

# *The Protection of Labor Rights of Chinese Multinational Corporations under the Belt and Road Initiative*

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**Abstract:** With the deepening of the "Belt and Road" Initiative, the number of Chinese overseas workers is increasing, and the protection of labor rights and interests is becoming more and more prominent. This article analyzes the problems in the protection of labor rights and interests of Chinese multinational corporations and their causes, and finds that these problems are mainly concentrated in the aspects of identity legitimacy, law application, discrimination in employment access and neglect of the right to human dignity. The incompleteness of the host country's legal and social security system, the inadequacy of diplomatic and consular protection in the home country, the lack of social responsibility of transnational corporations, and the weak awareness of workers' rights are all important reasons for the violation of workers' rights and interests. In order to solve these problems, the paper proposes optimization paths at the national level, the level of transnational companies and the level of workers themselves, including building regional agreements, strengthening legal aid, implementing legal training and raising awareness of self-protection. Through multi-faceted efforts, we can better protect the legitimate rights and interests of overseas workers of Chinese multinational companies, promote the smooth implementation of the Belt and Road Initiative, and achieve the goal of win-win cooperation.

**Keywords:** The Belt and Road Initiative, overseas workers, labor rights protection, multinational companies.

## **1. Introduction**

Economic globalization has led to the continuous transfer of technology and industry, expanding the business scope of multinational corporations. Consequently, protecting international labor rights has become a key focus for the global community. With the deepening of investment and trade cooperation between China and countries along the "Belt and Road", the number of Chinese overseas workers continues to grow. However, this trend has also increased the risk of infringement on these workers' rights, making it a critical issue to address within the "Belt and Road" initiative.

The protection of overseas workers' rights involves many subjects, including host country, home country, multinational corporation and individual workers. Each has distinct responsibilities and obligations. As the destination of labor, the legal system and social environment of the host country are crucial to the protection of labor rights and interests. The home country needs to play an active role in diplomatic and consular protection. As the direct employers of workers, multinational companies should assume corporate social responsibility to ensure that the legitimate rights and

interests of workers are protected. Individual workers need to have certain legal knowledge and self-protection awareness, so that they can effectively protect their rights when their rights are infringed.

Despite significant efforts by China to protect the rights and interests of overseas workers, many challenges remain. China's theoretical research on protecting these rights focuses on diplomatic protection and the signing of bilateral and multilateral agreements. However, there is a tendency to prioritize diplomatic means over legal measures [1]. Overseas workers often accept low wages and welfare benefits, and widespread discrimination in host countries, especially against those with less education or training, exacerbates their vulnerability. Current laws need to address these issues comprehensively [2]. Sun and Shi, as well as Li and Hua, highlighted that the increasing number of overseas workers leads to rising labor rights infringement issues, particularly concerning identity legitimacy, legal application, and workers' rights awareness [3,4]. Zhang noted that the host country's imperfect legal system and political instability contribute significantly to rights infringements. Additionally, Zhang pointed out the lack of rights and responsibilities consciousness among laborers, state supervision deficiencies, and insufficient consular and legislative protection as major challenges [5]. Gu and Li also emphasized these problems, pointing out that the increasing number of cases and the lack of awareness of rights of labor subjects indicate that domestic and international laws need to be improved in the protection of labor rights and interests [6]. Zhang stressed the importance of bilateral and multilateral agreements, noting that while international labor legislation like ILO treaties stipulate state obligations, they often lack enforcement mechanisms. Conversely, labor provisions in trade or investment agreements promote compliance through economic incentives or sanctions but also have drawbacks, such as the lack of legally binding adjudication mechanisms in some agreements [7]. Xie pointed out that in the context of the "Belt and Road Initiative", the social security risks faced by overseas workers will cause harm to labor subjects, multinational enterprises and governments [8].

Therefore, this article will start from the problems existing in the host country, home country, multinational companies and workers, analyze the reasons for the infringement of labor rights and interests of Chinese multinational companies under the background of the "Belt and Road", and put forward corresponding solutions. The structure of this article is as follows: After the introduction, Chapter Two discusses the current situation of overseas workers' rights protection in China, focusing on labor export challenges, legislative progress, and international soft law participation. Chapter Three elaborates on the problems and causes of labor rights protection, exploring identity legitimacy, legal application issues, employment discrimination, and human dignity rights. Chapter Four proposes optimization paths for protecting overseas workers' rights, offering specific suggestions at the national, corporate, and individual levels. Chapter Five concludes with a summary of findings.

