

**Ministry of Education and Science of the Republic of Kazakhstan**

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**MASTER'S THESIS (PROJECT)**

**« A comparison of the labor code in Kazakhstan and China»**

**specialty 7M04125 - «Human resource management»**

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**Nur-Sultan, 2020**

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**A COMPARISON OF THE LABOR CODE IN KAZAKHSTAN AND CHINA**

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**Nur-Sultan, 2020**

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***Abstract of «A comparison of the labor code in Kazakhstan and China», by Kayerkulova Indira, HSE KAZGUU University, May 2020.***

The labor legislation of the People's Republic of China is directed on productivity and the result, while the legislation of Kazakhstan covers the safety of labor. Numerous researches point out the comparability between these two codes, however, this dissertation examines are there any differences in the labor code of Kazakhstan and China? How these differences affect employees from both regions? Do labor protests contribute to the changes in labor legislations of both states and especially in China?

The research form included several methods. Potential bias and inaccuracy in one method were challenged by another. Qualitative comparative analysis to get general information about the topic was the first condition of the research. Quantitative data collection method included a questionnaire. The scope of this dissertation covers the evaluation of the two codes. Thus, it was concluded that Chinese legislation has no provisions of working conditions in the code. That is the reason for the lowest rate of labor safety in People's Republic of China. In addition, the code of China consists of 107 articles, while the Kazakhstan version broadens to 204 articles. One of the similarities is the working time, which is 8 hours per day in both countries. However, in China working week is 44 hours and in Kazakhstan it amounts to 40. The given work outlined that various economic, social, political and legal factors affect the structure of labor codes and the perception of the workers by the governments. It was found out that Chinese employees prefer Kazakhstani companies because of unite and broad labor legislation.

Key phrases and words: labor code, Kazakhstan, China, working conditions, evaluation of labor codes.

## **Introduction.**

The labor codes of both countries did not appear out of anything. It is a result of modifications and developments of several years. Every time a new aspect that needed to be covered appeared, so legislators had to evaluate all the points and provide equal treatment for both employees and employers. Nowadays, both human resource management and laws directed towards the welfare of workers and their motivation. The labor codes of China and Kazakhstan differ from each other. The first one prescribes strict rules about working conditions, while the second offers broad descriptions of labor rules. Chinese labor legislation includes the labor code itself and the contract law, Kazakhstani labor legislation includes labor code and Law of the Republic of Kazakhstan on employment. The need for the additional laws appeared due to the lack of provisions in initial labor codes. For instance, the labor code of China covers only termination of the contracts. Thus, there is no information about formation, enforcement, performance or other issues connected with the labor contracts (Cooney et al., 2017). The labor code of China was adopted in 1995, while the labor code of Kazakhstan entered into force in 2007. According to the labor code of China, there are 107 articles, while the labor code of Kazakhstan prescribes 204 articles. Today, in the question of labor relations, dispute resolution, compulsory social insurance, state control and trade union control should be taken into account (Khamzin et al., 2016). All three mechanisms shall be directed towards the protection of employees' rights and compliance with the labor law. Unfortunately, the system of ensuring these mechanisms to work is weak in both countries and needs further consideration.

One of the most important problems of the Chinese labor code is an underpayment of wages (Scherrer, 2011). Numerous disputes arise due to this fact. To improve the situation, the Minimum Wage Law was adopted by China in 2004. It is expected that low salaries and weak financial state will be improved by such an introduction. But the crucial point is that many employers may use this law to minimize the payments to workers. It is important to point out that the main area of labor in China is manufacture. This fact can benefit the population, as there are places to work for every specialty, even if salaries are low. However, according to the World Bank, the population of China is approximately

1.286 billion people, thus, additional labor problems, such as unemployment can evolve due to the dense population.

On its turn, the unemployment rate in the Republic of Kazakhstan is 4,8% (Khasenov, 2016). Being a social state, Kazakhstan shall develop further the terms of social help for the unemployed population. According to Khamzin et al. (2016), unemployment issues in the labor code of Kazakhstan have declarative nature, rather than binding. In addition, there is another problem arising, which is unofficial employment. In order to avoid bureaucracy issues, more and more people work without registration. In addition, the labor code of the Republic of Kazakhstan does not pay much attention to the protection of the rights of employees that work unofficially.

Not to mention the role of trade unions in both countries. Unfortunately, both countries have limited abilities of trade unions (Scherrer, 2011). In both countries, the existence of trade unions is not banned, however, their role in the protection of employees' rights is limited. This is a huge problem because labor law dedicates various articles to the trade unions, which are not effective and, in some cases, useless. In addition, Chinese trade unions are not autonomous, which means that they are functioning on the base of the government. The same happens with dispute resolution, where trade unions mediate the cases (Qi, Huang, 2016). Overall, both codes have similar problems in the development and contexts of the labor laws, but each of them tries to protect the rights of workers by an improvement of legislation.

According to recent studies by the World Bank Organization, the labor market efficiency index of Kazakhstan is 4.57, while the labor market efficiency of China is 4.55. This means that the situation in these two countries can be similar, but not to forget the difference in population number. Labor market efficiency index includes evaluation of working conditions, available positions, labor codes and other aspects connected with human resource management.

This study is needed to fill in the gap in the scientific knowledge about employees that work in these two countries. Furthermore, their attitude towards labor legislation of the two countries will be evaluated. The importance of labor codes in human resource management is the reason for filling the



gap. With the help of this work, it will be possible to evaluate the working conditions in these two countries and give an exact answer to the questions: “Are there any differences in the labor code of China and Kazakhstan?”, “How these differences affect employees from both regions?” and “Do labor protests contribute to the changes in labor legislations of both states and especially in China?” The key point is that the Chinese labor code contains strict rules and policies in its provisions. Thus, the hypothesis for this dissertation is: “The working conditions in the Republic of Kazakhstan for the Chinese companies’ workers are more loyal than in People’s Republic of China”.

With the slowing down of the economy, the number of labor protests in China has increased (Hernández, 2019). Taxi drivers, factory workers, teachers complain about non-payment of wages, unfair treatment and excess working hours. The number of labor disputes in China increases exponentially, what is more, the number of activists increases with time. There are also labor protests in Kazakhstan concerning oil and gas sectors (Satpayev and Umbetaliyeva, 2015). The complains are similar to those, promoted by Chinese activists. In general, employees do not demand for the increased salaries or new working conditions. Their main requirement is payment of their salary, which they deserved. For this reason, this work will analyse the reactions of both governments to the labor protests and will evaluate the main peculiarities of working conditions in both countries.

The structure of the work includes several parts such as peculiarities of Chinese and Kazakhstani labor legislation, the weak and strong sides of labor codes of both countries, and evaluation of labor protests and their impact on legislation in these two countries. A background research will be based on the official documents such as labor codes of Republic of Kazakhstan and People’s Republic of China, the decrees and other regulative acts of the presidents of the RoK and PRC. A quantitative analysis will be used in order to satisfy the objectives of this work. The questionnaire will be conducted at the territory of Kazakhstan. The workers from various organizations, especially from Kazakhstani and Chinese companies will be surveyed. The questionnaire will help to investigate the public opinion of the labor codes of two countries. Thus, employees’ opinion is a helpful tool in understanding and resolving the problem.

