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Final Thesis

Tangping: intergenerational evolution of Chinese work culture

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Introduction

In the word Tangping 躺平 the first character tǎng 躺 means "to lie down" while the second character píng $\overline{\Psi}$ means "flat, even" or "peaceful". Although Tangping is almost exclusively translated with "Lying Flat", from an ideological point of view perhaps a better translation would be "Lying Peacefully". Lying peacefully is precisely the essence of Tangping, a social movement that encourages people to prioritize their needs over society's expectations and taking time for themselves. Although this concept may seem simple or even banal, the movement is radically innovative for at least two reasons. Firstly, the Tangping philosophy is extremely pervasive, as it has been applied to most key areas in an individual's life: housing, marriage, childbirth, lifestyle, and above all occupation. Secondly, Lying Flat challenges the current modus vivendi of Chinese society.

To better explain these affirmations, it is necessary to summarize the Chinese cultural context, which is heavily influenced by three elements: the traditional Confucian culture, communism and the recent fastpaced development of economy. In the traditional Confucian culture, an individual had two main goals in their life: taking care of the old parents and generating offspring that will in turn take care of them. Only by demonstrating their ability to accomplish these goals did they gain the respect of the community (in Chinese the "Face"). Consequently, work has always been deemed important not only as a form of selfcultivation, but also as a mean to provide for the family. Later, the Maoist ideology shifted the focus of success from an individual to a collective level: the single's fulfillment within the communist social fabric was perceived as instrumental to reach national success, thus transforming life choices into a duty. Lastly, the economic development of the past decades exacerbated the above-mentioned traits, adding to the picture the values of competition and consumerism. The respect of the community, therefore, is now gained through display of money (consumerism), and success is not measured in an absolute sense but rather through comparison with peers.

To conclude, for the last 50 years the Chinese concept of success consisted in attending a good university, which would in turn grant the access to a well-paid job. A high commitment would be compensated by pay rises, fundamental to buy property, marry, provide for the elderly parents and children – and meanwhile lead a consumerist lifestyle. The combination of all these elements shaped Chinese society on the following paradigm: only working harder than everybody else is it possible to be successful in life.

In recent years, however, a gradual decrease in the economic development's speed is generating deep modifications within the Chinese socioeconomic structure. A reduced growth equals less resources, and competition is growing fierce in many aspects of the Chinese's life. Young generations are the worst hit by such change, and they notice an increasing mismatch between competitive effort and reward. After experimenting the negative effects of hyper-competition, they found themselves dissatisfied with the current values of their society, and are now formulating their own. Tangping philosophy consists in refusing to pour all the energy into work, enjoy life, reject "living to work" in favour of "working to live". In its most extreme form it means quitting work, renouncing to house ownership, marriage, and children, living a poor life and finding happiness in the smallest things. Although almost none of its followers actually adopted this lifestyle, Tangping still became a mediatic phenomenon. This movement, therefore, is not to be considered in its radical aspects, but rather for the wide diffusion of its mentality among young population. For the first time a great number of young Chinese is challenging the traditional paradigm of success to propose a new definition: simply taking care of oneself, and being satisfied with one's life.

The above considerations guided me in formulating a new interpretation of the Tangping movement. The emerging of Lying Flat could indicate an evolution of Chinese culture between the past generation and the new one, originated by the recent transformations of the socioeconomic environment. Such cultural evolution would primarily impact the business environment calling for an innovation of the HRM techniques, which will have to meet the expectations of a younger workforce. In the long-term, it could have broader effects on the country's demographics and social structure. In my research I deemed significant to explore the connection between Lying Flat and Chinese culture, with a special consideration for its immediate repercussions on the work environment. Considering that in 2023 Chinese account for roughly 17.5% of the worldwide population, and the country is responsible for 28.4% of global manufacturing, the correct management of such a sizeable workforce is fundamental on a global level. I hope that this dissertation will prove useful in addressing future intercultural management problems, and inspire other researchers to deepen this topic.

To structure my work, I developed three research hypotheses, each one examined in a different chapter:

H1. Tangping movement is a signal of a deeper cultural change that is taking place among younger Chinese.

H2. Such cultural change was originated by the transformations of the socioeconomic environment that occurred in the last years.

H3. Intergenerational cultural change will have an impact on the Chinese work system and the HRM techniques.

The first chapter of my thesis will be dedicated to the introduction of Tangping, establishing whether it can be considered representative of an intergenerational evolution of Chinese culture. The section gives a full account of the movement in a chronological order, starting from the preconditions for its birth, outlining the underlying philosophy, the reactions and importance for China. Additionally, Lying Flat will be compared with similar movements both within China and around the globe.

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In the second chapter I will individuate the roots of intergenerational cultural change in China, highlighting the key drivers of change. To this end, Chinese population will be divided into cohorts according to age, and each group will be briefly presented. Then, I will analyze all the elements of the socioeconomic environment that can be deemed responsible for a cultural evolution, and underline the major differences between older and younger generations.

In the third chapter I will conclude explaining the impact of young generations' new values on Chinese work culture. The chapter will be divided into two specular sections, one dedicated to the Traditional and the other to the Emerging work system. For each system I will analyze the business environment, the work ethic and the more appropriate Human Resource Management approach. Finally, I will try to predict how HRM will evolve in the future to answer to the new needs of a young workforce.

This paper was written through an indirect approach, meaning that primary data was not gathered through surveys and interviews, but rather it was collected through official statistics, academic articles, and social media. This choice was deemed necessary for both the vastness of the topic and the depth of the research: it was impossible to obtain relevant results from an independent survey with a restricted sample. The optimal solution was to use verified sources as the World Bank Database, International Labour Organization estimates on labour market indicators, the National Bureau of Statistics of China, and the Chinese Household Income Project.

This research presented some difficulties because various of the primary sources were in Chinese, and occasionally extrapolating data was fairly arduous. In other occasions, data needed to be manipulated to give a fair representation of a phenomenon. Some other times data access needed to be previously approved by the holding institution through a lengthy process. Taking everything into consideration, I hope my work can provide a significant insight on the Tangping phenomenon and contribute significantly to the scientific literature.

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前言

按照词典躺平的目前定义就是"该词指人在面对压力时,内心再无波澜,主动放弃,不做任何反抗"。 但是该定义离原来意思很远。事实上,躺平是于 2020 年出生的社会运动。始祖叫骆华忠,他于 2020 年 7 月 4 日在百度贴吧上发布"躺平即是正义"的帖子,解释他的生活方式。因为在劳动力市场 上找不到合适的岗位,他决定完全不工作了。他过着俭朴的生活:每天三餐都吃面条、不常开灯节 约电费、花时间读书和游泳。 这样他将每月开支降至 200 元,主要是食物和水电费。支付费用他部 分靠之前工作留下的存款,部分靠零工。总之,他经采取无工作、无购房、无结婚、无子女、无消 费的生活。

在帖子最后他写着由于在中国从来没有以人为中心的哲学,他创造了自己的哲学。躺平学就是放弃 拼命工作攒钱焦虑伤身的一种生活哲学,躺平追随者主动低欲望地生活。骆华忠反对"成功"的传统概 念,他认为人只要对自己的生活满意、心里高兴,就已经成功了。对他来说,构成快乐的要素并不 昂贵,不用购车、购房。虽然很少人跟骆完全一样生活,许多人有相同的看法,想降低他们的物欲。 不少人同意目前在中国年轻要承担着越来越巨大的竞争压力,工作、购房、结婚、生子、消费的压 力太大。简言之,青年人认为中国经进入内卷化:躺平一边能支持疲惫不堪的人,一边对社会传达 出一种强有力的信息。骆华忠发布"躺平即是正义"帖后成千上万网民转贴,躺平学马上爆红。2021 年,躺平被进入国家语言资源监测与研究中心发布的"2021年度中国媒体十大流行语"。

中国政府拒绝接受躺平学,坚决反对躺平。共产党认为年轻人为经济发展的拉动力,应该全力为国 家发展做出贡献。随之政府双重反应:一边官方媒体鼓励年轻人为了国家的未来而努力工作,一边 骆华忠的帖子被审查员删除,"躺平"二字的提及在中国互联网上受到严格的限制。目前,在官方媒体 上躺平等于是懒惰的、消极的。不过,虽然政府呼吁年轻人不要躺下,但是大部分年轻人还认为在 中国压力过激烈。2023 年躺平还是热点话题。

本篇硕士论文的主题就是躺平的亚文化作为中国文化的代际变成。综上所述,本文提出下列的三个 研究假设:

假设一:躺平就是中国文化的代际变成的信号。

假设二:躺平源于社会经济环境的变成。

假设三: 文化的代际变成将影响到商业环境与人力资源管理。

每个章节验证了上列的一个假设。本文数据主要来自国家统计局、世界银行集团库、国际劳工组织 库、中国家庭收入调查库。

本文的第一章描写了导致躺平的那些事件,躺平学教什么,躺平亚文化如何表示,躺平为何是重要 的。研究结果显示,躺平就是中国文化的代际变成的信号。首先,躺平不是突然出现的,而是年轻 人逐渐懂得内卷负面的过程的最后一步。2020 年以前已经有不少关于工作环境的社会运动,如内卷、 佛系、丧文化、996.ICU、摸鱼。其次,躺平是一种新兴的青年亚文化现象,有特有的理念和文化产 品,如网络迷因、歌子和主题产品。再次,即使躺平不再是公众关注的焦点了,仍然中国年轻人同 意它的核心理念,2022 年经出现"摆烂"运动。最后,在别的国家里面也经出现类似的青年运动,重 视工作与生活的平衡抗议经济形势。

第二章对躺平与中国社会经济环境之间有的关联进行了分析。随之第一章经说明躺平就是代际的文 化变成,第二章描绘了社会经济环境如何促进年轻人的文化变成。按照 Danko Tarabar (2019)文化 受经济的影响。从七十年代以后中国的经济不断发展,2010年经成为全球的第二个经济大国:同时 中国文化当然就逐渐演变了。本文第二章,本文将中国人口按照年龄划分为四代,1958 年及以前出 生的定义为"老年一代",从 1959 到 1988 出生的定义为"中年一代",从 1989 到 2008 年出生的定义为 "青年一代",1958 年及以后出生的定义为"孩子一代"。因为孩子一代还不能工作、拿重要决定,在本 文里面不被认为主要的。然后,第二章的第一、二、三节将每个一代简单地介绍了,解释对每个一 代的最主要历史事件、核心价值。最后,本章第四节将中年一道与青年一代在跟躺平有关的中国社 会经济环境的方面进行比较。被分析的因素就是教育、住房、收入、结婚、生子与社会流动性。

按照数据,中年一代与青年一代的大学毕业生比例分别为 13.01%和 36.28% , 两者差异非常显著, 这 说明青年一代比中年一代具备更好的文化知识储备。此外,在学校里青年一代比中年一代受竞争压 力。在中国购房就是一种投资。因此,中国的房价与收入水平相比要高出许多。在购房的方面青年 一代比中年一代遇到困难。从 2002 年以来,中国的房价不断增加,经加倍了。从 2010 年到 2020 年 中国房价收入比保持在 10-13 属区间。城市改革研究所认为房价收入比超过 5 属无法持续的比例。 目前,三分之一青年一代人只有请求父母的财务支援才能购买房子。关于收入,青年和老年两代都 经受过去四十五年收入增加的利益, 平均储蓄比例经到收入的百分之三十。同时, 从 2006 年到 2020年中国家庭负债也经增加四倍,增到了近国内生产总值一半。几年来能进入福利系统的人数越 来越低。青年一代比中年一代弱势: 中年一代与 00 后一代的没有任何保险比例分别为 31.6%和 18.5%。因此,储蓄增加不只取决于收入的增加,而取决于意外费用的增加。至于结婚榆生子的方面, 1982 年(中年一代)与 2020 年(青年一代)的平均结婚年龄分别为 23 岁和 28.6 岁,出生率分别为 2.97%和 1.28%。因为经济因素青年一代只能推迟结婚与生子,还有年轻人选择完全不结婚、生子。 本节最后讨论了社会流动性与不平等性。从 1978 年以来, 收入不平等性加剧。最富有的 1%人口与 底层 50%的人口的收入差距不断扩大。虽然从 1979 年到 2010 年代经济发展经促进向上的社会流动, 然而从 2010 年代以来中国的社会流动性越来越小。上述的数据显示,社会经济环境的变成、代际文 化变成与躺平的出现同存在着依次递进的因果关系。躺平生活方式的要素扎根于最近几十年的社会 经济环境的变成。成功的机会越小社会竞争压力越大:年轻人就通过躺平反对压力。