## **2. Current Situation of Protection of Rights and Interests of Overseas Workers in China**

### **2.1. Challenges to the Protection of the Rights and Interests of Overseas Workers Brought About by the Export of Overseas Labor Services**

Under the background of the "Belt and Road" initiative proposed in 2013, China's export of overseas labor has been increasing, and at the same time, the problem of overseas labor disputes and the infringement of the legitimate rights and interests of overseas workers has been intensified. The security of life and property of Chinese overseas workers will face increasingly severe challenges, and labor disputes will increase accordingly. In 2017, China sent 189,600 workers of various types to countries along the Belt and Road, a slight decrease from the previous year. By the end of 2017, there were 324,400 Chinese labor workers in countries along the routes, basically the same as the previous year, mainly distributed in Saudi Arabia, Qatar, Oman, Laos, Indonesia, Russia, Singapore and other

countries [3]. Some of these regions have relatively slow development and lagging legal construction. Additionally, political instability, social security issues, and periods of social transition with sharp class contradictions in some regions pose significant challenges to the protection of Chinese overseas workers [4]. For example, in some countries, workers are often exploited, wages are delayed, and working conditions are poor. These problems not only damage the legitimate rights and interests of workers, but also affect the reputation and image of Chinese-funded enterprises.

## **2.2. China's Domestic Legislation on the Harmonization of the Rights and Interests of Overseas Workers Has Initially Taken Shape**

In order to meet the challenge of protecting the rights and interests of overseas workers, China has made initial efforts in domestic legislation. In 2012, The State Council issued the Regulations on the Administration of Foreign Labor Cooperation, which can be regarded as the standard text of China's foreign labor cooperation and the main legal basis for the current administration of China's foreign labor cooperation. Laws and regulations such as Foreign Trade Law, Regulations on the Administration of Overseas Employment Agencies, and Measures on the Administration of Business Qualifications of Foreign Labor Cooperation also involve the protection of the relevant rights and interests of overseas workers [4]. In particular, the Regulations on the Administration of Foreign Labor Cooperation have made clear provisions on the qualifications of foreign labor cooperation enterprises, the training of labor personnel, the signing of contracts, the handling of labor disputes and other aspects, providing a legal basis and operational guidelines for the protection of labor rights and interests. Relevant legislation shows that China's domestic legislation on the coordination of overseas workers' rights and interests has taken shape.

## **2.3. China Actively Participates in International Soft Law on the Protection of Overseas Workers**

At the international level, China has actively participated in the formulation and implementation of international soft law on the protection of overseas workers. International soft law is usually related to the protection of labor rights and interests or labor cooperation. These texts have been recognized by countries and have certain binding force, reflecting the unanimous recognition of the protection of overseas labor rights and interests between countries. At present, China has made great progress in signing bilateral treaties to protect the rights and interests of overseas workers with some countries along the "Belt and Road" [4]. These treaties and international soft laws have not only strengthened labor protection cooperation between China and these countries but also provided better legal protection for Chinese overseas workers. For example, bilateral labor protection agreements can clarify working conditions, wages, social security, and other standards, thereby regulating labor behavior and reducing the risk of rights infringements. Additionally, the implementation of international soft law has promoted coordination and cooperation among countries in labor rights protection, forming an international mechanism to jointly address labor issues.

To sum up, China has made positive efforts in addressing the challenges of protecting the rights and interests of overseas workers, building a domestic legislation system and participating in international soft law cooperation. However, with the promotion of the "Belt and Road" Initiative and the continuous growth of overseas labor export, China still has some problems in the protection of overseas labor rights and interests.

### **3. Problems Existing in the Protection of Labor Rights and Interests of Chinese Multinational Corporations and Causes**

#### **3.1. Problems in the Protection of the Rights and Interests of Chinese Overseas Workers**

The first is the question of identity legitimacy. Aside from a few countries that require a large number of foreign workers, most countries along the "Belt and Road" have strict visa quotas for foreign workers, with some labor markets completely closed to overseas workers. Additionally, countries with lower labor quality may adopt local labor protection policies and strictly control the import of foreign workers. Obtaining a local work visa is fundamental for foreign workers' employment and legal protection in the host country [3]. However, some overseas workers are unable to secure legal status abroad, jeopardizing their rights and interests.

