

Labour Law Risks and Compliance in Yunnan's "Chinese + Vocational Skills" Training for South and Southeast Asia

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ABSTRACT

With the deepening of the Belt and Road Initiative and the entry into force of the Regional Comprehensive Economic Partnership, Yunnan has become a key platform for China–ASEAN cooperation in education and human resources. "Chinese language + vocational skills" programmes—combining Chinese-language teaching with sector-specific training—now constitute an important form of China's outward-oriented education service trade toward South and Southeast Asia. Yet these programmes are built on complex cross-border labour arrangements involving seconded Chinese teachers, locally hired staff and student interns, who are simultaneously subject to Chinese labour law, the labour law of host states such as Myanmar, Lao PDR and Vietnam, and in some cases international norms. Overlapping jurisdiction, conflicts of law and uneven enforcement generate significant legal and compliance risks. This article clarifies the core employment models underpinning "Chinese + vocational" projects, analyses the principles governing jurisdiction and applicable law in cross-border labour disputes, and maps major risks across three scenarios and four dimensions. On this basis, it develops an integrated, ex ante compliance framework that links pre-entry legal due diligence and structural design with full-cycle contractual and institutional governance and mechanisms for dynamic compliance and dispute resolution, thereby providing a structured analytical lens and practical toolkit for managing labour law risks in Yunnan's outward-oriented education service trade.

KEYWORDS

Chinese language plus vocational skills; Cross-border labour law; Education service trade; South and southeast asia; Seconded teachers

1 Introduction

The Belt and Road Initiative (BRI) and the Regional Comprehensive Economic Partnership (RCEP) have pushed China–ASEAN relations beyond trade in goods toward deeper integration in services, investment, and human resources. Within this regional reconfiguration, Yunnan occupies a strategic position as China's gateway to South and Southeast Asia. Provincial development strategies emphasise building a "radiation centre" for the surrounding region, and cross-border education and vocational training have gradually become key instruments of such "soft connectivity".

Against this backdrop, "Chinese language + vocational skills" training programmes—typically organised jointly by Yunnan institutions and partners in Myanmar, Lao PDR, Vietnam and other neighbouring states—have rapidly expanded (Tuo & Qi, 2025). These programmes combine Chinese-language instruction with technical or service-sector training (such as manufacturing, logistics, tourism, or cross-border e-commerce) and are implemented through a variety of models, ranging from wholly overseas delivery to hybrid forms involving the mobility of teachers and students. Beneath their educational appearance, however, lies a dense fabric of labour relations: Chinese institutions second teachers abroad, establish or cooperate with local entities that hire staff, and arrange cross-border internships for students in enterprises located in host countries or in Chinese-invested projects.

These practices trigger labour law issues that are significantly more complex than those arising in purely domestic education. Cross-border programmes give rise to overlapping personal and territorial jurisdiction, while the determination of applicable law in labour disputes is complicated by multiple connecting factors and the presence of mandatory labour standards in host states. Country-specific risks are further amplified by differences in legal traditions, administrative practices, and political and economic conditions. Existing research on "education going global" has largely focused on quality assurance, cultural exchange and international branding, paying limited attention to this cross-border labour law dimension. This article therefore seeks to fill that gap by clarifying the core employment structures embedded in "Chinese + vocational" training, analysing the jurisdictional and conflict-of-law issues they entail, and developing a structured framework for identifying and preventing labour law risks in Yunnan's outward-oriented training practices.

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2 Core Concepts and Theories of Applicable Labour Law

2.1 Employment Models in “Chinese + Vocational Skills” Training

Although these programmes are framed as educational cooperation, their implementation depends on specific modes of organising labour. Three types are particularly salient.

2.1.1 Seconded Chinese Teachers

Seconded teachers are employed by Chinese institutions (universities, vocational colleges, training centres) under domestic labour contracts (Zhang & Zheng, 2022). Social insurance, basic salary, and personnel management are handled in China, while the actual teaching work is performed in a host state. In legal terms, there is a separation between the place of contract and employer registration (China) and the place of performance (host country). This generates at least two layers of regulation:

Chinese labour and social security law, governing the core employment relationship; and Host-country labour law, claiming mandatory application to working conditions, safety, and related issues on territorial grounds.

In addition, the contractual relationship between the Chinese employer and the local receiving partner (e.g., an overseas campus or a local college) gives rise to questions of cost-sharing and liability allocation in case of disputes.

2.1.2 Locally Hired Employees

To deepen localisation, many Chinese institutions establish or rely on local entities as employers. These entities employ teachers, administrators, and support staff directly under host-country labour law, using local-language contracts and complying with local social security and tax systems. In formal terms, the local entity is the employer, and the labour relationship is anchored in the host state. However, the Chinese parent often exercises significant control over recruitment, HR policies, and day-to-day management. This separation between formal employer and actual controller is a potential source of dispute and may lead courts to recognise joint liability or to “pierce the corporate veil” in extreme cases.