最后一章探讨了代际文化变成对中国商务制度的影响。按照 Geert Hofstede (1980)文化对生意起作 用,第三章将重点分析躺平如何影响到商业环境。第三章分成两部了,主题分别为中年一代和青年 一代。第一部主要论述了传统工作制度:中年一代的工作环境、工作道德、人力资源管理的工具。 第二部主要论述了新兴工作制度:青年一代的工作环境、工作道德、人力资源管理的工具。数据说 明了,青年一代进入的工作环境跟中年一代的截然不同。首先,目前的青年失业率极高:行业需要 的技术与人们可以提供的技能并不匹配。虽然青年一代比中年一代具备更好的文化知识储备,但他 们缺乏实用技能了。此外,2019 年的新冠病毒疫情经济危机对青年失业率的提高有所贡献。其次, 虽然蓝领工人的工作时间继续很长,但如今白领工人的工作时间比以前更长了。因此,全国工作时 间越来越长。再次,四十五年以来青年和老年两代都从工资增加经受益。数据表明了,虽然青年一 代员工比中年一代的有技能,但青年一代员工挣的钱少。此外,几十年以来工资与费用一起成长了, 目前家庭平均支出比家庭平均工资高了,家庭要靠存款与非工资性收入支付费用。最后,关于劳工 权利与劳动安全,资料显示了目前在中国工作比过去安全,不过几年来劳工权利遵从性水平越来越 低。青年与中年两代都同样关心的。

文化对商务制度的影响主要体现了在工作道德。 青年一代的工作道德跟中年的不同。年轻就是最个 人主义的一代,他们认为自我表现非常关键。反而中年一代以和睦为中心,他们认为个性表现是次 要的。为了保持和谐与和平,该一代鼓励自我牺牲。两一代都往往避免冲突,但是青年一代的沟通 风格比中年一代的自信、直率。中国企业的组织结构是建立在等级制度之上的,中年一代要求青年 一代尊从老板、老级同事。青年一代更喜欢平等主义的组织结构。同样,中年一代觉得每队需要领 导者,青年一代希望得到授权。最后,中年一代比青年一代重视关系(常常中年人偏爱朋友和熟 人),反而年轻人有更客观的看法,重视职业化。在此基础上,经理应该使用不同的人力资源管理的工具。首先,年轻人喜欢在线招聘招,寻找灵活性、稳定性。聘人员应该发布在线招聘广告,宣传公司提供的奖金和福利。年轻员工士气取决于薪酬激励与对企业价值观的共鸣:为了减少员工离职率,经理要提高此两个要素。关于报酬,年轻人收到的福利不如中年一代的。青年希望企业采取一个透明的、绩效工资制度,经理改善福利体系。经理也应该培训与开发上投资,因为年轻人比中年人重视该培和职业机会。另外,中国企业应该引进赋权方法,如委托、工作形塑与弹性工作。最后,经理要准备管理多种多样的员工,不可避免出现代际沟通的误会。在此情况下,经理要记得年轻人的沟通方法比中年人的直率,才能调停争端。

总而言之,我很感激有机会通过这项研究工作为学术文献做出贡献,我希望本文将激励别的研究员 加强对此课题的研究。

1. Tangping framework

The first chapter gives a complete definition of Tangping, providing a full account of the movement's development. The chapter is organized in a sequential order; it starts from the prerequisite for the movement's creation: a gradual awareness of Chinese youth of the environment they will live in (section 1.1). Then, it illustrates the circumstances of Tangping birth (1.2), its underlying philosophy (1.3), the various interpretations, and its cultural production (1.4). Next, it proceeds to describe the reactions it aroused (1.5) and the similar movements that developed within China (1.6). Finally, it will conclude with the successor movement of Tangping – Bailan (1.7), similar groups from all over the world (1.8), and the importance of Lying Flat for China (1.9).

Parallelly, this chapter also discusses whether Tangping can be considered a signal of intergenerational cultural change, hypothesis H1. According to Brake (1985), "In any complex, stratified society there are several cultures which develop within the context of a dominant value system. The dominant value system is never homogeneous; instead there are constant modifications and adaptation of dominant ideas and values." For the purposes of this research, intergenerational cultural change is defined as the gradual change of the dominant value system within a society that occurs when younger generations acquire cultural power and impose their ideas and beliefs. Therefore, in this context there are two opposed parties: an older, culturally conservative generation opposed to a younger generation that pushes for innovation.

There are several elements that support hypothesis H1. First of all, Tangping is a youth movement as it represents an organized, conscious attempt by young people to bring about societal change (Braungart and Braungart, 2001). The vast majority of Tangping followers are young people who communicate on internet platforms and discuss their opinions on Chinese society. Netizens express discontent with some aspects of the current socioeconomic environment and share their coping method, but also discuss the best way to change those aspects (see section 1.2). Youth movements are often the expression of intergenerational conflict, a well-documented phenomenon of power-struggle among generations to determine what constitutes the fair distribution of public resources across age groups (Silverstein, 2007). Such power-struggle has been early identified by the Communist government, which has promptly acted to suppress it (section 1.5).

In the second place, Tangping is the expression of a particular subculture, with its unique features. A subculture is a subset of beliefs, values, and behaviors that emerges from a parent culture, and distinguishes a group of people within a society. It is undeniable that Lying Flat promotes an attitude, lifestyle, and ideal that is completely different from those of the parent Chinese culture. Moreover, such ideals are codified in a philosophy with its relative interpretations (see section 1.3) and diffused through distinctive memes of expression and material production (section 1.4).

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Finally, according to the culture evolution theory¹, cultural change is a slow process that occurs in every existing culture. Another evidence that supports H1 is that Lying Flat is not an isolated episode of youth unrest, on the contrary it is part of a sequence of movements that began some years before and continued even after Tangping lost its initial popularity, as explained in sections 1.1 and 1.7. Each movement presents its unique features, but the underlying philosophy of resistance to an unfair socioeconomic structure remains unchanged. The persistence of the same attitude independently from the name of the movement emphasizes that Chinese youth have developed a distinct set of beliefs, and are slowly introducing them into general society.

An interesting point of thought is offered by the fact that in the last years similar movements to Tangping have appeared in many developed countries, as examined in section 1.8. The comparison between youth subcultures across the world and the connection with said countries' economic environment could provide material for further research.

1.1 Before Tangping: Neijuan

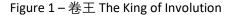
The emerging of Lying Flat was not totally unforeseeable but on the contrary, it was the final step of a gradual process of self-awareness among Chinese youths, who are developing new values as the environment around them changes. As will be further explained in the next chapter, the socioeconomic conditions of Gen Z are very different from their parents', and these contrasting experiences prompt a variety of subcultures that find their expression on social media. For this reason, it is impossible to analyze Tangping without first outlining its forefather: Neijuan. To give a brief definition, "Involution" or Nèijuǎn 内卷 is a word that describes the hyper-competitive lifestyle in China, it is more of an interpretation of reality rather than a philosophy or a movement.

The underlying principle is that limited competition stimulates and rewards hard-working people with a positive effect on both society and individuals; excessive competition, however, has the opposite effect. As people start competing harder for the same goals the relative benefits decrease, i.e., even with an increased effort the probability of success remains the same, leaving many hard-workers unrewarded. The logical conclusion is that at certain conditions, putting too much effort can be useless if not harmful. This realization is quite revolutionary if we consider that in China, since 1980 competition has been praised to enhance the country's economic development and has become a fundamental component of the workplace.

¹ Cultural evolution theory is one of the major theories in Anthropology. Originated in the XIX century from the Darwinist theory, it poses that cultures evolve over time in a struggle to adapt to the environment (Lewens, 2015).

At present Involution – or hyper-competition can be observed in some relevant areas of Chinese society, some being education, employment, and marriage. In chapter 2 I will explore in detail how Neijuan permeates many aspects of Chinese society, impacting directly on Chinese's lifestyle.

Even if the concept of Involution is quite dated it became widespread only in 2020, when the word Neijuan was associated with a picture depicting a student at the prestigious Tsinghua University, cycling and studying on his laptop at the same time (see Figure 1). The image was diffused on Sina Weibo – the Chinese version of Twitter – and it prompted a discussion about the hypercompetitive lifestyle of many young Chinese, especially elite university's students and office workers in the IT field.





The student was mockingly called the "King of Involution" (卷王 juǎnwáng), someone willing to sacrifice every second of his life to succeed – even the few minutes of a short bike commute. The "king of Involution" became a powerful symbol reposted thousands of times accumulating more than 1 billion views; Neijuan was enlisted in the Top 10 Buzzwords of 2020. Thanks to the immediateness of social media, in a few months the concept of Involution was internalized by millions of internet users and led off a new youth subculture called "Involutionism" 内卷化. Subsequently netizens invented a whole set of correlated slang words, for instance "Cabbage" (卷心菜 juǎnxīncài) refers to a person who is forced to compete but is "average" or weak, and "King of Sushi" (寿司之神 shòusī zhī shén) indicates someone who is constantly self-criticizing (Zhang, 2021).

Unlike other short term social media phenomena, the attention on Neijuan has remained high until 2023 (Qin, 2023). According to Sina Weibo Index, from January to March 2023 the topic sparked frequent debates, with a peak of 2.64 million around January 9, 2023. Moreover, Baidu, Sina Weibo and other search engines all reported a development of the discussion contents, with users starting to counteract the competition pressure. A natural consequence is the concretization of said conversations in a social movement, which is precisely what happened with Tangping.

1.2 Chronological development of Tangping

The Lying Flat movement was started by Luo Huazhong 骆华忠 on the forum platform Baidu Tieba. On 4 July, 2021 under the username Kind-Hearted Traveler 好心的旅行家 he published a post titled "Lying Flat is Justice" (躺平即是正义), in which he condensed a few thoughts about the current social environment in China and offered his solution. His ideas were welcomed with wide interest, so much so that Luo opened a dedicated forum to share the novel "Lying Flat Philosophy" and his subscribers kept rising at a phenomenal speed. The original post was reposted on Weibo tens of thousands of times, further attracting followers, until it became the manifesto of a whole social movement. A few months later, Douban – a Chinese version of Facebook – hosted a "Flat" community of 9,000 people. Meanwhile, on Tieba young Chinese encouraged each other to resist to the pressure of society and shared the best ways to reduce expenses and adopt a "Flat" lifestyle. The forum included pictures of animals in a prone position or people literally lying on the bed, to celebrate their new life. By the end of the year, the movement already had its own means of expression and could be classified as a proper subcultural phenomenon. According to the National Language Resource Monitoring and Research Center, Tangping was one of the top 10 internet buzzwords in China in 2021.

