

Expats in China: A Clear Future?

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China continues to be a trending expat destination, but issues such as air pollution challenge the expat experience. Should global companies be paying more attention?

The more I research, the more I become interested in China. I've never been to China, but when thinking about China through the global mobility lense, it's a fascinating study. And quite possibly, a living, breathing dichotomy of sorts.

For a young expat, China can seem thrilling. The perks are good: a professional, cultural and social experience on a global scale. But China also has some well-known issues: air pollution, food safety, and difficult bureaucracy to name a few.

So, what is so exciting about China? Previous articles and posts noted Chinese cities hit all the major expat lists—for better or for worse.

Shanghai, Hong Kong and Beijing all landed in the top-ten trending cities list in AIRINC's "Trending Expat Cities 2013 report". In Mercer's "2014 Cost of Living Rankings", all three cities held rank in the top-twelve of the costliest expat cities, and in a recent survey by HSBC, China takes top honors from the expats themselves when the criteria of economics, experience and raising children was considered.

These lists tell us that, although costly, China and expats appear to go hand-in-hand.

Expat Exodus: Rumors or Reality?

In the summer of 2012, high-profile, long-term expats Charlie Custer and Mark Kitto published stories about why they were leaving China. Their articles caused quite the media stir, claiming a great expat exodus from China was in the works. Many doubted whether this was really true.

SmartIntern, a company aiding recent graduates with careers in China, created an infographic to rebuff the rumors of an expat exodus. They found the number of foreigners living on the mainland increased; the number of foreigners coming to China for business and tourism slightly decreased; and the number of American companies having difficulty securing executives in China increased.

Using their gathered stats, SmartIntern concluded talk of the expat exodus was more hype, less fact.

But there is some real evidence out there that supports the idea that China's problems are forcing expats to move.

Getting Choked Out

Take, for instance, the fairly recent Bloomberg Businessweek article, that points to air quality as why expats leave China and also reveals what some multinationals are doing about the situation.

Here are a few alarming stats the article offers: "Smog in Beijing exceeded government pollution standards most days last year, and environment ministry statistics show that 71 of 74 Chinese cities failed to meet air quality standards." Or how about this shocker: "Forty percent of the 7 million annual deaths attributed to air pollution worldwide occur in the Asia-Pacific region."

For expats being asked to work and live in China, these statistics might look more like a big neon sign over China screaming, "ENTER AT YOUR OWN RISK".

To combat these alarming statistics, some companies are reworking hardship packages for executive-level expats, frequently with expat families staying put in the home country and with additional allowances offering expats more frequent travel home as well as added "rest and relaxation" trips outside of the country.

In the same article, multiple examples of big-name companies, like Panasonic and Nestlé, are either considering living allowance increases or installing costly air filters to combat the pollution situation. Some companies admit, however, not being able to get executive-level assignees to consider an opportunity in China.

In Denial?

Other global companies have only minimally addressed the effects of pollution on expats living and working in China.

AIRINC's "Spot Survey: Air Pollution in China and its Impact on Expatriates" reveals less than half of the survey's 51 respondents are taking action to address pollution's effects on their expats. And for those who are taking action, it normally is in the form of health and safety assistance versus allowance alterations.

Of the active respondents, 37 percent have supplied air masks for expats and accompanying family, and 29 percent have installed air purification systems or air filters, with only 18 percent offering maintenance of those systems. Only 12 percent have offered hardship premiums as a solution.

AIRINC's conclusion? Air pollution is not affecting the number of expats going to China, and while monitoring the situation, most companies are not altering policy or allowance in response to the pollution.

Is the Future Clear?

In China? Apparently not.

Should corporations be weary of an expat exodus? Most likely not.

Should corporations be doing more to support expats in China? Possibly.

Whatever next moves are in order, China will continue to be a major player—let's just hope the future is clearer.