## **Literature review**

Minbaeva et al. (2007) evaluated the correlation between human resource management and laws on employment. Thus, the labor codes impact all areas of HR by covering such issues as employment, promotion, compensation or other benefits. What is more, HRM and labor codes cannot work efferently and be enforced properly without each other (Elliott and Freeman, 2003). To clarify, employment laws prescribe exact rules that must be followed by employers and employees, human resource management on its turn, carries out its activity based on labor laws. Thus, without human resource management, compliance with labor codes would be debatable. The existence of human resource management without employment laws is controversial too. Namely, without labor codes numerous companies would have their statutes with different types of HR, consequently, the possibility of inequality will increase (Warner, 1996). Likewise, in some companies, the employment conditions will cover all the needs of the employees, and in other organizations workers may have low salaries, poor working conditions or can face other types of abuses.

Even though labor codes prescribe exact conditions and rules, some organizations fail to administer social approaches stipulated by the labor code of Kazakhstan or China (Uteubayev, 2015). It is connected with various issues such as the organizational budget or personnel management. To illustrate, organizations from the manufacturing sphere in China prioritize the results, time and the volumes of production (Gao, 2012). By proving job places for millions of people, sometimes it is hard to regulate proper working conditions or other benefits. For regular workers, labor motivation usually is stimulated by financial incentives. Thus, basic salary, additional payments, and social aid are the main factors that matter for employees (Uteubayev, 2015). Consequently, despite the fact that labor codes prescribe exact conditions for the employees, some employers still have problems with human resource management. It is possible to conclude that labor codes closely correlate with human resource management, however, there are still some gaps in both fields that need to be corrected. In fact, the correlation between human resource management and labor codes is rather complicated, than clear.

Not to mention the impact of International Labor organization on the development of human resource management and legislation. Likewise, European Commission contributed to the development of labor codes (Khasenov, 2016). International Labour Office (2012) evaluated the main directives that should be used in conducting labor codes. Thus, with the globalization, various guaranteed benefits such as allowed working hours, pensions, minimum salary, health insurance shall be included to the employment legislation. However, as the norms of International Labour Office in some countries have only recommendatory character and are not binding, various enforcement issues arise. European Commission directs its norms towards health issues and working conditions that shall be guaranteed to the employees in full amount.

According to Khasenov (2016), the labor code of Kazakhstan is adapted to crisis phenomena. Thus, the labor code of the Republic of Kazakhstan provides freedom of choice of occupation, equal working conditions and protection against discrimination (Khamzin, 2016). For instance, Article 9 of the labor code of Kazakhstan stipulates: “The minimum monthly salary, duration of daily work (work shift), the main paid annual leave are the minimum social standards”. This suggests that every employee shall possess minimum payouts and benefits as employer is obliged by such requirement. For example, for 2020 the minimum monthly salary is 42500 tenge, in 2018 it was 28284 tenge (Minimum calculated indexes, 2020).

On the contrary, according to the Article 46 of the Labor code of the People’s Republic of China, employees receive a salary based on the principle “equal pay for equal work”. In fact, this principle does not exclude guaranteed minimum wages, but regulates payments contributed by employers. The guaranteed minimum wage in China is 2480 CNY, which is in tenge equals to 149 000 depending on the exchange rate. Also, the minimum wages are regulated by regions, which means that every region designs its own minimum wage rate (Huang et al., 2014). Given the above, it is possible to conclude, that both countries provide guaranteed minimum wages to the employees, however the actual salary is regulated by employers in both cases. Overall, both countries follow the recommendations of International Labour Organization and include international standards in labor codes.

Lee and Eyraud (2007) evaluated the concept of contract formation in both countries. Thus, the labor code of Republic of Kazakhstan prescribes areas that should be covered in the labor contracts. Chinese labor code on its turn, provides information only about termination of the contracts, without paying attention to the main guarantees that should be outlined in the contract. To clarify, according to the labor code of Republic of Kazakhstan, labor relations in the country shall be regulated by the labor contract, act of the employer, agreement and collective agreement. Such measures shall predict further labor disputes or other misunderstandings between two sides. In cases where employees do not agree with the terms stipulated by an employer, employer has a right to change some terms. However, such process should be accompanied by the employee's representative, for instance, by labor union.

Brown (2010) analyzed the termination of contracts and concluded that Chinese labor code stipulates abusive termination terms, where employers possess more powers than employees. However, after the formation of additional code – Labor Contract Law, this situation has changed. Nowadays in order to terminate the contract unilaterally, an employer must notify employee with a 30-day notice or by paying 1 monthly wage. In addition, a labor union should be informed about such unilateral decision (Brown, 2010). From one side such measures should prevent employees from various issues connected with finding a job. But, in fact, there are numerous situations, when people are fired instantly, and the monthly wage does not cover the expenses of the employee. Consequently, the fired person is forced to live without wage until he or she finds a new job (Chan, 2020).

2012 was a crucial year for the Chinese employees from manufacturing sphere. A Foxconn manufacturing company decided to transfer employees from one region to another (Chan et al., 2015). Employees were given a choice to accept the offer or to lose job. As a consequence of such shift, number of employees lose their welfare benefits such as health insurance (Chan, 2020). The thing is that in most of the cases insurance cannot be transmitted from region to region. Consequently, in case of movement, insurance benefits are terminated. The Foxconn company integrates with worldwide corporations by providing them manufacturing services (Chan, 2020). As the number of employees in this corporation exceeds 800,000 workers, the possibility of employees' rights violation is high. In fact,

there are various proves for the violations of the labor code by this organization. Overall, despite the fact that labor code of China prescribes certain rules to termination of the contracts, it is possible to conclude that termination of the labor contracts in China is rather abusive than loyal. This example depicts the current situation in China, where workers in manufacturing sector suffer from exploitation from employers (Scherrer, 2011).

According to Chen and Tang (2016) labor disputes in China have three directions. They include legal rights, interests, pre-reform entitlements. It follows that mainly protests are devoted to the improvements in labor codes, demanding the numerous reforms in the employment regulation and the economy itself. The government of the People's Republic of China reacted to such claims by developing the Labor Contract Law. One year later, at the time of a financial crisis, numerous factories were closed. Consequently, employees were left without work and wages. However, with the help of new law, 23044 claims were satisfied in 2008 and 2009 in China (Chen and Tang, 2016). Thus, numerous employees received their salaries and compensatory payments from the employers. To sum up, the number of disputes and collective claims in People's Republic of China is increased significantly with the introduction of Labor Contract Law.

According to Minbaeva, Hutchings and Thomson (2007), there are weaknesses in dispute resolution mechanisms in some countries and Kazakhstan is not an exception. However, in cases when employees file a lawsuit against the company on the basis of employment abuses, it is important to remember the role of human resource management. So, human resource management shall be directed towards minimizing the organization expenses in such proceedings. According to the labor codes of Kazakhstan and China, the dispute resolution mechanisms in both countries are divided to various levels. And before being submitted to the court, the claim must undergo various considerations from employers, regional instances. Such mechanisms hurdle the rectification of the situation, consequently not all abused employees decide to protect their rights.