The PRC government soon judged the movement incompatible to the country's interests, closed the Tieba forum and started a derogatory campaign to rephrase the movement as laziness. Nevertheless, the topic remained of high interest: as explained by Sina Weibo Index, in the second half of October 2022 the daily occurrence of "Tangping" was close to 600,000, and in November it still maintained between 200,000 and 500,000. In 20% of the discussions, "Lying Flat" was viewed in a positive light. Besides, in 2022 the discussion focus was shifting from an individual level to the whole society (Qin, 2023).

1.3 The Tangping Philosophy

Tangping is based on a specific attitude towards life, encompassed in the "Tangping Philosophy" (躺平学 Tǎngpíng xué) created by the founder Luo Huazhong. This is a distinctive aspect of Lying Flat, because it is the only movement with an explicit philosophy and a manifesto. Moreover, this set of ideas and beliefs is extremely pervasive as it addresses almost all key areas of life and even redefines an individual's life goals. Not all followers, however, share the same interpretation of the Tangping xue: in the following section both the original philosophy and its interpretations will be analyzed.

1.3.1 The Tangping Manifesto: Tangping Master Luo Huazhong

The core of Tangping philosophy is obviously to be found in Luo Huazhong's original post, which marked the beginning of the movement. Luo Huazhong 骆华忠 was born in 1990 in the rural Jiande County, eastern Zhejiang Province. The conception of Lying Flat was gradual and dictated by his personal life choices. Unlike most of his peers, as a teenager he did not take part to the

competitive environment of the typical Chinese educational environment. In high school he started to skip classes to play videogames and could not complete vocational high school; later he was not admitted to college. As his closest friend reported, this was not due to a lack of intelligence, but rather to a lack of interest. Either way, when Luo faced the labour market, it was without a bachelor diploma, which precluded him many career possibilities. From age 18 he tried various jobs, none of which satisfied him entirely. Some works were too physically tiring, others gave him no sense of achievement, some others were too stressful. In the end, he realized that he preferred to reduce his consumption - to the point of leading a minimalist life – rather than enduring a job he did not like (Zui, 2021).

Over time, Luo managed to reduce his monthly expenses to merely 200 yuan – the average in China is 2,008 yuan. He partially earns the money he needs from odd jobs (for example playing as a background actor), and partially takes it from his savings. The Flat lifestyle of the Tangping Master includes eating two meals a day – usually eggs, rice, and noodles, exercising frequently and reading philosophy. He enjoys costless activities, for example swimming in the river, climbing and cycling. Occasionally, when he saves enough money, Luo travels around the country. Needless to say, he always chooses the cheapest routes and transportations: usually he books the lowest class tickets on China Railways.

After two years of this "flat life", he shared his experience on social media with the viral post "Tangping is justice". Here follows the translation of the original post (Figure 3).



Figure 2 – Tangping Master Luo Huazhong 骆华忠

躺平即是正义 Tangping is justice

Author: Kind Hearted Traveler

Publication date: 17-04-2021

"I haven't had a job for more than two years. I've been chilling, and I don't feel like there's anything wrong with that. Pressure mainly comes from the comparisons we make with our peers, constantly worrying about being the best; it comes from the values of the older generations, always nagging in the back of our minds. Every time we see the latest Trending News they are always about a celebrity's new love, a pregnancy or stuff like that. It's almost like someone was creating an invisible cage around us... But we can free ourselves!

I can live like Diogenes who slept inside a wooden bucket, enjoying the sunshine. I can live like Heraclitus in a cave, thinking about the logos. Since there has never been a school of thought that cultivates human subjectivity in this land, I can create one for myself. Lying down is my philosophical movement. Only by lying down can humans become the measure of all things." Figure 3 – Original post "Tangping is justice" on Baidu Tieba 17/04/2021

── 中国人口吧

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躺平即是正义



关注

两年多没有工作了,都在玩 没觉得哪里不对,压力主要来自 身边人互相对比后寻找的定位和长辈的传统观念,它们会无 时无刻在你身边出现,你每次看见的新闻热搜也都是明星恋 爱、怀孕之类的"生育周边",就像某些"看不见的生物"在 制造一种思维强压给你,人大可不必如此。我可以像第欧根 尼只睡在自己的木桶里晒太阳,也可以像赫拉克利特住在山 洞里思考"逻各斯",既然这片土地从没真实存在高举人主体 性的思潮,那我可以自己制造给自己,躺平就是我的智者运 动,只有躺平,人才是万物的尺度。



Source: Jinwen Wang 禁闻网 (bannedbook.org)

Although brief, this text is sufficient to pinpoint some interesting aspects of Luo's thought. The first part depicts the psychological condition of many young Chinese, who are characterized by a constant anxiety and pressure. The author identifies two main causes of said anxiety: on one hand is the constant competition (for example in school or on the workplace), on the other hand are the traditional values of Chinese society instilled by parents and reminded by official media.

In the second part of the post, the netizen proceeds to describe how he escaped from said pressure, creating for himself a new life that does not include work. He is aware that his life choices are quite

unconventional as he compares himself to Greek philosophers known for their minimalism, but he states that this is the only way to regain a humanity that the current work system is not able to preserve.

In a later interview (Zui, 2021), Luo further explained some points of his philosophy. Firstly, Tangping does not prescribe a single recipe to happiness, instead it supports those who cannot find their happiness in the traditional formulation of success. In other words, the movement recognizes that for many it is impossible to fulfill society's expectations and it alleviates the pressure through group support, encouraging followers to take a break – or lay down to rest – whenever they need it. For instance, some cannot work long hours without getting exhausted, others do not desire a partner or a family, some others are not interested in owning property: all these people can recognize themselves in the movement. As for his personal choices, Luo stated "I have no plans to get married or start a family, nor do I plan to buy a house. Love can bring many troubles and break the peace of my life."

Consequently, Tangping is not against work per se, but rather it offers an alternative to it. Indeed, from time-to-time Luo does perform an odd job, provided it does not interfere with his freedom to manage his own time. In Luo's words, "I think Tangping is a way of coping, it is not an end goal. [...] It can temporarily alleviate anxiety, but it does not conflict with hard work. The point is that it tells exhausted people that there is still a way to go." In other words, a person who is satisfied with their work-life balance is not concerned by Lay Flat; the focus of Tangping is to advocate for those people who cannot endure the stress and the competition of workplace as it is currently structured.

Another important element of Luo's philosophy concerns time management. In fact, he affirmed that his favorite aspect of a Flat life is the freedom to manage his own time. To him, through reappropriation of time, an individual can regain the subjectivity and unicity he often loses in the current work environment. For many employees, reaching a work-life balance by downsizing to a less demanding job is the only possibility to contrast many firms' dehumanizing culture.

Despite the government's official narrative, he implies that consumerism is not an individual's duty, and it is possible to lead a simpler life if it means finding happiness. As he claimed, "The ingredients of happiness are not expensive", it is possible to be happy even without consuming.

Ultimately, the existence of a support movement as Lying Flat is justified by the strong pressure of society to conform. In particular, Chinese society acts through the mechanism of Face (broadly translated as reputation). Having a Face means being a respected individual in the community, and this attainment can be reached only by living up to society's standards. In other words, choosing a life path that diverts from the traditional idea of success often implies losing the respect of family and friends, with strong repercussions on an individual's social relations. Hence the importance of Lying Flat to many young Chinese,

who found in the movement the resolution to uphold their decisions. In the founder's words: "Around me I see many people who care about Face, and their life is stressful. ... I don't want to live like this."

1.3.2 Interpretations of the Tangping Philosophy

As we have seen, although Lying Flat started with a manifesto, it is definitely too short to give an adequate explanation of the original thought of its founder. For instance, Luo Huazhong did not explain his opinion on the motive a "Flatter" should have, or the way he lives. His whole personal story was diffused only some months after he started the movement, in a series of interviews by independent media. Besides, Tangping being a spontaneous internet movement, any person could recognize himself in it. In conclusion, the definition of Tangping was left much to internet followers, who read Luo's words in a variety of nuances.

Specifically, it is possible to identify four different trends of interpretation. The common denominator of these groups is that the Lying Flat People (躺平族 Tǎngpíngzú), either by choice or forced by events, often lack a full-time occupation, property ownership, a partner, and children. They lead a minimalist lifestyle and consume less than the average Chinese. What differentiates them is their reason for choosing this behavior, that often connects with the idea of success ingrained by society, and the sense of self fulfillment.

1. Reaction

Someone sees Tangping as the only way to fight society, and to reclaim decisional power over their life. They want to be successful but believe that the current economic environment precludes the access to that "Chinese dream" which both the social system and the government strongly endorse. The economic slowdown of recent years and excessive competition forces youth to an unreasonable struggle to reach the same tenure of their parents. Although Neijuan is never mentioned in Luo Huazhong's post, many netizens immediately linked the "pressure" he recalls to hyper-competition. Since they have no means to actively change the situation, they decide to fight passively. Therefore, this type of lying down is not a defeat but the only way to fight an invisible – and powerful – enemy. As a Weibo user summarized: "You can't stand up, but you don't want to kneel down. At this point, you can only lie flat."²

This first trend includes Tangping in the Braungart and Braungart (2001) definition of "social movement" – an organized, conscious attempt by young people to bring about societal change, because this group of people strives for reducing Involution and changing society's concept of success.

² All direct quotations in section 1.3.2 come from Chen, 2021.

2. Life choice

For some netizens, Lying Flat is just a life choice. They enjoy a slow-paced life and have no interest in consumerism – to the point of frugality. They prefer odd jobs or self-employing to a stressful (although well-paid) full-time job, and are willing to downsize their expectations. Their idea of success is connected to a mental state of peace, not necessarily involving relationships, work, or property: for them simply enjoying their time it is enough.

Part of these Flatters do in fact have a full-time occupation but refuse overtime work or desk jobs. Others have a partner but no intention of marrying or having kids. They generally prefer renting to ownership; another common trait is their attitude towards budgeting and affordable activities. A young freelance designer reported "'Lying Flat' doesn't mean lying down all day or being jobless. It means going at your own pace and doing what you like". He then added he is satisfied with his life choices "I see no reason to try harder".

3. Escapism

The third interpretation of Tangping concerns individuals who work excessively and are exhausted by worklife imbalance. These Flatters firmly believe in hard work as a necessary element of success but cannot keep up with the extreme schedules or competition on their workplace, and are therefore forced to quit. Then they take a break from work "lying flat" just for some time, to restore themselves. In any event, they lay only to "stand up again": their goal is to reorganize their life and find a new, more sustainable path.

Once they feel better, they will most probably become type 2 Flatters or, less frequently, resume their previous lifestyle. A woman was asked what she will do while Lying Flat, "I want to learn how to truly live" was her answer.

4. Reevaluation

Lastly, a fourth group resort to this philosophy when they cannot reach their original ambitions. Initially, they identify success in the canonic elements of the "Chinese Dream", they desire a high-paying job, property ownership, marriage, and children. At the time being, however, in China it is increasingly difficult to reach these goals, which leaves a consistent portion of youth unfulfilled. Involution – the decreasing relative benefit of competition – further enhanced their discouragement. Disillusioned by their experiences, they may decide the only solution is to downsize their expectations, reevaluate the very definition of success and therefore adapt to a simpler lifestyle. In other words, for them Lying Flat is not entirely a choice.

Many express a sense of general disheartenment: "The lying flat of youngsters means there are issues with the society. People no longer believe they can advance in the social class by working hard". Others are

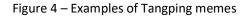
concerned by the rising wealth inequalities, and the effects on middle class. As a netizen put it, "Sons of businessmen and daughters of officials got a head start that was equivalent to an entire lap or two around the track. I think it is inevitable that people like me would lose the race. So that made me think, why do I even try?".