Another significant challenge is the application of the law. Resolving labor disputes through judicial means in foreign countries is often time-consuming and costly. For Chinese migrant workers who have signed labor contracts with the employer or intermediary, the foreign ministry suggests that labor disputes arising in the course of legal work should be resolved through consultation with the employer as far as possible. If the negotiation fails, they can contact the Commercial Reference Office of the Embassy for mediation; and if the mediation fails, workers can bring a lawsuit to the local labor authority for arbitration or court hearing after returning home country. Discussing jurisdiction and applicable law is necessary if overseas workers file labor lawsuits in China [4]. Reaching a consensus among countries along the route is urgent to save costs and improve the efficiency of labor dispute resolution.

Discrimination in employment access is another pressing issue. In recent years, with global economic growth slowing, many countries face rising unemployment. Governments often adopt dual domestic and foreign employment policies to protect local workers' interests [1]. Foreign workers often need to meet higher industry entry requirements than local workers. For example, developed host countries may set high qualification standards or fail to recognize educational and vocational qualifications from many developing countries, denying a large number of overseas workers access to the labor market.

Compared with the above explicit violation of rights, the violation of the right to personal dignity is more hidden and difficult to be detected. Foreign workers, often isolated due to language and cultural differences, lack the support of relatives and friends and live in relatively isolated environments. They are more likely to be abused, isolated, insulted and even beaten by their employers. Even if a complaint is filed with a local government department, it may not be solved due to the unfamiliarity with local laws, language barriers, high cost of rights protection, and inadequate protection by the local government, etc. Worse, workers might face retaliation from employers, such as termination or increased bullying [1].

#### **3.2. Causes of Problems in the Protection of Rights and Interests of Chinese Overseas Workers**

##### **3.2.1. Host Country Factors**

The host country is the primary factor that causes the dilemma of protecting the rights and interests of Chinese overseas workers. Governments of labor-importing countries avoid the pressure of protecting the interests of their citizens, meeting enterprise production needs, and fulfilling local government economic demands, leading them to overlook infringements on foreign workers' rights. These governments tend to treat foreign and domestic workers with double standards in law enforcement. To protect their domestic job markets and the interests of local workers, host countries impose numerous restrictions on foreign workers' employment, resulting in widespread

discrimination in industry access. Labor market testing and economic needs testing, initially intangible market barriers in international service trade, have now become significant obstacles for foreign workers entering the host country labor market.

In addition, many overseas workers achieve overseas employment through labor dispatch, and workers sign labor contracts with domestic dispatch companies to establish labor relations. This leads host employers to believe that they are not the direct employers of the workers and are therefore not obliged to pay various types of insurance for the workers, thus avoiding their responsibilities as real employers. Some labor-importing countries do not integrate foreign workers into their social security systems, and host governments lack incentives to enact mandatory welfare and protection laws for foreign workers. Consequently, foreign workers often experience unilateral wage reductions, salary cuts, prolonged refusal of wage increases, or disguised reductions in remuneration through position reclassifications and job content changes [9].

### **3.2.2. Home Country Factors**

Factors related to home country also have an important impact on the protection of overseas workers' rights and interests. First of all, the lack of diplomatic protection makes it difficult to effectively protect the rights and interests of overseas workers. In addition to the lack of special legislative guarantee for diplomatic protection, the supporting system related to diplomatic protection is still not clear, such as the specific protection measures for the legitimate rights and interests of overseas workers. Diplomatic protection in international law is merely a procedure initiated by the government, with unclear criteria and initiation procedures [6].

Moreover, consular protection also faces many challenges in practice [10]. China has not specifically enacted a bill to protect the rights and interests of overseas workers, and the current Regulations on the Administration of Foreign Labor Cooperation and the Regulations on the Administration of Foreign Contracted Projects cannot fully address these rights nor handle the rapidly increasing disputes. There are also deficiencies in the release of safety early warning information and labor education and training, resulting in the lack of response ability and relief means for overseas workers to deal with rights infringement and labor disputes [6].

### **3.2.3. Transnational Corporations Factors**

Multinational companies also have many problems in protecting labor rights. The first is the deprivation of the right to rest and security. Although the labor laws of the host countries have clear provisions on working hours, in practice, employers often extend working hours on the grounds of voluntary labor and violate the workers' right to rest. A survey by the International Labor Organization reported that migrant workers worked longer hours on average than those employed locally in host countries. Deprivation of the right to rest not only damages the health of workers, but also leads to "death from overwork" and other serious consequences.

Furthermore, the lack of training rights was a serious problem. Many overseas workers struggle to adapt to the working environment in the host country or work inefficiently due to outdated skills. Employers, viewing training as difficult, time-consuming, and costly, often choose to lay off workers instead of providing on-the-job training. Foreign workers must return to China within a set period, making long-term residence and work in the host country unlikely. Consequently, employers perceive training costs as high and benefits as low [9].