Khamzin (2016) evaluated the impact of flexibility of labor codes on various perspectives. Thus, flexibility in labor regulation contributes economic growth as it is aimed at the development of

employment relations and to minimizing of unemployment rates. However, such flexibility may be used by employers in individual interests. To clarify, the labor code of China does not have any provisions to temporary and regular worker. Consequently, when hiring or firing workers, employers usually prescribe part-time or temporary work to those who worked on the regular full-time job (Yew, 2010). As the gaps in the labor codes shall be fulfilled, various amendments still needed. To conclude, even though labor codes are aimed at the regulation of employment relationships and contribution to the human resource management the problem of its enforcement is still present.

Ebeid et al. (2011), evaluated the impact of the workplace abuse on employees and the main difficulties of eradication of such cases. Thus, the Equal Employment opportunity Commission states that workplace abuse is the verbal or nonverbal behavior in the workplace, which is biased, unwelcome and affects person's work. Thus, there are numerous cases when employees are discriminated for certain reasons, but the liability is not imposed on the employer. The abuses may be physical or emotional. There are several reasons for such infringements. The first is sometimes it is hard to prove that employee's rights were abused, due to the employer's accuracy, and the second is employment legislation weaknesses (Ebeid et.al., 2011). To clarify, the first thing that a bullied employee does is the complainant to the HR department. However, if such behavior of employers is accepted in the company, there is little things that such department can do. Consequently, the labor codes shall help employees. In Kazakhstan, according to the 6<sup>th</sup> Article of the labor code any discrimination and harassment are prohibited. Thus, no one has a right to discriminate an employee due to his race, age, religion and other social factors. However, there is no provision for emotional harassment or other bias attitude towards employees. Similarly, Chinese labor code stipulates the sanctions against employees that infringe employees' rights. Thus, the last Chapter states that any violation of employees' rights shall be imposed by administrative liability. Overall, workplace abuse is another issue that should be regulated by the labor codes and international conventions. In fact, today there is no definition for emotional abuse and no Articles dedicated to this issue.

Meng and Friday (2014) analyzed the impact of corruption in China on labor relations. Nowadays labor relations in Chinese companies are directed towards honesty, absence of nepotism, fight against corruption. Nepotism in some cases outlines the corporate culture of the companies, where such practices are regular for employees. Smagulov (2013) explained the main reasons for nepotism in governmental authorities on the example of Kazakhstan. It was found that superior bodies in the private or public sector usually are closely connected groups, who do not trust newcomers. That is the reason why some heads of the departments do not want to see new people on the top. It is possible to conclude that the reason for such practice is the competition, as the number of those who want recruitment increases every year. Corruption is a form of nepotism that has various risks and may impact diversity, equality, economic losses, and may increase the outflow of workers (Meng and Friday, 2014). That is why the exclusion of such factors in legal regulations and human resource management is significant.

Described earlier employment problems may lead to a high rate of unemployment. Thus, continuous pressure, poor working conditions may affect governments in another way. Baijolova (2009) investigated the concept of unemployment in Kazakhstan. According to her, the unemployment rate in Kazakhstan decreases every year. Besides, there are no provisions of unemployment in Kazakhstani and Chinese labor codes. Thus, both countries resolve this issue by other means of regulation. To illustrate, there is a permanent job search assistance by the government authorities and its entities, professional training, and financial benefits. Both countries understand the role of human resource management, labor codes, and desirable working conditions to socio-economic development and try to prevent unemployment, protests, and other signs of job dissatisfaction.

The employment issues, on the contrary, can be the reason of over-population in China (Peng, 2011). Correspondingly, high competition, fast changes and globalization affected labor relations of China. From now, the risks of being unemployed increased due to the competition, that is why in most cases employees from manufacturing sector stay at their works even if working conditions inappropriate. To clarify, for most of the workers there is a choice between two options to receive low salary or to receive nothing. In Kazakhstan, situation is easier due to the low population density

(Khamzin et al., 2016). The level of competition is not so high comparing with China, consequently employees have more options when choosing their occupation sector and working conditions. It follows that population density is a crucial factor that impacts not only economy, safety, but also labor relations and human resource management.

Freeman and Li (2013) investigated the impact of the formation of additional employment regulations and norms in China. Thus, the Contract labor law, Employment promotion law of the People's Republic of China, Labor Dispute Mediations were created in 2007-2008. Such development increased the likelihood that migrant workers possess a written contract, which is the main tool of protection of their rights, social insurance, and protection from wage arrears. Overall, the migrant workers are always one of the most vulnerable employees. Likewise, hundreds of migrant workers block the streets in China in order to protect and in some cases gain their rights. According to Freeman and Li (2013), there was a suicide of the migrant employee, which also contributed to the formation of injury insurance, medical insurance, unemployment insurance. In addition, according to Greene (2018) to prevent suicides at the workplace and manufacturing dormitories government authorities with the companies also decided to prevent suicides by putting the nets at the balconies and roofs. Kazakhstan's situation is quite different due to the fact that the initial labor code included all provisions from the formation of the labor code. However, with time, some amendments to the labor code were conducted. Overall, continuous improvement of legislation in both countries shows that governments are trying to regulate labor relations and to provide strict norms for employees with the development of international awareness of labor relations.

Murphy (2018) investigated the impact of labor laws on the regulation of labor standards and reduce any kind of discrimination at the workplace. The study was directed towards developed countries and compared the European Union's practices with the United States. Thus, both of the regions work towards the development of employment law. The main difference between these regions from Kazakhstan and China is that enforcement policies are strongly prioritized in European Union countries and the United States. Unfortunately, in most of the developing countries enforcement issues are subject



to various threats such as corruption, nepotism, bribery, or ignorance from the state authorities, corporations, and employees themselves. What is more, discrimination in the workplace is the most common threat to human resource management in developing countries such as Kazakhstan and China.

Joo (2010) investigated the impact of labor codes and human resource management on disabled persons. There is an exact opinion of employers towards employing disabled groups of people. The main reasons for such discrimination include the inability of a disabled to perform physically demanding tasks, increases in healthcare costs, and the risk that such people will sue for discrimination in cases of revocation of contracts (Lengnick-Hall et al., 2008). From one side it is possible to state that employers think of the profit and there are no binding norms to the number of disabled at the workplace. Thus, as there are no binding norms, most of the employers do not pay attention to such an issue. However, from the side of human resources and personnel management, such discrimination may affect diversity and equality at the workplace. As a result of such a policy, the image of the company, human relations will be endangered. Kazakhstan and China try to protect such groups by providing easy social workplaces. However, such practice leads to the absence of enterprises that shall employ the disabled. Overall, it is crucial to investigate this issue on a governmental level in both countries.

Li (2010) compared the migrant workers with urban employees. Thus, the rights of migrant workers are usually infringed. To clarify, in most cases they receive low salaries, they work without any contracts, consequently, they might lose their job or salary, in some cases, employees take passports of migrant workers until they will not finish the work. It is important to point out that migrant workers in most cases have a low education level, which makes them vulnerable in some cases. In both legislation of Kazakhstan and China, there are no provisions to the migrant workers and their rights. Kazakhstani labor code stipulates only the getting permission that will allow migrants to work. Overall, it is possible to conclude that vulnerable groups such as unemployed, disabled, and migrant people shall be given the rights for fair interviews, placements, and other rights that are stipulated by various conventions and legal acts.