1.4 Cultural production of Tangping movement

Every culture expresses its unique set of values and beliefs through a number of tangible and intangible channels: some examples are material artifacts, institutions and digital media. Subcultures make no exception, and they also share their ideas in several ways. As previously mentioned, Tangping has been included among Chinese youth subcultures because it present distinct features that distinguish its members from the rest of society. The next section therefore will be dedicated to Tangping cultural production, presenting the media through which young generations convey the Flat attitude.

1.4.1 Memes

The first, immediate, byproduct of Lying Flat subculture are memes, here intended as images that represent a shared concept. Since the founding of the Douban group, Flatters uploaded images of sleeping animals or their own photos while they laid in bed. The two animals most frequently associated with the movement were pandas and cats.







1.4.2 Songs

The new movement inspired the artist Mr Zhang to publish a song to celebrate Lying Flat. On June 3rd 2021, he published the piece "躺平是王道" (Lying down is the royal way) under the pseudonym Zhang Busan "张 不三" on all of his social media, but within a day it was removed from three sites by censors. He resorted to post it on YouTube, which is censored in China, and still managed to reach 50.970 views. Below follows the complete text and translation:

996 过劳	Working from nine to nine, six times a week
头发不见了	Your hair is falling out
躺平是解药	Lying down is the antidote
躺平真是好	Lying down is really good
躺平真是妙	Lying down is really marvelous
躺平是王道	Lying down is the royal way
躺平割也割不到	Lying down, you can't be cut down
躺平真的割不到	Lying down, you truly can't be cut down.
内卷又内耗 社畜自己造	Involution is a waste of energy, that wage slaves make to themselves.
躺平是正道	Lying down is the right way
躺平就是好 躺平真是妙	Lying down is simply good, lying down is really marvelous.
躺平是王道	Lying down is the royal way.
躺平摔也摔不倒	Lying down, you can't fall down
躺平摔也摔不倒	Lying down, you can't fall down.
"花呗"一时爽,还款两头忙	"Buy now, pay later" is fine at first, but you have to work twice as hard
	when it's time to repay.
躺平是法宝	Lying down is the secret.
躺平真是好,躺平真是妙,	Lying down is really good, lying down is really fine,
躺平是王道	Lying down is the royal way
躺平节能又环保	A Lying Down Day can even save the planet
躺平节能又环保	A Lying Down Day can even save the planet
躺平真的是王道	Lying down is truly the royal way.

The song can be listened at the following link: <u>https://www.youtube.com/watch?v=corZx0a1yRU</u>.

1.4.3 Gadgets

After Tangping's popularity outburst, on Taobao many themed gadgets appeared, for example: Tshirts, home accessories, and others. Obviously, all gadgets had to do with relax and rest. Also in this case, the most frequently associated animals were pandas and cats.





1.5 Reactions to Tangping

Tangping was born as a social movement that exposes iniquities within society and pushes for a change of the current system. The "Flat" values are brought forth by a minority of the Chinese population, and are therefore confined in a specific subculture. The new ideas (especially the diversity of life choices and the rejection of the traditional idea of success) are profoundly contrary to the current structure promoted by the general Chinese society. Foreseeably, Lying Flat was welcomed with a strong reaction by both government and society. In this section are gathered the reactions of the Communist Party and other non-adherent young Chinese.

1.5.1 Government

From the beginning, Chinese government firmly opposed to Tangping. To understand the government's discontent with the movement it is necessary to contextualize the politics of last years. In 2012 a newly elected Xi Jinping announced his political slogan, stating "Realizing the Great Rejuvenation of the Chinese nation is the greatest dream of the Chinese nation in modern times." That speech set the standards for the future development of China: becoming a powerful and respected nation within 2049. According to Xi, this goal can be reached only through the collective effort of the whole nation – and especially young people. Xi

reiterated his thought on many occasions for instance in 2017 in occasion of the 19th National Congress of the Chinese Communist Party, and in April 2021, when he encouraged the youth of China to "constantly strive for the Chinese dream of the Great Rejuvenation of the Chinese nation." In fact, youth have the power to shape the future of a country mainly in three ways: young workers account for a big portion of the labour supply; young families boost consumption (for instance buying houses and cars) and determine the size of the future population through their offspring.

Work ethic has also been addressed by Xi Jinping who in 2018 stated "(working hard) is the most honorable, noblest, greatest, and most beautiful virtue", and again "happiness is achieved through hard work". With regards to workplace competition, the government never made an official statement to explicitly support it. However, the Party's rhetoric encourages the population to strive for upward mobility. Moreover, it is arguable that the very organizational structure of Chinese bureaucracy is designed to favor internal competition among cadres, cities, and provinces.

In several speeches, the Head of the Politburo reiterated that "consumerism fuels economic development", to the point that some Chinese perceive it almost as a national duty. The policies designed to prompt consumption have been various: in 2013, the government introduced consumer finance pilot programs that favored easy credit. In 2014 a preferential purchase tax policy was implemented for electric vehicles (NEVs) in which qualified NEVs were exempted from the 10 percent purchase tax – such policy is currently in effect until 2027. Since 2019 China began to regulate the e-commerce market to protect consumers and stimulate the sector. Recently, in 2023 China's central bank announced a new set of residential housing loan rules aimed at relaxing the access and boosting house purchases.

In the matter of birth control, the Chinese government already demonstrated its firm intention to determine the size of its population starting from the One-child policy enacted in 1980 – deemed necessary to facilitate economic growth in a condition of shortages of capital, natural resources, and consumer goods. Nonetheless, due to population aging, the goals of the Government changed over time from reducing the population size to increasing it. In 2016 the limitation was not lifted, but instead it was substituted by a Two-child policy, with limited results. In 2021 the quota was raised with the Three-child policy, but yet again the outcomes did not meet expectations and the birth rate remained low.

The Tangping movement has a disruptive effect on all these three fronts of the Party's policies. Firstly, it encourages youth to prioritize their personal needs over work, mining the traditional work ethic. Secondly, it suggests the possibility to reduce consumption to lead a simpler, and less costly, life. Thirdly, it supports those people who do not wish to marry and have children, even if this choice is not shared by society. To sum up, Lying Flat motivates Chinese to make their life choices independently from the government's

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suggestion. On those grounds, the Chinese leadership judged the movement incompatible with the country's best interests and acted to suppress it.

The State moved in two directions: direct censorship and reframing of the movement. Censorship was enacted through the Cyberspace Administration of China, that pressured social media platforms to remove all posts concerning Tangping. Later, the same agency severely restricted any related virtual content. The original post by Luo Huazhong disappeared from Baidu Tieba; the nearly 10,000 members forum on Douban was deleted. The search function for "lying flat" on WeChat, where the word was still trending, was disabled. Online shopping platform Taobao stopped selling themed t-shirts and gadgets. At the same time, official media outlets were used to reinforce the Party's narrative on youth's values. In 2021 state news agencies Xinhua, CCTV and the official Communist Party magazine Qiushi all distanced from the movement. Moreover, Xinhua diffused a video to promote youth's struggle and encourage them to take as an example Zhao Huanting – a retired professor that still works 10-12 hours a day. Another article of the same press association reads: "The new generation is not a generation that chooses to lie flat, but one that chooses to work hard!". A Weibo post of the Chinese Communist Party's Youth Wing further advocates "The Chinese youth have never opted to lie flat", "We have beliefs, dreams, ambition, and the ability to contribute to our nation."

But the cleverest strategy the State adopted was to completely reframe Lying Flat, associating a different – negative – meaning to the same word. "Tangping" started to be used with a negative connotation on the news, magazines, and articles, as a synonym of "lazy" or "yielding". Gradually the new meaning made its way into common language and began to circulate on the internet. In a few months, online dictionaries included a definition of Tangping that did not consider its origins.

Baidu Baizhe (the Chinese version of Wikipedia) gives this definition:

"躺平,网络流行词。指无论对方做出什么反应,你内心都毫无波澜,对此不会有任何反应或者反抗, 表示顺从心理。"

"Lying flat: internet buzzword. Despite provocation, having no emotional reaction and displaying no opposition or resistance; presenting a submissive attitude."

The effectiveness of this strategy was demonstrated at the 2023 CCTV New Year's Gala. CCTV New Year's Gala is one of the highest-rated shows in China, traditionally watched by most Chinese. In 2023 the comic actors Shen Teng and Ma Li presented the sketch "The Pit", picturing a lazy cadre that prioritizes his personal gains over his duties, and gets exposed by a superior. The sketch was a success, but it contributed to the process of meaning distortion initiated by state media:

""躺平式"干部是指不担责,不作为,不肯干也不敢干,卷起袖子在一边看"

"The 'lying flat cadres' are those officials who deny responsibility, refuse to act either because they don't want to or dare to; they should be the first to roll up their sleeves but instead choose to just stand to the side and watch"

1.5.2 Other young professionals

Despite it becoming a youth subculture, not all young Chinese readily embraced Tangping as their ideal lifestyle. Some Millennials and Gen Zs firmly believe in the traditional work ethic they were thought, and associate Lying Flat to being jobless and idling. Therefore, according to them, only wealthy people can afford it. A young professional of Guangzhou claims "The idea of lying flat is ridiculous to me (...) "I don't have the right to 'lie flat' because my parents are aging. One day, they will get too old to work. So who supports them, then? Who pays for their living and healthcare expenses if I'm wasting my youth away?". A college student adds "The way I see it, 'lying flat' can only be done by two kinds of people: Someone rich enough to be able to afford it and cruise through life, or losers who don't mind being poor forever", "Don't sugarcoat being lazy or not wanting to work with this honorable idea of defying societal norms. Get a job, and stop eating into your family's savings. Make yourself useful."³ As is normal, cultural change is a slow process of value diffusion, and not all Chinese youth agrees with the movement. Moreover, part of society is unaware of Tangping's different interpretations, and sees it as a radical movement that completely opposes to China's identity and tradition. However, it is likely that in the future Lying Flat ideas will subtly make their way in society through less challenging movements as for instance Bailan (see section 1.7).

1.6 Similar movements

This section discusses the various movements that emerged in the few years before Tangping and present some affinities with it. The appearance of a great number of similar movements – progressively more articulated – supports hypothesis H1. Hereinafter is a list of the main groups that emerged in China since 2014, and the relative differences and similarities with Tangping.

Buddha-like youths or Generation Zen

"Buddha-like Mindset" (佛系 fóxi), is a term that originated in 2014, from an article of a Japanese magazine. In 2017 it was used to describe young Chinese from the post-90s and post-00s generations who adopt a less competitive, more peaceful mindset towards life; their motto is "let it go". Followers recognize that it is difficult to ameliorate one's life (for example climbing the corporate ladder), but it is relatively easy to

³ All quotations in section 1.5.2 come from the article of Teh, 2021.

maintain a decent life standard. For this reason, the movement posits that stopping to compete is reasonable, and suggests enjoying what one already has, even if it entails adopting a simpler lifestyle. Acceptation and self-forgiveness become the key to happiness.

As Tangping, Buddha-like Mindset rejects competition to endorse the concept of work-life balance and simplicity. However, unlike Lying Flat, it was never seen as a form of social fight, nor was it an organized movement: it always remained a mindset, a key to interpreting the world (China Daily, 2018).