2.1.3 Student Interns and Cross-border Practical Training

Cross-border internships occupy a grey zone between education and employment. Typically, a Yunnan institution sends students to enterprises or organisations in neighbouring states (often Chinese-invested companies) for practical training. These arrangements are usually formalised through tripartite agreements among the school, the host enterprise, and the student. While the stated purpose is educational, interns frequently perform productive tasks, follow workplace schedules, and are subject to the host’s management. From the perspective of host-country labour law, this may meet the substantive criteria of an employment relationship, triggering obligations regarding working hours, safety, remuneration, and protection against discrimination (Posthuma et al., 2011). Misclassifying interns as “pure learners” is therefore a significant legal risk.

2.2 Jurisdiction and Applicable Law in Cross-border Labour Relations

2.2.1 Overlapping Jurisdiction

In cross-border labour disputes, both China and the host state may assert jurisdiction:

Chinese courts may rely on personal and organisational jurisdiction, especially when the employer is a Chinese institution and the employee a Chinese national;

Host-state courts and administrative bodies exercise territorial jurisdiction over employment performed on their soil, particularly where local labour inspectors and tribunals are involved.

As a result, disputes concerning seconded teachers or interns may be litigated in more than one forum or may face uncertainty as to the proper venue.

2.2.2 Determination of Applicable Law

In private international law, labour contracts are usually governed by a combination of:

The law of the place of work;

The law of the employer’s place of business; and

The law chosen by the parties, subject to limits.

However, labour law is characterised by protective and mandatory norms. Many jurisdictions treat minimum standards

on wages, working hours, safety, and non-discrimination as overriding mandatory provisions, applicable regardless of the parties' choice of law. Thus, even if a contract between a Yunnan institution and a seconded teacher stipulates Chinese law as governing law, the labour law of Myanmar, Lao PDR, or Vietnam may still apply to key aspects of the work performed there.

2.2.3 Trends in Chinese Labour Law on Cross-border Employment

Chinese legislation and judicial interpretation increasingly address complex employment structures, including dispatch, outsourcing, and cross-border arrangements. Courts tend to look beyond formal labels and examine substantive control, payment of remuneration, and integration into an organisation when identifying the real employer and allocating responsibility. For outward-oriented training institutions, this signals that:

Attempts to shift employer responsibility entirely to local partners may not be fully effective, especially where Chinese institutions exercise substantial control;

Chinese courts may still recognise an employment relationship under Chinese law, even when work is performed abroad; and Institutions must consider the interaction of domestic and foreign labour standards rather than treating Chinese law as the sole legal framework.

3 Risk Mapping: Three Scenarios, Four Dimensions

This section maps labour law risks in three core scenarios—seconded teachers, local employment, and student internships—across four dimensions: (1) labour relationships and contracts; (2) remuneration, benefits and taxation; (3) management, operation and termination; and (4) country- and sector-specific factors.

3.1 Seconded Chinese Teachers

For seconded teachers, risk stems from a Chinese-law employment relationship being performed under host-country labour law. Unclear employer identity, China-only contracts and the absence of a dedicated secondment agreement create gaps on safety, allowances and dispute resolution and make joint liability findings more likely. Split pay, incomplete overseas social insurance and mishandled tax residency can breach local minimum wage standards and trigger back-pay, uninsured injury and tax claims. Transplanted Chinese practices on working time, holidays and dismissal often conflict with stricter local procedures, while evolving and unevenly enforced labour regimes in Myanmar, Lao PDR and Vietnam add further uncertainty.

3.2 Local Employment

Where staff are employed by host-country entities, the main tension lies between formal employer status and actual control by the Chinese parent. Unreviewed template contracts and language barriers obscure mandatory local protections and increase the risk of joint-employer findings. Systematic underpayment of wages, overtime and bonuses, failure to enrol employees in local social insurance and poor tax structuring can accumulate into significant liabilities. At the same time, Chinese-style handbooks and HR practices may infringe local rules on unions, discrimination and privacy, while non-compliance with work-permit, localisation and licensing requirements in Myanmar, Lao PDR and Vietnam can jeopardise both labour legality and the continued operation of training projects.

3.3 Student Internships and Cross-border Practical Training

For cross-border internships, the central problem is the blurred boundary between education and employment. Tripartite agreements often stress learning goals but ignore labour law, so that interns performing regular work may be reclassified as employees, with retroactive wage, benefit and protection claims (Martiniano, 2021). Unpaid or low-paid arrangements in profit-making enterprises, ad hoc accident and health insurance and placements in high-risk sectors such as tourism, hospitality, construction and manufacturing heighten exposure. Long and irregular working hours, vulnerability to harassment and the academic and migration consequences of early termination can generate multi-party disputes, especially where written law and workplace practice diverge in host countries.