According to Ronconi (2010) on the one hand, firms' propensities to comply with regulations depend on the probability of being penalized, and, on the other hand, public enforcement agencies' resources are likely to be affected by the extent of compliance. Both reasons connected with inspections towards the compliance with the labor codes. However, to be effective huge financial and human resources are needed. Overall, it is possible to conclude that in developing countries like Kazakhstan and China, labor laws are partially enforced. Despite the fact that human resource management is directly connected with labor codes, there are still various infringements from employers around the globe. The Republic of Kazakhstan and the People's Republic of China are not the exceptions. Thus, despite the fact that both labor codes provide protection to the employees, give rights and obligations to both employees and employers there are still place for improvements. Thus, the lack of enforcement is the main issue that was found during the literature review. Besides, numerous gaps in the labor codes of both countries endanger the status and importance of labor codes in both countries.

## **Methodology**

Background research to get general information about the topic was the first condition of the research. There was a lot of information available, but some sources are outdated, and some could bring bias to the research. So, the lack of relevant scholarly resources and access to them are the main difficulties that can be encountered during research. The only way to overcome the stated difficulties is the continuous search of the literature.

The research form will include several different methods. Potential bias and inaccuracy in one method will be challenged by another. To clarify, the first method of collection of data is the qualitative analysis and the second method is a quantitative data collection method. Besides, the conduction of the questionnaire was included in the research objectives.

Qualitative analysis will be based on secondary sources, will analyze the impact of protests on the current legislations. In addition, weak and strong sides of Kazakhstani and Chinese employment laws will be investigated. Thus, with the help of this method it will be possible to outline which exact changes were made in legislations of both countries after the protests, which protests, and employees' demands were left without attention and what are the real differences between two labor codes. Thus, qualitative analysis is aimed at the understanding of the general data, observations, and analysis.

Quantitative analysis will include a questionnaire about the labor codes of Kazakhstan and China. With the help of the questionnaire it will be possible to outline exact attitude of employees of Kazakhstani and Chinese companies towards labor codes of both countries. The outcomes of the questionnaire will help to make a concise conclusion about the differences of Kazakhstani and Chinese labor codes.

The data will be gathered from `books, book chapters, articles, scientific publications, legislation, reports and will be presented in tables and graphs. All explanations of findings will be devoted to the understanding of the relevance of the results to this thesis.

## Data analysis

To satisfy the research objectives an in-depth analysis on the labor codes of China and Kazakhstan should be conducted. First, the weak and strong sides of both labor codes need to be evaluated. Thus, the tables below provide the main weak and strong sides of labor codes of Kazakhstan and China in relation to employees and employers.

Table 1

Weak and strong sides of the labor code of Kazakhstan<sup>1</sup>

Weak sides of the labor code of Kazakhstan	Strong sides of the labor code of Kazakhstan
Enforcement problems	The labor code of Kazakhstan has exact functions and aims
No provisions for labor unions	The labor code of Kazakhstan covers various issues including employee guarantees, working hours, contracts etc.
Employers find gaps to get around the law	Exact structure and form
No exact definitions of specialties and professions	List of definition and terms
No exact provisions for the subjects of small, medium and large businesses	Full information about employment contracts, their difference with other contracts
Provides grounds for the abuses by the employer	All terms explained in detail (for instance, working hours incomplete working hours, overtime work, night work and other issues)

As it follows from Table 1, the weak sides of the labor code of Kazakhstan are correlated with legal, administrative and informative issues. The most crucial weaknesses in employee-employer relations are grounds for the abuse by employers and legislative gaps. In addition, the weakness of trade unions is one of the weak sides of the code. The advantageous sides of the labor code of Kazakhstan are structural, contractual peculiarities. Thus, the functions and goals of the code are clear and concise – it is aimed at the regulation, protection and development of employment relations. Table 2 presents the main weaknesses and strengths of the labor code of People’s Republic of China:

Table 2

Weak and strong sides of the labor code of China<sup>2</sup>

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<sup>1</sup> Adapted from: <http://adilet.zan.kz/eng/docs/K1500000414>

Weak sides of the labor code of China	Strong sides of the labor code of China
Weak provisions for the contracts	There is a special protection for female staff and workers and juvenile workers
The rights of employees might be easily neglected	Employees possess equal rights and benefits
Lack of enforcement, gaps in the labor code	Covers various issues including employee guarantees, working hours, contracts etc.
Lack of empowerment for labor unions	Has exact functions and aims

According to both tables, it is possible to conclude that weak sides in both labor codes are similar to each other. The most crucial weaknesses are the lack of enforcement, avoidance of obligations by employers and the lack of empowerment for labor unions. Alternatively, both countries have advantages in labor codes. To clarify, the Kazakhstani labor code has the exact structure and prescribes detailed duties and liabilities for all parties of labor relations. So, it is well-structured and includes various key terms such as employment contracts, employee guarantees, and others. The labor code of the People's Republic of China on its turn provides special protection for female staff and juvenile workers. Thus, this group of employees is distinguished from others significantly. Even the liability for the infringement of women and juvenile rights differs from other punishments.

Correspondingly, according to article 40 of the labor code of China, the holidays in the republic of China include the New Year's Day, the Spring Festival, the International Labour Day, the National Day or other holidays stipulated by laws and regulations. Similarly, according to the labor code of Kazakhstan the holidays in Kazakhstan include New Year, International women's day, Nauryz, the festival of unity of the people of Kazakhstan, Victory day, Capital day, Constitution Day of the Republic of Kazakhstan, Day of the First President of the Republic of Kazakhstan, Independence day or other holidays stipulated by laws and regulations. It follows that the holidays in Kazakhstan are more frequent than in China. Overall, it is possible to conclude, that both of the codes have an unique advantages and disadvantages. It is possible to state, that both codes have certain similarities, however, still the impact of both codes on employees is different.

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<sup>2</sup> Adapted from: [http://www.china.org.cn/living\\_in\\_china/abc/2009-07/15/content\\_18140508.htm](http://www.china.org.cn/living_in_china/abc/2009-07/15/content_18140508.htm)

To illustrate examples of the differences and similarities of the labor code of Kazakhstan and China, Table 3 was created:

Table 3

Differences and similarities between Kazakhstani and Chinese labor codes

Labor code	The labor code of China	The labor code of Kazakhstan
Number of articles	107 articles	204 articles
Year of enforcement	1995	2007
Provisions about trade unions	A provision about trade unions	No provision about trade unions
Contracts	Contract regulation is not full	Full provisions about contracts
Contract revocation period	Labourers planning to revoke labour contracts shall give a written notice to their employer in 30 days' advance	
Retirement age	Retirement age for men 60 years For women 50 years	Retirement age for men 63 years For women 59,5 years
Guarantees of labor rights	Both codes guarantee labor rights and prescribe obligations for both employees and employers	
Supplementary provisions	Includes provisions on professional training, education	
	Compensation payments	
	Provisions for individual labor disputes	
	Provisions for the state control, supervision and inspection	
	Provisions for the collective contracts	
Week days	1 day off in a week	2 days off in a week with a five-day work week 1 day off in a week with six-day work week

From this table it is possible to conclude that the number of articles in Kazakhstani legislation exceeds Chinese labor code almost two times. It is connected with broad analysis of people's needs and inclusion of important issues to the code. Besides, the labor code of China was adopted in 1995 and Kazakhstani code was accepted in 2007. Both codes include provisions on compensations payments, provisions for the state control, supervision and inspection, individual labor disputes, collective contracts and other. The differences are not so strong, however the attitude of employees towards labor

codes of Kazakhstan and China is different. It can be clarified by evaluation of labor protests and claims of the public.