### **3.2.4. Individual Workers Factors**

The lack of individual worker's consciousness of right and responsibility is also an important reason for the lack of protection of rights and interests. Most of the overseas workers generally come from



rural areas, remote poor areas, or are general technical personnel with limited education and competitive skills, restricting them to manual labor. These workers often have a weak sense of self-assistance and are not sensitive to rights violations unless personal and property safety are seriously threatened. As a result, they tolerate employers' unreasonable demands, further consolidating employers' dominant positions and perpetuating the infringement of workers' rights [5].

Another reason is the language and legal knowledge barrier. It is difficult for Chinese overseas workers to master the local language in a short period of time, and they are not familiar with relevant laws and regulations. In addition, there are differences in culture and habits among different countries, so overseas workers cannot master the ways and means of rights protection, and they easily lose the right to speak and initiative when negotiating with employers who are obviously in a dominant position [11].

To sum up, the causes of the protection of the rights and interests of overseas workers in China are complex and diverse. It is necessary to carry out systematic reform and improvement from the host country, home country, multinational companies and individual workers, so as to comprehensively protect the legitimate rights and interests of overseas workers.

#### **4. Optimization Path for the Protection of Overseas Labor Rights and Interests of Chinese Multinational Corporations**

##### **4.1. National Level**

First, at the national level, host and home countries should construct regional agreements. In terms of the protection of the rights and interests of overseas workers, there are few separate labor cooperation treaties, and most of them attach "labor cooperation" as a clause in the content of trade and investment treaties. Bilateral investment treaties concluded between China and many countries contain provisions on labor cooperation, such as the Cyprus BIT (2001) and China-Netherlands BIT (2001), which stipulate the national treatment of Chinese overseas workers, and play a positive role in protecting the rights and interests of Chinese overseas workers [12]. Most foreign labor protection treaties are in the form of labor cooperation or immigration management, such as the North American Labor Cooperation Agreement and the Green Paper of the European Union on the Management of Economic Migration, which are typical multilateral labor cooperation agreements.

In the construction of the "Belt and Road" labor cooperation framework agreement, China should fully absorb the experience from advanced multilateral agreements or regional frameworks worldwide. By exploiting their strengths and avoiding weaknesses, China can mitigate the negative impacts of regional agreements and balance regional and extraregional interests. This approach aims to create more job opportunities and better protection for workers' rights within the region while providing reasonable platform resources for labor markets outside the region, adhering to the "Belt and Road" Initiative's principles of openness and win-win cooperation [1]. For example, China can learn from the successful experience of the North American labor cooperation Agreement and make clear the rights and obligations of all parties by formulating detailed labor rights protection clauses, ensuring that the legitimate rights and interests of workers in the host country are effectively protected. At the same time, a regional labor dispute settlement mechanism should be established to improve the efficiency and fairness of labor rights protection.

Secondly, home countries should provide legal assistance to overseas workers in a timely manner. In reality, some contracts signed by overseas employers and workers do not conform to the laws and regulations of the host country. Once foreign-related labor conflicts occur, even the legitimate and reasonable demands of workers are likely to get no legal support. Therefore, China should prioritize building legal aid platforms for overseas workers' rights protection. The official website of overseas labor information service should be established to provide the overall planning of legal information

involved in labor disputes and give corresponding risk tips, so as to develop the single ex post relief into the principle of both ex post prevention and ex post relief [4]. In addition, the Chinese government can set up a special legal aid fund to help overseas workers seek legal help when their rights and interests are violated. Regular legal lectures and training courses are held to improve overseas workers' legal awareness and ability to protect their rights, so that they can cope more calmly when faced with rights violations.

#### **4.2. Transnational Corporation Level**

Multinational corporations also play an important role in the protection of labor rights. First of all, employment units and intermediary agencies should do a good job of domestic training and necessary explanations before expatriates go abroad. This training should cover the national conditions of the host country, including local climate, laws and regulations, religious customs, and important points for attention. It is also necessary to specify the working environment, salary and contract terms, so that the workers are mentally and materially prepared before going abroad.

Secondly, special attention should be paid to the risk points that are easy to produce labor disputes, such as the requirements of the labor side on the work schedule and labor intensity, the payment methods of wages and salaries, local living conditions and safety precautions. Through detailed instructions and training, the risk of labor disputes arising from workers not adapting to the local working environment is reduced [3]. For example, multinational companies can develop detailed training programs to help expatriate workers understand and adapt to the working environment and legal regulations of the host country. Through simulation drills and practical training, improve the practical operation ability and adaptability of workers. Moreover, multinational companies should regularly track and evaluate expatriate workers' work and living conditions, promptly addressing any emerging issues to ensure their safety and rights.