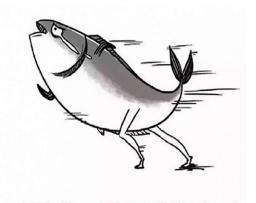
Mourning culture

Sang (丧 sàng) is a slang word that emerged in July 2016; it literally means "to mourn" and describes a feeling of sadness and loss. Chinese youth started to use it to express their pessimistic attitude towards life, their unhappiness, and the pressure to fulfill parental expectations. Gradually, Sang made its way into culture through popular memes like Ge You "I am more or less a waste" (Figure 6), "Don't stop me, I'll jump into the sea to kill myself" (Figure 7) and "Sad Toad" (Figure 8).

Figure 6 – Ge You meme "I am more or less a waste"

Figure 7 – "Don't stop me, I'll jump into the sea to kill myself"





别拦我,我要跳海自杀

Figure 8 – "Sad Toad"



The Mourning culture of the 90s generation underlines a sharp contrast with both the official narrative which attributed to youth the qualities of "hope, courage and dynamism", and the slang term of the previous generation "cool" (酷 Kù) – attributed to well-educated, healthy, and confident people. Although Sang has been included among youth subcultures it never developed into a social movement. Netizens who popularized the term enjoyed the catharsis of sharing their experiences but did not attempt to change society (Voroneanu, 2022).

Sanhe Gods of Shenzhen

The Sanhe Gods (三和大神 sānhé dàshén) are a group of migrant workers who live around the Sanhe Labor Market in Shenzhen. Coming to the city hoping for a better future, they find themselves trapped between exhausting 12-hours shifts in the nearby factories and the shame of going back to their home villages without any savings. They choose neither of the two: instead, they head towards the Sanhe Talent Market, the largest recruitment point of Shenzhen, where they find a daily settlement job. They proceed to work for a day or two, and then stop working until all the money is spent.

Sanhe Gods exist since 2010, but they first attracted public opinion around 2017 (Feng, 2020). With time they formed a unique identity, and internet cafes encouraged the birth of an online subculture: their motto is "Work for a day, party for three". Although this sentence may seem positively carefree, in reality their life is much less cheerful. Among the Gods, many are addicted to internet cafes, prostitutes, or alcohol. Some others have lost their ID card, which makes it impossible for them to buy a train ticket to leave Shenzhen (Qiang, 2018).

The common trait with Tangping is the willingness to lower their life standards to escape the exploiting manufacturing work. On the other hand, this group of people proves to be unhappy, resigned and often in emotional distress. Being part of the Gods does not help them, instead it impedes them even more.

996.ICU

996.ICU was the first movement to openly fight 996 schedules. It began in 2019, when a group of developers started a GitHub Project to denounce the unlawful work conditions in high-tech firms (GitHub is an opensource website where programmers can share code and discuss code-writing problems). The name of the domain arises from a popular saying among Chinese developers: "If you work from 9 a.m. to 9 p.m. 6 days a week, you end up in the Intensive Care Unit." (工作 996, 生病 ICU), and it aimed at sensibilizing the general public while asking for better HRM practices. The project focused on three fronts: first programmers compiled a "white list" and a "black list", dividing companies who respected the labour law from the lawbreakers. Then, they added to all their open-source codes a 996-licence, that authorized to use it only the firms who complied with Chinese labour laws. Finally, they used the Issues section of GitHub (a forum to share coding's problems) to discuss the work conditions in different high-tech firms (Tan, 2021).

The project had a tremendous resonance (it became the second most bookmarked project on GitHub), but had no success in the short term: most of the tech executives defended their choices, claiming that 996 is the only mean to be successful in the competitive field of high-tech. While it can be classified as a movement it lacks deep cultural implications, and is certainly not a subculture.

Touching Fish 摸鱼 mō yú

Touching fish is an online group that encourages employees (often forced to a 996 schedule) to put less effort in work, taking advantage of the confusion generated by the covid-19 pandemic. The name originated from the Chinese proverb "It is difficult to catch a fish in muddy waters" and refers to the opportunity for employees of temporary reducing productivity while managers are focused on the new virus (Davidson, 2021). Like Tangping, the thread started in 2021 from a viral post on Weibo forum platform. In the answer section netizens started to share tips on the best ways to take personal time during work hours. For example, they suggested drinking a lot of water to use the toilet more frequently and remain there for longer periods. Unlike Lying Flat, however, the thread lost popularity after 2021 and it never influenced fundamental life choices.

Nonetheless, touching fish underlined a serious management problem: people resort to this method only when they perceive that their needs have been overlooked, and it is impossible to communicate

constructively with their superiors. Arguably, both Touching fish and Lying Flat are strictly linked to a stressful environment in the workplace.

1.7 Tangping Evolution: Bailan or Let it rot

After Tangping lost momentum on the main social media platform, a new movement arose. Bailan (摆烂 bǎilàn) is described as the attitude of giving up on a deteriorating situation. The term literally means "let it rot", and it comes from basketball: when a team understands that they are losing a match and decides to stop fighting, they practice Bailan. It became viral at the beginning of 2022, when some netizens started to use this word as an extreme version of Tangping (Yip, 2022).

At the beginning, Bailan presented itself as a completely different movement than Tangping. Followers were strictly people who reject work or do their job poorly, stop being active (which includes both physical movement and social meetings) and have lost hope in the future. Later, as the popularity of Tangping started to fade and the government censorship was able to reframe the very meaning of the word, many people who previously identified themselves in Lying Flat switched to



Bailan and the two movements became increasingly similar (Leighton, 2022).

Still, there is a major element of differentiation between the two movements. Although followers of Tangping adopted a simple lifestyle, they do it because it allows them to enjoy their life and look for self-fulfillment, while still partaking into society and meaningful activities. Often they think that their choices can influence society in the long run. Members of Bailan on the other hand, adopt this lifestyle simply out of despair: they truly believe their situation is unsalvageable and stop making any effort to improve it, they do not care anymore if this will have any consequences for the future.

In other words, Bailan encourages a general sentiment of decadence, with people on Xiaohongshu (a Chinese app similar to Instagram) who share images of fatigue, sadness, and rest with the hashtags #bailan, #tired and #f—- it. On Xiaohongshu platform, Bailan has more than 2.3 million results.

1.8 Tangping as a global movement

While researching the topic of Lying Flat as an intergenerational culture change, it strikes how in the last years similar tendencies prove to be recurrent in several developed nations. In particular, the topics of workload, personal time, marriage, and childbirth are the most concerned. In this section, some countries will be mentioned as relevant examples of the trend, in hope that this will rise the curiosity of other researchers and will be considered an interesting subject for further research. In the chapter 2, I will link Tangping to the socioeconomic changes occurred in the last decades in China (hypothesis H2); it could be fascinating to test the same hypothesis in other countries. The majority of below mentioned groups cannot be defined as movements, however they underline an undeniable worldwide pattern of evolution between the previous and the new generations. Young people share a greatest care for work-life balance and individual self-fulfillment – in spite of social conventions.

1.8.1 South Korea

Giving-up Generation

"Sampo Generation" (or "Three Giving-up Generation") is a neologism invented in 2011 in South Korea. It was first used in the publication "Talking About the Welfare State" to describe the new generation of South Koreans. Youth in their 20s and 30s are often forced by student debt, housing pressure and low income to delay or entirely give up on dating, marriage, and childbirth. Their life is overburdened by competition and consumerism, which intertwines with a strong work ethic (Williams, 2020). Later, the concept was expanded with the word "Opo (Five Giving-up) Generation", which added the giving up of employment and house ownership. Other neologisms along the same lines were "Chilpo (Seven Giving-up) Generation" (with interpersonal relationships and hopes), "Gupo (Nine Giving-up) Generation" (included health and physical appearance). Lastly, some young Koreans reach the point of giving up their life: they are called "Ilpo (One Giving-up) Generation", "Wanpo (Complete Giving-up) Generation or "N-po Generation" (Moïse, 2022). Notably, South Korea has the highest suicidal rate worldwide.

Giving-up Generation shares several similarities with Tangping: the most obvious lies in the socioeconomic background. Both Chinese and South Korean cultures value hard work, competition, and consumerism. People have a similar idea of success, and a comparable welfare system that heavily relies on family units. The latter means that the care of children and elderly parents are commonly considered family responsibilities, with minimal financial support from the government. Moreover, in an interview Lying Flat founder Luo Huazhong claimed to recognize himself in the Five Giving-up Generation.

The main difference between the two groups is that Giving-up Generation is far from being an organized movement, at most it is considered a tendency. On the other hand, Tangping members more than once expressed themselves in anti-government terms, and someone stated that the movement is the only way to change the system. Furthermore, Tangping is often a personal choice that relates to success and happiness, while Korean Giving-up Generation seems to be a forced attitude.

1.8.2 Japan

Generation Resignation

The term "Satori Sedai" or "Generation Resignation" was used for the first time in 2010 to describe the post-80s generations in Japan. "Satori" means "enlightened", a word taken from Buddhist lexicon. It indicates someone who reached inner peace and self-fulfillment and has no materialistic desires. Apparently, they are satisfied with their life and do not feel the need to upgrade it. Reality, however, is slightly different: Satori Generation is often translated as "Generation Resignation" because their lifestyle does not stem from a free choice; actually, they give up hopes and dreams only because deemed attainable. A reporter (Nam-ku, 2013) identified their main characteristics as follows:

"They aren't interested in cars or luxury goods. They don't try to earn more money than they need. They don't spend money on *pachinko* or other kinds of gambling. They don't get very excited about traveling overseas. They want to stay where they were born and raised. They are hesitant to have romantic relationships. They are more interested in outcome than process. They generally get their information online, but they also really like reading."

Arguably, Japanese youth resigns, and Chinese lay down for similar reasons. Japan has a strict traditional work culture, which results in stressful schedules, unpaid overtime, and competition. In the last years youth have become increasingly aware of the negative effects of overwork and started leaning towards a relaxation of these habits. For example, 62% of Japanese aged 18 to 34 feels vacation deprived, compared to only 40% of over-50s (Demetriou, 2020). Again, the percentage of young employees who quit jobs at major companies within three years has risen from 20.5% to 26.5% in eight years. (Foster, 2022)

1.8.3 Taiwan

Strawberry Generation

In Taiwan, Millennials are called by older people "Strawberry Generation" in a derogative sense. According to Taiwanese Baby Boomers, youth were raised in an excessively wealthy and protected environment and

became fragile as strawberries (Chou, 2005). Young Taiwanese are accused of being unable to withstand pressure and working hard, more specifically their parents believe they should engage more in technology manufacturing and less in the service sector (Hu, 2015). However, this new tendency to focus on more balanced and emotionally rewarding jobs is likely linked to big corporations' work environments. According to World Bank's statistics, Taiwanese work schedules are much harder than the global average. To complete the picture, low pay and job insecurity contribute to youth discouragement – in 2019 a quarter of Taiwanese workforce had to survive on a minimum wage (Hale, 2021).

Although Strawberry Generation is a term that describes a new attitude of young generations, it is nowhere near a movement. Nonetheless, it pinpoints the generalized tendency of younger people to prioritize their fulfillment over their parents' expectations and ideals of success.

1.8.4 USA

Great Resignation

In 2021 during Covid-19 pandemic the US was hit by a wave of mass resignations called the "Great Resignation" (Zezza, 2021). The term was coined by Management professor Anthony Klotz when he pointed out the record quitting rate of 2,4% of March 2021. At the end of July, open positions in the country reached a record-breaking 10.9 million. A study from Sull, Sull, and Zweig (2022) revealed that corporate culture is one of the main drivers of the trend, far more than wages. Another important factor was job insecurity, followed by work-life balance, workload, and failure to recognize performance.