The labor protests are the main tools that are used by the working communities to outline their opinion towards labor codes and working conditions. Annually, there are numerous labor protests around the world. However, all of them have different structures, forms and aims. Thus, labor protests can be in aggressive form with the use of weapons, hooliganisms and can be in peace, legal order. Also, in manufacturing sphere there are protests when employees refuse from food or work. Some of these protests have contributed to the development of labor protests and others were depressed by government authorities. That is why it is crucial to evaluate which labor protests contributed to the changes in legislation and which were ignored by the governments. Likewise, it will be possible to compare the overall satisfaction of the working conditions of Chinese and Kazakhstani employees. Table 4 depicts the examples of labor protests in Kazakhstan:

Table 4

Kazakhstani labor protests and their consequences

Date of the labor protest	Protesters	Number of activists	Reason	Consequences, reaction of government
16-17 December, 2011 Mangystau region	Employees from subsidiaries of the state oil and gas company “KazMunayGaz”	Up to 3000	A demand for high wages, better working conditions In some cases, wage was not paid out	Court proceedings in relation to protesters, police officers, and others who was involved All people who infringed the law were dropped on Also, in 2014 a trade union law was established (Satpayev and Umbetaliyeva,

				2015)
11 December, 2017 Karagandy	Miners of Karagandy city, "ArselorMittal Temirtau" company	Up to 600	A demand for the increase of the salary to 100% A demand for the decreasing the pensionary age	The wages were increased to 30% as it planned before the protest by the company (Human Rights Watch, 2020).
9 November, 2019 Almaty	Public Association "Civil Defense"	30	A demand for the various trade unions and increase of their significance	No exact improvements by state authorities – no response from the government (Human Rights Watch, 2020).

Given the above, it is possible to conclude that labor protests in Kazakhstan are not common.

The main demands are connected with salary growth and the increase of power of trade unions. In response to such demands, the government of the Republic of Kazakhstan took preventive measures and included several corrections to the code. The most important amendment in the labor code of Kazakhstan is dated by 16 April 2018. During long negotiations, government added the following: "The termination of the employment contract at the initiative of the employer when the employee reaches retirement age is allowed only after the employee reaches retirement age by notification at least one month before the date of termination of the contract." Such action was directed to employees that reached retirement age to protect their rights and interests. Also, it was established that in the event of the expiration of the collective agreement, it is considered extended until the conclusion of a new collective agreement, but not more than for a period of up to one year. Moreover, now the employer is obliged to conduct, at his own expense, compulsory, periodic (during labor) medical examinations or pre-shift medical examinations of employees ("Adilet" ILS, 2020). The most vulnerable sphere in Kazakhstan in terms of wages and working conditions is oil and gas (Uteubayev, 2015). Thus, employees from this sphere protest more and usually ask for the wage increases. Evaluating all labor



protests the main problems that oil and gas sector employees encounter in Kazakhstan are language barriers between co-workers, cultural differences between co-workers and the need for the increased wage. To compare the difference with Chinese protests, table 5 depicts the examples of such protests and the consequences that such protests brought.

Table 5

Chinese labor protests and their consequences<sup>3</sup>

Date, place of the labor protest	Protesters	Number of activists	Reason, demand	Consequences, reaction from government
16 January, 2011 Guangxi	Employees from construction sphere	Up to 1,000	Low wages	Defensive measures from police officers 5 workers were hit, 20 were in critical condition
24 April, 2011 Yantai, Shandong	Retirees from manufacturing sphere	Up to 10,000	Demanding pension	No response from the government
18 January, 2020 Nanyang, Henan	Employees construction site in Dengzhou, Henan	Up to 100	Wage arrears	No response from the government
7 February, 2020 Qingdao, Shandong	Food company employees	Up to 100	Wage arrears	No response from the government
9 April, 2020 Shenzhen, Guangdong	Taxi drivers	Up to 1,000	Demanding the rent cuts during the COVID-19 pandemic	Negotiations with management

<sup>3</sup> Adapted from [https://maps.clb.org.hk/?i18n\\_language=en\\_US&map=1&startDate=2020-01&endDate=2020-01&eventId=2020012214593834473](https://maps.clb.org.hk/?i18n_language=en_US&map=1&startDate=2020-01&endDate=2020-01&eventId=2020012214593834473)

This table depicts only a few cases of labor protests in China. During the first half of 2020, the number of such protests is already reached 1700 (China Labour Bulletin, 2020). As it follows from the diagram, there are weaknesses in dispute resolution mechanisms in the People's Republic of China. The number of protests increases with every week and still, government authorities have not managed to solve raised problems (Cai, 2009). Comparing with China, the labor protests in Kazakhstan are rare. However, it also may be explained by the number of residents. Despite the fact that numerous labor protests were left unattended, the government of the People's Republic of China developed additional labor contract law, as thousands of employees were fired without any payments or other benefits (Yew, 2010). Thus, the labor code of China did not cover the formation, enforcement, or performance of the contract, it included only strict termination, that is why there are numerous problems among employees that are manifested through labor protests.

The vast majority of labor protests in both countries are connected with trade unions and their empowerment (Frazier, 2005). When evaluating the labor code and its sections, there is no section dedicated to the labor unions and their rights in the labor code of Kazakhstan or in the employment law of Kazakhstan. According to Article 1 of the labor code of Kazakhstan, trade unions may act as the representatives of employees. Unfortunately, further rights and obligations of trade unions are not given. To regulate the activity of trade unions an additional law "on trade unions" was amended in 2014. Trade unions usually independent bodies that possess numerous rights and obligations. However, in some countries, their role is neglected or ignored at all. That is why in 2019 there was a peaceful protest for the depoliticizing of the labor unions. The situation in China is much better than in Kazakhstan as more and more people get involved in such unions. To clarify, the amendment of the Labor Contract Law of China increased the powers of the labor unions (O'Brien, 2008). Thus, labor unions in China possess a right to participate in negotiations at the enterprise, country, or regional levels (Brown, 2010). However, as the number of protests still increases the confidence in the efficiency of labor unions in China is undermined. Thus, the empowerment of the labor union has mostly a declarative nature. To summarize, the labor protests in China tend to increase due to several reasons.

Despite the fact, that the number of protests in Kazakhstan is much lower, the reasons for dissatisfaction are the same in these countries. The main factors influencing labor protests are wage arrears, politicized nature of labor unions, and other economic benefits that employees demand. The authorities of both states try to eradicate raised issues by improving further labor legislation.

As an example of good practice, the correlation between international standards and labor codes can be evaluated. The sources of internationally accepted standards are the International Labor Organization Declaration on Fundamental Principles and Rights at work of 1998, The International Convention on the Protection of the Rights of all Migrant workers, and Members of their families of 2003 and of course, the Universal Declaration on Human Rights of 1948.