In addition, multinational companies should actively fulfill their social responsibilities to ensure that the legitimate rights and interests of expatriate workers are fully protected. For example, multinational companies can establish partnerships with local labor organizations and trade unions to promote the protection of labor rights. Through the signing of collective contracts and labor agreements, the working conditions, wages and social security of workers are clarified to ensure that the legitimate rights and interests of workers are not infringed. Furthermore, multinational companies can appoint labor rights protection commissioners to handle workers' complaints and disputes, promptly resolving issues to ensure workers' rights are effectively protected.

#### **4.3. Overseas Workers Themselves**

From the perspective of workers, the most important thing to safeguard their own labor rights and interests is to strengthen self-protection. When seeking overseas employment opportunities, workers should look for regular enterprises or qualified labor intermediaries to work abroad through legal channels. They should avoid trusting verbal promises from domestic acquaintances, fellow townspeople, or illegal intermediaries, and should not follow them to work overseas without signed written labor contracts.

Secondly, workers must sign a written labor contract or service agreement with the enterprise, and check the legal documents related to working abroad, such as overseas project contracts, labor cooperation contracts with foreign employers, etc. In the absence of a written contract, after the arrival of overseas workers in the host country, there is a big gap between the actual salary and treatment and the promise, the employer defaults on wages, and the detention of workers' passports, etc., and the rights and interests are difficult to be effectively protected.

Third, workers should properly understand the host country's laws and regulations on foreign labor before signing a contract. Although workers' willingness to work abroad has increased, and they are more aware of finding formal channels for legal overseas employment, regulations vary greatly among "Belt and Road" countries. Many workers who have signed written contracts may still not fully understand their rights and obligations or the restrictive clauses added by labor cooperative agencies [3]. Therefore, workers should actively participate in various legal knowledge training courses and lectures to improve their legal awareness and ability to protect their rights. When encountering problems in their work, they should seek help from the Chinese embassy or consulate in the host country in a timely manner and safeguard their rights and interests through legal channels.

## 5. Conclusion

With the deepening of the "Belt and Road" Initiative, the number of Chinese overseas workers is increasing, and the protection of labor rights and interests is becoming more and more prominent. Through the analysis of the problems in the protection of labor rights and interests in Chinese multinational corporations and their causes, it can be seen that these problems mainly focus on the aspects of identity legitimacy, law application, discrimination in employment access and neglect of the right to human dignity. Specifically, the imperfect legal and social security system of the host country, the insufficient diplomatic and consular protection of the home country, the lack of social responsibility of transnational corporations, and the weak awareness of workers' rights are all important reasons for the violation of workers' rights and interests.

To solve these problems effectively, comprehensive measures must be taken at the national level, the level of transnational corporations and the level of workers themselves. At the national level, host countries and home countries should build regional agreements, learn from international advanced experience, balance interests inside and outside the region, and jointly protect labor rights and interests. Home countries should also strengthen the construction of legal aid platforms, provide timely legal support and risk tips, and protect the legitimate rights and interests of overseas workers in both pre-prevention and post-relief. At the level of multinational companies, employers and intermediaries should strengthen the training and guidance of expatriates, clarify the working environment and contract terms, and reduce the risk of labor disputes caused by maladaptation. Transnational corporations should also actively fulfill their social responsibilities and cooperate with local labor organizations to ensure that workers' working conditions, wages and social security are not infringed. From the perspective of workers themselves, strengthening self-protection consciousness is the key to safeguard labor rights and interests. When looking for overseas employment opportunities, workers should choose regular enterprises and legal intermediaries, and ensure their legitimate rights and interests by signing written contracts. At the same time, they should understand the laws and regulations of the host country, improve their legal awareness and ability to defend their rights, and seek the help of Chinese embassies and consulates in time when they encounter problems.

Through the above multi-faceted efforts, the legitimate rights and interests of overseas workers of Chinese multinational companies can be better protected and the smooth implementation of the Belt and Road Initiative can be promoted. Only with the joint efforts of the government, enterprises and workers can they effectively respond to the challenges of protecting the rights and interests of overseas workers in the context of globalization, promote the healthy development of international labor cooperation, and achieve the goal of win-win cooperation. In doing so, China can achieve higher-quality development in the globalization and further implement and develop the Belt and Road Initiative.



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