When comparing the two countries, it is notable that the US shares with China a high-pressure work environment. Especially during the pandemic, many employees saw their working hours and workload steadily increasing. Workers rarely take a day off. Moreover, consumerism sometimes compels people to choose their job based on wage rather than self-fulfillment. However, as explained by Anthony Klotz, the pandemic period has forced people to reduce consumption and helped them saving. For this reason, with the security granted by their savings, an increasing number of people decided to quit their job and find an occupation more suited to themselves.

Although Great Resignation is not an organized movement with a manifesto, the mutual support of workers could have exacerbated the phenomenon to some extent. As a matter of fact, the Great Resignation gave origin to the Quiet Quitting movement.

Quiet quitting

Quiet quitting is a movement born in the US in 2022 as a continuum of the Great Resignation. The expression is used for those employees who – even though cannot resign – still refuse the extreme hustle culture workplaces in the US (Wile, 2022). In practice, quiet quitters are not engaged in their work, refuse overtime, set clear boundaries between their work and private life and generally stop making any unpaid effort. In other definitions, they do the bare minimum to keep their job, and hide their attitude from superiors. According to a survey led by Gallop, over half of the US workforce could be quiet quitters. Among the reasons there are manager's lack of commitment to their subordinates' career development, failure to value employees and decline in organizational trust (Mahand and Caldwell, 2023).

The movement had a wide resonance online, for example on TikTok social media users shared tips to uphold boundaries in the workplace. This element was perceived as particularly relevant after the postpandemic introduction of hybrid work. Besides, followers encouraged each other to distinguish their personal identity from their occupation and pursue work-life balance.

Similar to Lying Flat, Quiet quitting is indicative of the young generations' new needs. In addition, it will presumably impact HRM techniques, which will be adjusted to the current youth motivation factors. Albeit relevant on the work level, the US movement has no implication on its followers' life choices as for instance marriage or childbirth, neither does it entail an opposition to government, society, or economic environment. Tangping instead proved to be more pervasive and potentially more disruptive of the socioeconomic equilibrium of its country.

1.9 Importance of Tangping for China

Having proved hypothesis H1, it is possible to affirm that while the number of people who actively practice a similar lifestyle to Luo Huazhong is quite limited, the movement is exceptional for the slow cultural change that it signals. Unlike the other groups analyzed in the previous sections, Tangping does not focus on a single aspect of life, but addresses all the main elements of society and economy that new generations perceive as problematic. This gradual shift of mentality will have important repercussions in all political, social, and economic areas.

First of all, many Chinese started to differentiate their personal success from their country's economic advancement. In some discussion groups teenagers seemed to be confident about the nation's bright future, but much more uncertain about their own. Some were convinced that the progress of the country is actually led at the expense of their individual wellbeing. In this context, Tangping is seen as a reactionary movement that can oppose the intentions of the Party. The political implications of this belief could not leave indifferent the government, that – as shown in section 1.5 – acted decisively to suppress it.

In the second place, Tangping stimulates youth to change their idea of success in relation to family structure, towards a more individual model that attaches less importance to elderly care and procreation. Since many centuries, Confucian societies heavily rely on family as the founding unit of social tissue. A radical change of the mechanism of family welfare could prove destructive for many old Chinese, who count on financial support from their children. Moreover, scientists report that the lowering of fertility rate will pose major problems for the future of the economy and the pension system, possibly leading to a demographic crisis. Finding an alternative will not be easy, but it is a challenge that society must accept.

Thirdly, Tangping has a direct impact on work ethic and employee motivation. These areas are key for productivity, which in turn generates economic power. A mismatch between the workforce's needs and human resource management will surely translate into billion-worth losses. The flip side of the coin is that a managerial structure able to actively engage a more educated, more aware youth could generate such as big revenues.

Although the relevance of Lying Flat is evident, quantifying the phenomenon has proven incredibly challenging. First of all, the four interpretations of the movement encompass a variety of different lifestyles, and it would be impossible to trace in the Chinese population all these tendencies. Additionally, not everyone who leads a simple lifestyle recognizes himself as part of Tangping. Obviously, no official data is available, especially since the government tried to distort the very concept of Lying Flat. Nonetheless, a report jointly released by Peking University and online recruitment platform Zhilian Zhaopin (2022) provides some insights on how Chinese perceive themselves. In the survey 69.7% of the post-2000s reported to occasionally have a Lying Flat mentality, while 8% of the sample completely embraced its philosophy. The percentage of those who recognized themselves in Tangping was higher among the youngest generations. These findings are coherent with the hypothesis that the movement underlies an intergenerational shift in cultural values due to socioeconomic factors. The following chapter will explore in detail which changes in the socioeconomic environment are linked to the birth of Tangping and how this will be mirrored in the new generation's culture.

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2. Tangping as intergenerational cultural change

Edward B. Tylor defined culture as "the complex whole which includes knowledge, belief, art, law, morals, custom, and any other capabilities acquired by man as a member of society": he was the first to hypothesize that culture is learned, not a biological trait. Now sociologists agree that cultures constantly change over time, this is a fundamental evolutive mechanism because it allows human communities to adjust their behaviors according to their environment.

Ever since 1949, Chinese environment has undergone deep transformations that completely changed both its territory and its people. Each of these events left a mark and it is natural that the beliefs and culture of the new generations are completely different from the values of 50 or even 20 years ago. As younger Chinese reach adulthood and give their contribution to the workforce, they start to voice their opinions on all the socioeconomic elements they perceive as problematic. In this context, when intergenerational gap is wide and the new ideas are too different, social frictions could prompt the formation of groups and social movements as Tangping.

In this chapter I will demonstrate that China is undergoing a process of cultural evolution (hypothesis H2), because all the socioeconomic aspects Tangping addresses have changed in a way that affects negatively the new generations. To that end, population has been divided in cohorts on the basis of age (section 2.1). Then sections 2.2, 2.3, and 2.4 frame each generation in their historical context and describe the main cultural traits. The last part (2.5) draws a comparison between younger Chinese and their parents, describing how structural changes in the socioeconomic environment induced a cultural shift.

2.1 Methodology and definition of cohorts

For the present analysis, the population of Mainland China has been divided in 4 cohorts, each of which can broadly represent a generation. The choice of age range was motivated by both ease of comparison and data accessibility. Many of the following data are taken from "China Statistical Yearbook 2021" – National Bureau of Statistics of China and refer to year 2020, as this edition of the Yearbook includes the data of the Seventh National Population Census (a national census that takes place once every 10 years).

Cohorts are defined as follows:

1. "Elderly" refers to people 65 or older.

Elderlies account for 13.52% of Chinese population, 191 million altogether. This cohort is marginally interested by the social issues that Tangping concerns as most of them already owns a house, has a partner and children. The majority of this cohort has left the workforce, as the legal age of

retirement in China is 60 for men and 55 for women. For this reason this group has not been considered crucial to this study. However, since it has been proven that children absorb culture from their parents and the environment they are exposed to (Kruger and Tomasello, 1996), it can be useful to include a brief account of this generation.

2. "Middle aged" (or "Mature") includes people from 35 to 64 years old.

This is the most sizeable group with over 602 million people, accounting for 42.71% of Chinese. They are the generation that benefited most from economic growth, therefore oppose strongly to Tangping. Like their parents, Middle Aged already fulfilled the traditional idea of success as in owning a house, marrying, and having children. They are the core of the workforce: people in this group are the most likely to have an established career, own a business or be managers, therefore they are the main proponents of the traditional Chinese HRM model.

3. "Youth" refers to people from 15 to 34 years old.

Youth cohort includes 25.79% of Chinese population, that amounts to 364 million. This group is in the age of taking major life choices, they are the generation that suffered most for the socioeconomic changes of the last years and therefore are switching to a Tangping mentality. In regards to work environment, Youth are studying to enter the workforce or at the beginning of their career. Nevertheless, they already make up around 34% of the labour force (Deng, Li, and Zhou, 2021). In the future they will be the backbone of the workforce and have the power to redefine the structures of HRM, promoting a New Chinese HRM.

4. "Children" encompasses people from 0 to 14 years old.

Understandably, Children is the smallest group, comprising 17.97% of all Chinese (253 million). Children are not legally allowed to work or marry, and have not yet developed a full identity, therefore are not relevant in this analysis. This generation will be strongly influenced by the New Chinese HRM and will probably contribute to reshape China's work culture.

Table 1 illustrates the distribution of Chinese population in the four cohorts. As anticipated, this study focuses on the second and third category, their main differences, and the changes that the Tangping movement represents.

Age	Population by Age (person)	Cohort	Population by Cohort (person)	Cohort/Total population (%)	
80+	35,800,835		190,635,280	13.52%	
75-79	31,238,849	1. Elderly			
70-74	49,590,036				
65-69	74,005,560				
60-64	73,382,938		602,141,169	42.71%	
55-59	101,400,786				
50-54	121,164,296	2. Middle Aged			
45-49	114,224,887				
40-44	92,955,330				
35-39	99,012,932				
30-34	124,145,190				
20-24	74,941,675		363,618,337	25.79%	
25-29	91,847,332	3. Youth			
15-19	72,684,140				
10-14	85,255,994				
5-9	90,244,056	4. Children	253,383,938	17.97%	
0-4	77,883,888]			
Total	1,409,778,724	-	1,409,778,724	99.99%	

Table 1 – Population by Age and Cohort (2020)

For each cohort there are some historic events that can be considered "core experiences", meaning that they deeply influenced psychologically and behaviorally each cohort in their years of brain development (0-25). Before discussing the socioeconomic origin of Tangping movement, it is useful to point out which historic events had the biggest impact on each group, to better understand their cultural differences. Table 2 presents the age of each cohort at the occurrence of each major historic event in China.

Main historical event	Age of each cohort					
in China	4. Children 0-14	3. Youth 15-34	2. Middle Aged 35-64	1. Elderly 65-90		
	Birth years 2009-2023	Birth years 1989-2008	Birth years 1959-1988	Birth years 1933-1958		
RPC Foundation 1949	Not born	Not born	Not born	0 -16		
Great Leap Forward 1958-1962	Not born	Not born	0-3	1 – 25		
Cultural revolution 1966-1976	Not born	Not born	0 - 17	7 – 43		
Opening p 1979	Not born	Not born	0 – 20	20 -46		
Tiananmen protest 1989	Not born	0-1	1 – 30	31 – 56		
China joins the WTO 2001	Not born	0-12	13 – 42	43 – 68		
Olympic Games in Beijing 2008	Not born	0-19	20 – 49	50 –75		
China becomes the second country by GDP 2010	0-1	2 – 21	22 – 51	52 – 77		
Xi Jinping becomes secretary of CPC 2012	0-3	4 – 23	24 – 53	54 – 79		
Internet penetration rate >50% ⁴ 2015	0-6	7 – 26	27 – 56	57 – 82		
Digital Payments Revolution 2016-2018	0 – 7	8 – 29	18 – 59	58 – 85		
Covid 19 pandemic 2019-2022	0-10	11 - 34	35 – 64	61 -90		

Table 2 – Age of each cohort at the occurrence of each major historical event in China

2.2 Historical Background, behaviors and culture of Elderlies

Most Elderlies were born in the Maoist period (from 1949 to 1976) or few years before, in a fragmented and poor China. From childhood through their mid-twenties, they suffered the famine in the Great Leap Forward (1958-1962), the fear in the Cultural Revolution (1966-1976), and finally saw the Opening Up period since 1979. I will now explain the impact of these historical events on the behavior and culture of the elderly group.