Thus, table 6 presents the main rights from international treaties and the presence of their provisions in Kazakhstani and Chinese codes.

Table 6

International regulations in a sphere of labor relations and their presence in labor codes of Kazakhstan and China

International standard	Kazakhstan labor code <sup>4</sup>	China labor code <sup>5</sup>
Right to work, to choose occupation sector	Present Article 5	Present Article 3
Right to fair remuneration	Present Article 22	Present Article 46
Right to form and join trade unions	Present Article 22	Present Article 7
The elimination of forced or compulsory labor	Present Article 7	No exact provision, but has Chapter VII on minors and women
Elimination of discrimination in respect of employment and occupation	Present Article 6	Absent

<sup>4</sup> Adapted from: <http://adilet.zan.kz/eng/docs/K1500000414>

<sup>5</sup> Adapted from: [http://www.china.org.cn/living\\_in\\_china/abc/2009-07/15/content\\_18140508.htm](http://www.china.org.cn/living_in_china/abc/2009-07/15/content_18140508.htm)

According to this table, it is possible to conclude that both labor codes develop their strategies in accordance with international standards. Almost all basic rights are provided by both labor codes. Thus, legislation of both countries is directed towards international standards, basic human rights and obligations. However, taking into account labor protests, weak sides of labor code of both countries, it is impossible to state that such mechanisms prescribed in the legislation work properly. Unfortunately, there is a lack of enforcement in the employment sphere in Kazakhstan and China.

Overall, it may be concluded that governments of the Republic of Kazakhstan and People's Republic of China follow international standards in labor codes formation. It can be proved by the amendments and additions to the labor codes that were developed by the countries. The high number of labor protests in China can be explained by the manufacturing sector and the huge number of employees in one organization. Thus, because of the problems in human resource management in Chinese manufacturing companies, the number of protests increases exponentially. Such problems impact overall image of China and labor legislation of the Republic of China.

From a qualitative research it is possible to conclude the following:

- The main weaknesses in both labor codes are weakness of trade unions, gaps in the labor codes, workplace abuses by the employers mainly of a financial character
- Protests in both countries have similar reasons, they are wage arrears, demands for the wage increases and demands for the empowerment of trade unions. Overall, all these concerns mostly of a financial character
- Both labor codes follow the international standards and adapt worldwide accepted standards to the local employment laws.

## **Model description**

All data will be analyzed by comparative and evaluation models. With the help of such methods, it will be possible to differentiate the main differences in labor codes of the Republic of Kazakhstan and the People's Republic of China, to evaluate the main human resource management problems in Kazakhstani and Chinese companies. Besides, the working conditions of Chinese employees in China and especially Kazakhstan will be compared.

The survey was conducted at SurveyMonkey.com. The application of the online platform provides easy access to results and questions. The language of the survey was English, as workers from international or Chinese workers could have problems with understanding of questions or their translation. Overall, 278 questionnaires were completed. However, three of these questionnaires were not completed properly, so the final sample size was 275. The sample was contributed among people from 18 to 75. It included employees and employers, CEOs, and regular workers. Such a diverse age group was chosen to avoid age or other discriminations.

Given the above, the first part of the questionnaire was designed to gather information about the respondents so that different ages and genders could be compared. The second section tested the level of knowledge of the labor codes, employees, and employers' rights. A questionnaire was designed to identify the general opinion of people about the labor code of Kazakhstan and China and to identify their opinion towards working conditions in both regions.

All answers will be evaluated, and the statistical number will be depicted in Tables and Graphs. Thus, it will provide the exact results of each question of the questionnaire. The data gathered will be analyzed and applied to the research questions. The research findings are described below.

## Results

The background research that was gathered did not fully cover the public opinion of Kazakhstan towards the labor codes of Kazakhstan and China, so further research needed to be conducted. One of the main research methods that were chosen in this thesis is the questionnaire, which was distributed among 275 people with the help of peer networks. The first part of the questionnaire was conducted mainly to get the general image of the respondent. To analyze the opinions of different age groups, respondents were asked about their age. It appeared that most of the respondents are from 22 to 40 years old, the number of respondents of this age group is 151. In addition, participants were asked about their gender, to provide diversity and to avoid any discrimination. The proportions of age groups and gender are given in Appendices.

For the next question, “What is your occupation sector?” four possible answers were suggested and 93 of the respondents were from the finances and accounting sector, 89 from the production sphere. This proportion is presented below in Table 7:

Table 7

The answers to the 3<sup>rd</sup> question from the questionnaire

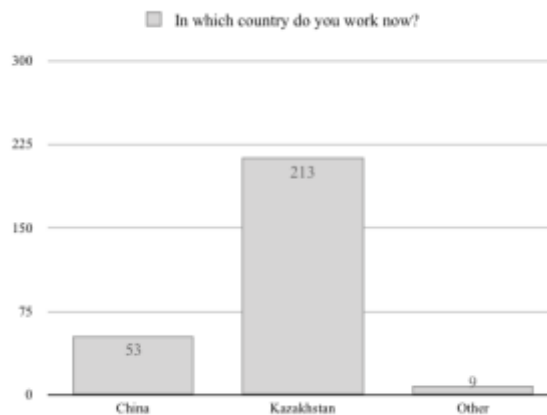
What is your occupation sector?			
Construction, manufacture or production	Finances and accounting	Services	Other
89	93	28	65
Overall 275 respondents			

It follows that the given questionnaire covers the opinions of employees from various spheres, as 65 of the respondents indicated “other spheres”. To clarify, such spheres include education, transport, freelance or food industries.

As a hypothesis of this dissertation is about working conditions for Chinese workers at the territory of Kazakhstan, it is crucial to evaluate the workplace of the respondents. Thus, the 4th question was connected with the location of respondents. According to the answers, the majority of employees work in Kazakhstan and 53 in China. To exclude bias statistics, the “Other country” variant was suggested to the respondents. The proportions are given in Figure 2:

Figure 1

The answers to the 4th question from the questionnaire

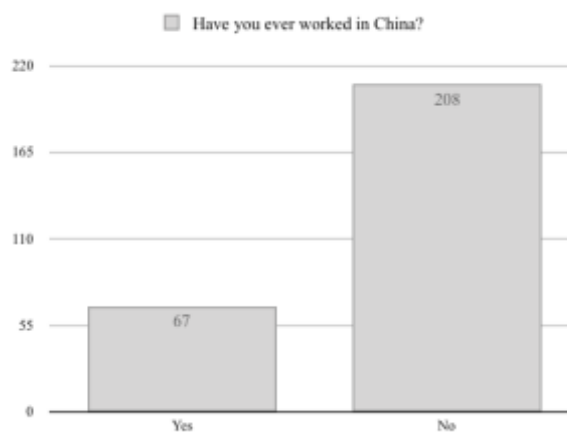


From the graph above it is possible to state, that despite the fact that it was hard to find employees that worked in China and Kazakhstan, this questionnaire is succeeded in finding respondents that have experience in both countries. Some of these workers are representatives of Chinese companies in Kazakhstan. In addition, the prevalence of Kazakhstani employees might be connected with language issues, as not all Chinese workers know English well.