4 Constructing a Comprehensive Risk-Prevention Framework

To manage the above risks, Yunnan's institutions need a coherent framework rather than isolated measures. This

framework should operate along three main axes: pre-entry legal due diligence and structural design; full-cycle contractual and institutional governance; and dynamic compliance with effective dispute resolution mechanisms. Figure 1 illustrates this three-layer compliance architecture and the relationships between its constituent elements.



Figure 1 Three-layer compliance framework for cross-border "Chinese + vocational skills" training

4.1 Pre-entry Legal Due Diligence and Structural Design

Before launching or expanding programmes in a host country, institutions should undertake systematic labour and employment due diligence. This includes:

- Mapping the host state's labour law system, especially mandatory standards and enforcement practices;
- Identifying regulatory regimes for foreign teachers, training providers, and internships;
- Examining social security and tax obligations for both local and foreign staff; and Assessing recent enforcement trends and cases involving foreign entities.

On this basis, institutions can design an appropriate organisational architecture:

- Establishing local legal entities as employers where appropriate, to clarify responsibilities and isolate risk;
- Concluding intra-group agreements specifying secondment arrangements, cost-sharing, and indemnity between Chinese and local entities;
- Ensuring consistency between trade, tax, and labour structures to avoid regulatory contradictions.

4.2 Full-cycle Contractual and Institutional Governance

Contractual arrangements should be differentiated by participant status but drafted to a consistently professional standard. Seconded teachers should be engaged under a robust domestic labour contract supplemented by a detailed Overseas Secondment Agreement specifying the place of work, working conditions, insurance and social security coverage, tax responsibilities and dispute-resolution mechanisms. Locally hired staff should sign labour contracts governed by host-country law, vetted by local counsel and, where appropriate, issued in bilingual form, while student interns should be governed by comprehensive tripartite agreements that define educational objectives, working hours, allowances, safety and insurance standards, as well as procedures for early termination and dispute settlement (Baird & Mollen, 2023).

In parallel, internal governance instruments need to be clearly localised rather than transplanted wholesale from domestic models. Employee handbooks for local entities should reflect host-country norms on working time, leave, discipline, grievance mechanisms, anti-harassment safeguards, union rights and data protection. Dedicated internship management regulations should standardise the selection of interns, pre-departure training, on-site supervision, reporting channels and emergency responses for cross-border placements, providing operational guidance that is coherent with both local law and institutional objectives.

To function effectively, these internal rules and policies must also be properly embedded in practice. Institutions should ensure that handbooks and internship regulations are adequately publicised and explained to teachers, staff and interns, that consultation procedures required under host-country law are followed, and that any necessary filing or registration with local authorities is completed.

4.3 Dynamic Compliance and Dispute Resolution

Dynamic compliance means building ongoing oversight into overseas operations rather than relying on one-off policy design. Institutions should adopt country-specific compliance checklists that cover the full employment lifecycle and use them as the basis for regular internal audits to detect and correct problems early. These efforts should be supported by a regulatory early-warning system that combines periodic legal updates from local counsel, designated project-level compliance officers and timely revisions of contracts, policies and training materials.

Dispute resolution should link prevention with clear handling of conflicts when they arise. As far as host-country law allows, contracts ought to include multi-step clauses (consultation, mediation, then arbitration or litigation) and carefully chosen forums and applicable law that respect mandatory labour protections and ensure enforceability.

Alongside these contractual arrangements, accessible internal complaint channels for teachers, staff and interns—backed by concise procedures and timelines—help contain disputes at an early stage. Contingency plans for serious incidents, including accidents, security events and mass disputes, together with agreed communication protocols with consular posts and local regulators, are also essential to ensure coordinated and lawful responses.

5 Conclusion

The rise of Yunnan as a hub for “Chinese + vocational skills” training toward South and Southeast Asia is both a strategic opportunity and a governance challenge: it enables the export of education services and deepens China–ASEAN connectivity, but rests on complex cross-border labour relations that generate systemic, multilayered and country-specific legal risks. These risks, arising from hybrid employment structures, overlapping jurisdiction and dynamic host-country regulation, cannot be addressed by ex post dispute handling alone and require ex ante compliance design grounded in respect for local labour law. This article has proposed differentiated yet interlinked responses at three levels: training institutions should embed a “compliance first” mindset through legal due diligence, engagement of local counsel, interdisciplinary governance teams and enhanced legal and cross-cultural training for teachers and interns; industry associations should develop country-tailored compliance guidelines and structured platforms for sharing best practices; and central and provincial authorities should support bilateral social security and qualification arrangements, issue guidance on the extraterritorial application of Chinese labour law and strengthen consular assistance in cross-border labour disputes. Ultimately, the sustainability of Yunnan’s vocational education “going global” depends on integrating labour law compliance into the design of education service trade itself, aligning the “soft” export of training with “hard” legal obligations so that cross-border cooperation develops in a stable, rights-respecting and high-quality manner.

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