⁴ Data from World Bank, International Telecommunication Union (ITU) World Telecommunication/ICT Indicators Database <u>https://data.worldbank.org/indicator/IT.NET.USER.ZS?locations=CN</u>

A typical Elderly was born in a rural household (in 1949 China urbanization rate was 10.6%) (Jiang, 2002), they didn't receive any education – illiteracy rate was over 80%⁵ – and their parents had an average income of 50 to 100 yuan per year. They probably had numerous siblings, as a great number of toffspring was fundamental to cultivate the land and perpetuate the family's name. The basic unit of society was family, an institution that permeated all aspects life: resources were shared and individuals depended on their relatives to satisfy basic needs of welfare and socialization. The traditional culture they were taught was based on the Confucian principles of harmony, respect for elders, and respect for authority; these norms were believed necessary to preserve social stability. The very concept of individual success was bound to family and consisted in being able to provide for old parents and children, as explained in chapter 1. The Confucian principles were then reinterpreted by Maoist propaganda, which added the ideological component of national duty.

For the first part of their lives, Elderlies lived in a period of high instability, tinted by periods of famine, characterized by a strong ideological drive and a heavy State interference in the personal lives of its citizens. Their material conditions were generally poor and depended on the Class Status System: class status could literally make the difference between life and death. Sometimes they are called the generation of the "iron rice bowl" (铁饭碗 tiěfànwǎn), an expression that refers to the large number of public employees which received food by the government independently from their performances.

In 1958 the Party launched the Second 5-year Plan, also called the Great Leap Forward. The Plan abolished private property and set development goals in the fields of heavy industry, agriculture, and national defense, with scarce results. Due to the poor resource allocation, harvests were reduced and famine hit the county. The Great Leap Forward Famine was tremendously widespread: in 1960 the national average daily calorie intake was 1,535 (Redding and Witt, 2010), a shocking number considering that an active adult's intake is around 2,800 (similar levels of starvation have been found in Auschwitz). From 1958 to 1962, 20 to 43 million people died of starvation and overwork in China.

From 1966 to 1976 Mao promoted the Cultural Revolution, a sociopolitical movement aimed at purifying Chinese society from traditional and bourgeoise elements. During this period those who proclaimed themselves Communist or joined the Red Guards could classify anyone as "counterrevolutionary" and inflict terrible punishments. Intellectuals were imprisoned or executed, schools were closed and people registered as "wealthy" in their social status records were subjected to public humiliations and beatings. Neighbors and friends reported each other for minimal infractions, terror was widespread. Violence and chaos ended only in 1976 with the death of Mao Zedong, totalizing millions of victims.

⁵ Data from The Central People's Government of the People's Republic of China, 2009.

As might be expected these events impacted dramatically Elderlies' culture. There are several studies that demonstrate people subjected to hard deprivations will develop high levels of risk-aversion. Many Chinese elders are regarded as parsimonious and even stingy: this behavioral trait can be easily reconducted to past experiences of famine (for instance, adults who experienced famine have shown to be less prone to food waste) (Ding, Min, Wang, and Yu, 2022). The following prolonged period of fear led many Chinese to develop an extreme caution, especially when expressing political ideas contrary to the Party's narrative. The value of diplomacy was always appreciated in Confucian cultures, but decades of sharp political changes further increased this trait. Additionally, Elderlies are deeply attached to family not only for Confucian ideals, but also because for half of their life it was the only reliable welfare system – in the Maoist period public care facilities (as hospitals or nursing homes) were almost non-existent. However, a 2018 survey (Cheng, Gao, Rosenberg, and Xi, 2018) observed that this group is aware that the One-child policy has deeply affected their children's possibilities to care for them and now counts more on government's aid than in the past.

2.3 Historical background, behaviors and culture of Middle Aged

2.3.1 Historical background

The biggest event in Middle Aged experience was the Opening Up period and the extreme economic growth that followed for the next 40 years. That period was almost unperturbed by political agitations, with the notable exception of Tiananmen protest in 1989. Later, China joined the WTO (2001), hosted the Olympic Games (2008), and became the second country by GDP (2010).

Middle Aged were raised in a relatively poor condition, but most of them never knew their parents' deprivations. Urbanization rate was still quite low at around 37%, but almost all received a basic education – in 1982 literacy rate of youth aged 15-24 was up to 86% (World Bank Database). Almost all had one or more siblings: even if One-child policy was introduced in 1979, it wasn't until 1991 that fertility rate lowered under 2% (World Bank Database). Naturally, they were thought the Confucian values of family and respect, and they learned Communist ideals at school, but with the softening of the government intervention and the improvement of economy they started to absorb new values and ideas.

When Middle Aged generation started joining the workforce, China enjoyed all the benefits generated by the increased life expectancy and population boom. Deng Xiaoping's policy of the Four Modernizations set in motion economic growth and from 1980 the living standard of Chinese grew steadily to reach unprecedented levels. If before the Opening Reforms middle class almost did not exist in China, after the 80s the government was able to lift 800 million people from poverty and many of them become the new middle class. In this period, the better part of Middle Aged lived the traditional idea of success: they were able to buy their own house and even had the financial security to provide some comforts for their family.

Moreover, in numerous cases Middle Aged had the occasion to build up their own wealth. The Opening Up period was full of opportunities for those willing to start their own business, foreign investments poured in the country and becoming wealthy in a few years was not unheard of. On the other hand, a lack of regulations paved the way for exploitation of the weakest groups of population, as for instance rural migrants and women. In particular, migrants were officially forbidden from leaving their original residence by the hukou system, a residence permit system that officially blocked internal mobility. In practice state officials tolerated illegal migration from rural to urban areas, thus putting millions of people in the condition of being exploited. Moreover, privatization pushed millions of state workers out of the "iron rice bowl" system, forcing them to accept less paid jobs. A poor welfare system and reduced state aid rose public discontent.

In 1989 many were convinced that the time had come for a Fifth Modernization: Democracy. Students and citizens assembled on Tiananmen square to protest and ask a democratization of the government. The crude suppression that followed made clear to all Chinese that this was not happening in the near future, and definitely extinguished any anti-government mass initiative. Chinese government, however, understood that the only way to maintain power was to channel youth's energy into personal growth, further stimulating the economy.

In 2001 China joined the World Trade Organization and finally became a major player in global trade. The country benefited from the workforce surplus and its economy developed around the manufacturing sector, earning the name of "world's factory". If China manufacturing global output was just under 3% in 1991 (Autor, Dorn, and Hanson, 2016), in 2021 it reached 28.7% (United Nations Industrial Development Organization, 2019); exports increased from under 2% to over 17%. Market expansion granted to China new buyers for its products and better trade conditions. WTO entry requirements pushed the government to introduce new regulations and reforms in many fields, especially concerning transparency, accountable governance, and national treatment. Competition prompted companies to increase both products quality and worker treatment.

In 2008 China hosted the Olympic Games in Beijing, a critical occasion to display the progresses of the country and declare to the world its intentions to become a respected and powerful nation. During the same year global crisis struck all major economies and slowed down economic growth in the PRC – which that year registered a 9.6% growth. To counteract this event, the Party decided to adopt a new strategy and modify the entire economic structure: if before 2008 foreign investments and exports were the main propellants for economic development, after that year internal consumption hat to become the new focus.

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Said policy was fairly successful and consumption rose from 49.8% (as GDP percentage) to 56% in a decade. National prosperity was finally official in 2010, when China became the second country by GDP after the US (position previously held by Japan).

2.3.2 Values and social structure

Matures saw their nation become the second economic world power and this led them to grow a confident attitude towards the future. Geert Hofstede's study on cultural dimensions shows that China in 1980 had a high Uncertainty Avoidance (Carlson, Fernandez, Nicholson, and Stepina, 1997), while the more recent Hofstede and Hofstede study (2010) places China among low UA countries. Considering that in 1980 survey was administered mainly to Elderlies while the more recent answers probably represented the beliefs of Matures and Youth, this data seems to prove that Middle Aged are less risk-averted than their parents.

High demand of many primary goods coupled with the government's push to privatization contributed to minimize risks for new companies, the high speed of economic development granted high turnovers. Middle Aged entrepreneurial spirit thrived in such an opportunity rich environment and the core belief that working hard anyone can ameliorate their material conditions was strengthened. Competition was esteemed as a key aspect of company as well as individual success. All these elements contributed to ingrain in this generation a strong work ethic.

Matures attribute great importance to the Confucian value of "Face", which can be roughly compared with reputation. They really value the perception they make on society and invest many energies on their public image. After 2008, the strong push towards internal consumption exasperated the tendency of spending to demonstrate social status (for example buying luxury items). Since 2001 the annual Household Expenditure per Capita has nearly doubled. The numerous economic successes of the 00s combined with the plentiful evidence that the whole population was enjoying better life conditions drew Chinese closer to the government and raised a nationalistic wave.

In regards to social organization, family remained the fundamental unit. The post-Mao family structure evolved towards a nuclear form that implied a forceful redefinition of the family roles. In migrant families, the physical distance between Elderlies and their adult children led to a limited involvement of older people in the daily life of the family, and increased the difficulties to assist them. The One-child policy further shrank the family unit. The expansion of cities and communities contributed to the loosening of community bonds. Consequently, Middle Aged are more individualistic than their parents, less connected to their community. A more agile household size also meant that full time working women percentage steadily expanded, which rose sensibility on gender equality issues.

2.4 Historical background, behaviors and culture of Youth

2.4.1 Historical background

The two key words that shaped Youth's vision of the world are undoubtedly prosperity and digitalization. First, the breakthrough of becoming the second largest economy in the world (2010) and the election of Xi Jinping as general secretary of the Chinese Communist Party (2012) marked the beginning of a new period of prosperity for this group. Thereafter, the country's digital infrastructure developed impressively to reach a penetration rate of 50% in 2015; between 2016 and 2018 Chinese embraced the Digital Payment Revolution. Finally, they were hit by the Covid-19 pandemic from 2019 to 2023.

Youth were born after 1978, in a period of extraordinary economic growth and political stability. They saw their parents building their own wealth, which generated in them high expectations for their future life. Most of them was born in rural areas, but internal migration was rapidly rising urbanization percentage and by 2011 more than half lived in cities. Nearly all had access to basic education as a child, meanwhile higher education institutes were diffusing too. They are called the "loneliest generation" because almost none had siblings as a result of One-child policy enforcement and this impacted them in more than one way. To some extent they benefited from being the only recipient of family wealth, their life standards increased significantly compared to previous generations. On the other hand, they were raised with the pressure of not disappointing their parents and providing elderly care in the future.

The first core experience of Youth is the extraordinary economic growth of its country. Since 1978, the average annual growth of Chinese GDP was 9%, with peaks at 14%. In 2010 the country took Japan's place as second country by GDP. In 2012 the election of Xi Jinping as general secretary of the Chinese Communist Party set new goals for national development. He showed more assertiveness in foreign policy and advocated decisively for domestic interests. During his leadership, the theme of sustainability became central to the public attention. He committed himself to improving the lives of his citizens and he implemented policies aimed at increasing wages and social welfare. In 2017, he developed a personal interpretation of the Communist Thought defining the path for China development in the next decades: he is determined to transform the country into a moderately prosperous society by 2020 (which he declared accomplished) and a great modern socialist country by 2050.

Naturally, economic development could not occur without technological progress. Starting from the OOs, government committed to foster internet technology, at the condition of retaining control over the contents and diffusion of the web – mainly through censorship. Soon PRC internet users surpassed any other nation and by 2015 internet penetration rate reached 50%. Chinese access internet mainly through wireless connection, mobile phones are more diffused than computers. The combination of mobile devices, protectionism, and isolation from the global nets stimulated Chinese high-tech firms to develop differently

from their Western counterparts. Moreover, the government encouraged firms to find new applications for existing technology and bring innovation into the industry sector.