As the main objective of this thesis is the comparison of the labor codes of China and Kazakhstan, respondents were given the question: "Have you ever worked in China?" With the help of this question it would be possible to evaluate the population's thoughts towards the working conditions in two countries. Figure 2 depicts the answers to the 5<sup>th</sup> question:

Figure 2

The answers to the 5<sup>th</sup> question from the questionnaire



As it follows from the diagram, 208 of employees never worked in China. However, 67 of them might be acquainted with the labor code of the People’s Republic of China. So, the opinions of those who worked in both countries may be clarified in the open-ended questions section. The answers of those employees, who worked in Chinese and Kazakhstani companies will be the most important results in this thesis, as only those workers that know differences and peculiarities of both countries can give relevant answers.

Usually, it is thought that the Chinese labor code is stricter than the Kazakhstani one, that is why the respondents were asked a question “How would you react if Kazakhstan adopts Chinese policies of labor code?” Table 7 depicts the results of this question:

Table 8

The answers to the 6<sup>th</sup> question from the questionnaire

How would you react if Kazakhstan adopts Chinese policies of labor code?		
Positively	Neutrally	Negatively
114	47	114
Overall 275 respondents		

The most unexpected proportions were gathered from this question, as opinions were the same for the negative and positive responses. It may depend on weak knowledge about the Chinese labor code or the lack of information about both labor codes. This question shows that there are different opinions towards labor code of China in the Republic of Kazakhstan. Thus, most of the Kazakhstani population might find it strict, however, not all of them understand that most of the provisions in both codes are the same. However, when evaluating those employees who worked in China, it was found that Chinese employees do not want the acceptance of Chinese labor code in Kazakhstan. Table 8 depicts the numbers of the answers:

Table 9

The attitude of employees of Chinese companies based in Kazakhstan towards the Chinese labor code acceptance in Kazakhstan



How would you react if Kazakhstan adopts Chinese policies of labor code?		
Positively	Neutrally	Negatively
17	7	43
Overall 67 respondents		

The last multiple-choice question was “In your opinion how strong the labor code of Kazakhstan protects employees’ rights?” It was aimed at the understanding of public opinion towards the labor code of Kazakhstan. The given responses are provided below:

Table 10

The answers to the 7<sup>th</sup> question from the questionnaire

In your opinion how strong the labor code of Kazakhstan protects employees’ rights?		
Strong protection	Weak protection	I do not know
112	106	57
Overall 275 respondents		

As it follows from the table, 112 respondents chose “strong protection”, 106 were for “weak protection” and 57 of respondents answered, “I do not know”. The possible reasons for the last option are non-familiarity with the labor code itself or the absence of situations requiring the application of labor law. The negative responses may be the consequence of various issues connected with employment, salary, working conditions or other issues connected with the protection of rights and corporate attitude towards employees. This question helped to understand what employees in Kazakhstan think about the labor code of Kazakhstan and the conclusion from this question can be the following: the difference in positive and negative variant is not much different. Thus, it is possible to conclude that the labor code has both effective and ineffective sides and it is impossible to say that it protects employees for 100%.

In the second and last part of the survey respondents were asked to answer three open-ended questions. The first question was connected with satisfaction with working conditions provided by the employee and legislator. Unsatisfied respondents were asked to explain their attitude towards this issue. So, the question was: “Are you satisfied with labor conditions in your working place? If not explain

why”. The main explanations to this question were low salary, hurdles to find a job, the unwillingness of an employer to indicate real employee salary to the declarations, and other payments for the employee. It provides, that the gaps in the labor code of Kazakhstan in practice are widely used by employers to benefit one side only. Consequently, unsatisfied workers complain about employers’ attitudes towards the workforce.

The second question was: “In your opinion, what are the differences between Kazakhstani and Chinese labor codes?” Mainly, there are two types of responses to this question – “I do not know” and “The labor code of China is stricter than the labor code of Kazakhstan”. Some unique answers were “The labor code of Kazakhstan is wider than Chinese one”, “The labor code of China is cruel”, “The labor code of Kazakhstan is long, covers more issues”. Employees that worked in China and Kazakhstan responded:

27 respondents: “All information according to employment is in one document, there is no referencing to other laws. In China situation is different, as some parts of the employment relations are in one norm, other issues in other”,

5 respondents: “Kazakhstani labor code provides good descriptions and comments, there are various chapters, articles, and paragraphs”,

16 respondents: “Chinese and Kazakhstani rules quite the same”,

10 respondents: “I did not read labor codes”,

5 respondents: “It does not matter to me”,

4 respondents: “I do not know”

Overall, in accordance with the answers of Chinese employees, it is possible to state, that the attitude towards the labor code of Kazakhstan is positive. However, some employees stated that there is similar prescriptions in the codes.

The last question was: “How do you think how labor code impacts employees?” All respondents that worked in China, Kazakhstan or in both countries provided various answers to this question, the responses included “With its help, it is possible to receive pensions and other benefits”, “It regulates all

relationships between employees and employers”, “It is the main tool to protect employee’s rights”. Given the above, it is possible to conclude that the main functions and aspects of the labor codes were clear to every respondent. Overall, the significance of the labor code to employees cannot be neglected. Labor code is the main tool that can protect the employees, it covers all sectors of human activity and needs further development in both countries. Besides, labor codes are the main source for human resource management as the main norms should be followed by every enterprise. To summarize, the questionnaire included various respondents from Kazakhstan and China. As the majority of the respondents were from Kazakhstan, the attitude of Kazakhstani employees towards the labor code of Kazakhstan was evaluated. It is possible to conclude, that the respondents understand the main functions of the labor codes and benefits that are given by the code. The main problems that were underlined by the employees are working conditions provided by the employer and in some cases violations of the law by the employer.

In the open-ended questions section, some respondents outlined that the unwillingness of an employer to indicate real employee salary to the declarations and other payments for the employee is the main problem that they face. In addition, in some cases, labor codes do not protect employees from abuses from the employers, which leads to the conclusion of the weakness and inefficiency of the labor code.

Some employees worked in the People’s Republic in China before finding a job in Kazakhstan. It was mentioned by them that the labor code of Kazakhstan covers all issues connected with labor, as the Chinese labor code underlines only a few of them. That is why 43 of the respondents showed a negative response to the appliance of the labor code of China in Kazakhstan. Overall, Chinese employees outlined that in comparison with Chinese labor code, the labor code of Kazakhstan is efficient, the main issues are covered, and migrant workers are protected. However, from the perspective of Kazakhstani employees, the Kazakhstani labor code is inefficient, has various gaps that are used by employees.

Overall, 67 employees that worked in Chinese companies and in Kazakhstani companies were found to answer the questions and to provide their opinion. With the help of these employees, it became possible to evaluate the main differences in labor codes of Kazakhstan and China, to compare the working conditions in both countries. Besides, after the collection of data, it became possible to draw the line between human resource management and labor codes of Kazakhstan and China. Other respondents that worked mainly in Kazakhstan, contributed to the understanding of the public opinion towards the labor code of Kazakhstan. To conclude, it is possible to outline the next findings from the questionnaire:

- The labor code of Kazakhstan is not 100% efficient in protection of employees' rights as the opinions of respondents divided almost equally
- According to the employees, who worked in Chinese and Kazakhstani companies, the labor code of Kazakhstan is more unite and full, as it contains all the norms in one place. In China, the norms can be found in different legislative documents
- Overall, all respondents that worked in China and Kazakhstan are satisfied with their working conditions and understand the main functions of the labor codes
- Some employees that worked only in Kazakhstan have biased opinion towards Chinese labor code.

