the industry in local should be kept in order to attract local employees with excellent work ability. It is crucial to establish effective systems for recruitment, rewards and penalties, promotion and knocking-out which should be performed strictly. It is also necessary to set up long-term mechanism to stimulate the initiative of expatriates and cultivate talent teams among them. Furthermore, a mechanism of mutual assistance and learning between China's staff members and that of the Republic of Congo should be set up so that they can teach their own languages and professional knowledge to each other.

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