## **Concluding remarks**

It is important to remember that both human resource management and labor codes are directed towards the motivation and welfare of employees. That is why this thesis included an evaluation of the labor codes and their impact on the employees of these two countries. The research questions were answered in this thesis, and the main findings are:

- Are there any differences in the labor code of China and Kazakhstan?

Most of the people are convinced that Chinese labor legislation is very strict and does not provide any protection of rights to the employees. However, during the research it was found that in fact, Chinese legislation is adapted to international norms and standards in a sphere of labor relations, improved working conditions. The main difference of Chinese between Kazakhstani labor codes is connected with the structure of the legislative norms and their content. To illustrate, the labor code of Kazakhstan includes Chapters, Articles and Paragraphs, the labor code of China has only Chapters and Articles. The same is with provisions, Chinese labor code for example does not prescribe extensive description of contracts, financial benefits, discrimination provisions and Kazakhstani labor code prescribes strict norms that should be followed in these areas of employee-employer relations. The main reason for inefficiency of both labor codes and problems with numerous Chinese protests is the lack of enforcement of labor codes and providing sufficient working benefits. The main issues connected with labor codes in both countries are the limited ability of trade unions, weaknesses in dispute resolution mechanisms and underpayment of wages. In addition, difficulties in human resource management in China occur due to high population rate.

- How these differences affect employees from both regions?

It was found that labor protests in China are more common than in Kazakhstan. Thus, in the first half of 2020, the number of protests in China exceeded 1700 cases. Such statistics depict the correspondence of labor codes and working conditions and provides a ground for the conclusion that differences in labor codes affect regular employees. Besides, other factors affecting employees were identified. They are the lack of the will from governmental authorities to regulate labor disputes, the

unwillingness of employers to follow the prescribed rules and the lack of enforcement. In addition, after the conduction of questionnaire it was found that Chinese employers satisfied with Kazakhstani code and find it efficient in a matter of application.

□ Do labor protests contribute to the changes in labor legislation of both states and especially in China?

Even though both countries work towards improvements in legislation, there are still problems that need further evaluation. The grounds for the labor protests are the same in both states, they are wage arrears, financial benefits, pensions, and trade unions. In 2018 Kazakhstan adopted a new law on amendments to the labor code. It was aimed at the improvement of working conditions for the employees. The labor code of the People's Republic of China covered only the strict termination of labor contracts. Thus, there were no conditions for the formation, performance, or enforcement of the contracts. Taking into account such issues, the government of China issued a new Contract law to satisfy the needs of employees and employers. As to other labor protests, due to the numerous attempts of activists and frequent demonstrations, the government authorities take preventive measures to provide public safety. In other situations, there is no response or exact actions of the government.

To satisfy the objectives of the hypothesis, a questionnaire was conducted. With its help, employees from different companies and spheres were surveyed. To distribute the questionnaire a peer network system was used. Thus, with the help of social media and internet it was possible to conduct and share the link to the questionnaire. The results of the survey depicted the main problematic areas of the labor code in Kazakhstan such as the unwillingness of an employer to indicate employee's real salary to the declarations and other payments on behalf of the employee and low wages. However, it can be concluded that general opinion towards the labor conditions in Kazakhstan is neutral, in some cases even positive. In the same way, 67 respondents, who worked in China and Kazakhstan outlined their opinion towards working conditions in both countries. Not to mention, the hypothesis of this dissertation is: "The working conditions in the Republic of Kazakhstan for the Chinese companies' workers are more loyal than in the People's Republic of China". Evaluating the answers about the

Chinese and Kazakhstani labor conditions, it is possible to conclude that Kazakhstan provides loyal conditions and financial benefits to the local and foreign employees. Also, as Kazakhstan's development policies directed towards foreign investments, Chinese employees granted labor rights and other prescribed benefits.

From the research as a whole, it is possible to conclude that the labor codes of the People's Republic of China and the Republic of Kazakhstan are adapted to international standards and norms. Governments from both countries direct their legislation towards employee protection and fair working conditions. However, the main issues connected with the working environment and labor codes are the same in both countries. They lack the enforcement of labor codes, infringements by employers, poor human resource management. The main differences between the situations in these two countries are the scale of the problem and the number of involved activists. Due to the fact that the number of people in Kazakhstan is much lower, workers from China do not face significant problems with employment. In addition, the situation in China is complicated by the manufacturing sector, where employers do not prioritize the well-being of employees. Thus, the manufacturing area of employment, low number of people in the country are the main reasons for satisfactory employment opportunities for Chinese workers. The relationship between human resource management and labor codes should not be underestimated, due to the fact, that weak human resource management can be connected with the absence of regulatory provisions by the government.

This work was written for educational purposes, however, it provides additional perspectives for further research. Namely, it is suggested that only Chinese companies can be taken into consideration. In addition, to evaluate the public opinion of Chinese residents an interview with a Chinese employee shall be conducted. As a recommendation, it is proposed to use the questionnaire results of the dissertation for further studies.

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## Appendices

### Appendix 1

Questionnaire:

Part 1. Multiple choice questions:

- 1) Which of the following categories best describes your age?
  - 21 or under
  - 22-40
  - 41-64
  - 65-75
- 2) Gender?
  - Male
  - Female
- 3) What is your occupation sector?
  - Construction, manufacture or production
  - Finances and accounting
  - Services
  - Other
- 4) In which country do you work now?
  - China
  - Kazakhstan
  - Other
- 5) Have you ever worked in China?
  - Yes
  - No
- 6) How would you react if Kazakhstan adopts Chinese policies of labor code?
  - Positively
  - Neutrally
  - Negatively

7) In your opinion how strong the labor code of Kazakhstan protects employees rights?

- Very strong protection
- Weak protection
- I do not know

Part 2. Open ended questions:

1) Are you satisfied with labour conditions in your working place? If not explain why

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2) In your opinion, what are the differences between Kazakhstani and Chinese labor codes?

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3) How do you think what is the impact of the labor code on the employees?

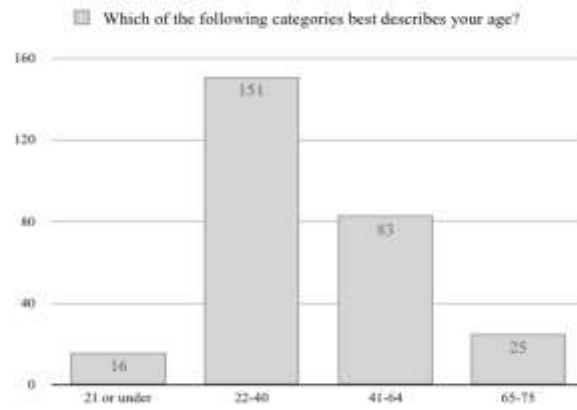
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## Appendix 2

The results of question 1 and question 2 of the survey:

Question 1. Which of the following categories best describes your age?



Question 2. Gender