From 2016 to 2018 innovation was taken a step further with the Digital Payments Revolution. Each one of the two social media giants Tencent and Alibaba implemented digital payment service, called respectively WeChat Pay and Alipay. Furthermore, they integrated these services into already existing social media, creating the first "super apps". As one can imagine, these technological advancements brought a variety of changes into the citizens' lives. In particular, Youth generation readily integrated internet into their daily routine, taking advantage of ecommerce, food delivery, car sharing, and others.

Covid 19 pandemic was an event particularly significant for China, because it was the first country hit by the virus. Pandemic can be subdivided in two periods: from December 2019 to mid-2020 there was the first discovery of the virus and the consequent formation of epidemic control areas. Additional measures included temporary closure of nonessential workplaces, extended lockdowns, quarantine, and curfew. From mid-2020 to the end of the emergency in 2022 China adopted the zero-COVID policy, imposing strict localized lockdowns in various cities and provinces for every outbreak. Since December 2022 the government started to lift its zero-COVID restrictions on account of the reduced dangerousness of the virus. The pandemic heavily affected economic growth, in 2020 for the first time in many years the country registered a growth of 2.2%, coherent with a mature – not an emergent – economy. In 2021 the numbers rose to 8.4%, but 2022 showed again a reduction at 3%. However, the pandemic was not only important for the traumatic experience of lockdowns, but also because the following crisis exposed some of the fragilities within the Chinese socioeconomic structure.

2.4.2 Values and social structure

When discussing Chinese Youth values, the first element to consider is One-child policy. Having no siblings granted to this cohort the undivided attention of their parents. They often enjoyed a sheltered upbringing, in which they were the main recipient of Middle Aged ambitions and support. Understandably, this group shows high level of self-esteem and confidence.

On the other hand, they often were isolated during their childhood and adolescence: the excessive amount of homework forced many to reduce extracurricular activities and technology constituted the main channel of socialization. Furthermore, scholastic competition did not favor the formation of friendship at school and in some cases parents discouraged it (Gao and Zhao, 2014). All these factors led Youth to grow more solitary, and they display higher levels of individualism (Egri, Yu, Ralston, Stewart, and Terpstra, 1999). The combination of high self-confidence and individualism pushes Youth to prioritize themselves and their well-being over the traditional value of "Face". To pursue happiness, they may adopt unconventional life choices and accept risks: according to Hofstede and Hofstede (2010) China shows lower levels of risk avoidance than in the past. For the same reasons, they tend to prioritize personal life and family over career (Morgan, Ribbens, and Yi, 2010).

As for consumeristic attitude, a clear distinction must be made between the pre- and post-pandemic periods. Before Covid-19 outbreak Youth (and especially Gen Z) had become the backbone of Chinese consumer market. They were more consumerist than previous generations, tending to invest on experiences (for example travelling), sustainable products, and products that represent their identities (which they perceive as unique, often luxury goods). They also spent beyond their financial possibilities, counting on their parents' contribution: in 2018 Gen Z spent 15% of their household income. They regained contact with national identity with the development of trends like *hanfu* (wearing historic garments), *guochao* (inserting traditional elements in products' design), and even a revival of Confucianism (Li and Liu, 2020). However, after the pandemic, recent studies are opening new perspectives on Youth consumer's behaviors. Oliver Wyman in a report on consumption outlook (2023) explained that while younger generations were short-term optimistic, they were also worried about long-term development.

2.5 Comparison between Middle Aged and Youth

As anticipated in section 2.4.2, Covid-19 was a truly defining event for Chinese Youth. If before the pandemic they were described as highly consumerist, the last 3 years have brought a gradual awareness that they will not have the same advantages Matures had. As the younger segments of this cohort reach working age, they clash with high unemployment, housing pressure, delayed marriage, and low birth rates. Tangping is an increasingly diffused attitude, that signals how new generations are coping with life difficulties by changing their goals and lifestyle.

The following section describes how the changes in socioeconomic conditions have influenced Chinese culture, comparing Middle Aged and Youth. The areas of comparison have been chosen according to the most recurrent concerns expressed by Tangping community online. Italian researcher Arianna Ponzini (2022) finds that Young Chinese's worries revolve around three macro-areas: school system; marriage and traditional family values; and society and individual rights. These can in turn be subdivided into: (1) Education, (2) Housing, (3) Income, financial burden, and welfare, (4) Marriage, (5) Childbirth, and (6) Social mobility and inequality.

2.5.1 Education

When considering education, the first obvious difference is that Youth cohort is more educated than their parents'. From 2010 to 2020, the number of people attending university education went up from 8,930 to 15,467 students per 100,000 persons (National Bureau of Statistics of China, 2021). In 2020 There were 218.36 million persons with a bachelor diploma. In the same years, the average years of schooling of people aged 15 and above increased from 9.08 years to 9.91 years; illiteracy rate dropped from 4.08% to 2.67%. The constant improvement of educational attainments demonstrates the achievements of the Government in promoting higher education, eradicating illiteracy among young and middle-aged adults, and raising the education quality over the past years.

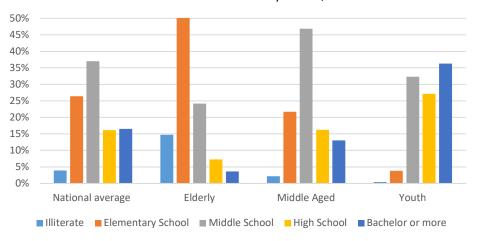


Table 3 – Education level by cohort, 2020

These results can also be attributed to the previous generation's efforts to put Youth in the best position for starting their career. From imperial age, education has always been considered as a mean to achieve a secure work position. However, the statistics show a downside effect: now that 36.28% of young Chinese have a bachelor diploma, graduates offer exceeds demand on the labour market. Clearly, the relative advantage of education has reduced over time. As Qiao Wen (2022) explains, while for Middle Aged wage was directly linked to education years, for Youth cohort a bachelor diploma is not an assurance of a higher-than-average future income.

At the same time, also education environment changed impressively since 1980. When bachelor diploma became not sufficient to secure a good job, Youth had to invest on education quality – interpreted as school prestige. As a direct consequence, competition within the Chinese school system has grown impressively (Zhao, 2016). In 1985 the Party launched the "Decision of the Central Committee of the Communist Party of China on the Reform of the Educational Structure", a school reform that favored competition as the best way to stimulate both asset allocation among schools and students' development.

Source: National Bureau of Statistics of China

Private school flourished everywhere, while already disadvantaged institutions started to show negative performance. Students were forced study long hours to get higher scores in the exams and by 2000 Chinese journals were filled with articles on the negative effects of excessive study. In the same year the "Urgent Regulations for Alleviating the Academic Burden of Primary School Students" imposed strict limits to homework and textbooks, but the measure was largely inefficient. In 2010 and 2013 the government made other efforts to alleviate educational pressure, with the same result. Arguably, not only Youth generation studied for more years than all previous generations, but also the workload and pressure they had to endure were the greatest.

2.5.2 Housing

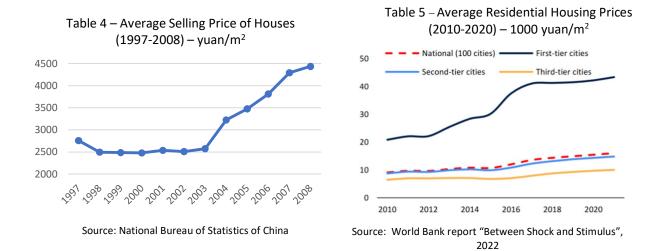
As far as it concerns housing market, in China before 1998 all residential houses were property of the government that redistributed them through the *danwei* (work units). A citizen's accommodation depended on their social status and their position within the government. As Zhang (1997) explains, until 1978 although population undoubtedly needed more housing space, demand was quite low due to ideological reasons. With the beginning of the Opening Up period, however, people looked for investment opportunities and house as a commodity could very well serve to this purpose. In 1998 RPC promulgated a reform that introduced the full privatization of the housing market. During the privatization process, public houses were sold at reduced prices to previous renters and the Middle Aged cohort could access subsidized homes quite easily.

The situation of Youth cohort proves to be more complicated. On one hand, also this group shows a high rate of homeownership, 70% of Chinese aged 18-35 own a house in 2023 (Mo, Liu, and Yau, 2023). Compared to the US' 40%, this value is remarkably high and apparently it indicates an affordability of Chinese housing. Indeed, Chinese real estate has nearly doubled its prices in the last ten years and Lincoln Institute of Land Policy classifies the country's housing as "severely unaffordable" (Sun, 2020). The reason of such a high homeownership rate is to be found in the financial market: due to the lack of property tax (Clark, Huang, and Yi, 2020) and the scarcity of investment opportunity, in China real estate is the most common form of investment: at present it accounts for 70-85% of Chinese household assets (Clark, Huang, and Yi, 2021a). Moreover, as better explained in section 2.5.4, securing an accommodation is fundamental for young couples, hence the need of becoming homeowners.

However, Youth cohort is the more disadvantaged as far as is concerns state subsidies – according to a report by Peking University and Zhilian Zhaopin, only 40.0% of post-00s generation has access to Housing Provident Fund (the national average is 52.3%). To buy their property, over a third of Youth had to rely on parental transfers, either in form of down payment or preferential selling (Clark, Huang, and Yi, 2020a).

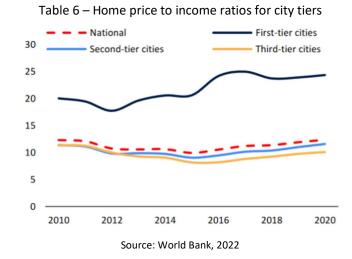
Moreover, younger people tend to own less valuable houses: sometimes they cannot afford a house in the best locations, but still choose to buy a less valuable apartment to rent, even if they have no intention of living there in the future. This habit fuels the phenomenon of renter-owners, namely people who own a house but choose to live in a rented place: in 2021 about 5% of urban households belonged to this category (Clark, Huang, and Yi, 2021b).

As for house prices, the National Bureau of Statistics of China only provides data from 1997 to 2008, but the trend goes toward a consistent increase. Data from the World Bank 2022 (Chowdhury et al., 2022) report focus on urban areas, and still show a substantial increase from 2010 to 2020.



To assess house affordability, the ratio housing price to wages will now be examined. According to the same World Bank report, from 2010 to 2020 a Chinese needed on average around 12 times his yearly wage to buy a house. Many think tanks (as for instance Urban Reform Institute) classify a country's real estate as severely unaffordable if such ratio exceeds 5. A clear distinction has to be made on the basis of the Tier System⁶. Tier System classifies cities into six groups according to commercial attractiveness: First-tier cities are the most appealing. An apartment in these locations cost up to 24 times an average yearly wage. Obviously this situation is not sustainable in the long term; the average vacancy rate of houses in Chinese cities has already reached 21% and since 2020 the sector has entered a period of crisis. Hopefully in the future housing prices will slowly decrease; but the government will need to manage the downside effects on houseowners' wealth (impacted by a reduction of their property value).

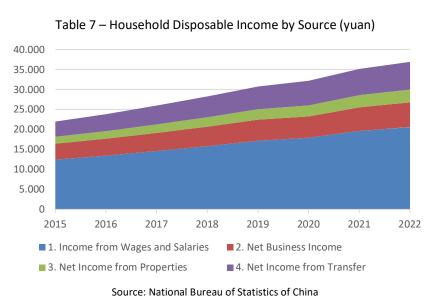
⁶ Tier System is a ranking of the *Most Commercially Charming Cities in China* published for the first time in 2017 by Yicai Global, a financial magazine. Although it is not officially recognized by the RPC government, many foreign firms use it to decide the best cities to allocate their investments and therefore it has become very influential.



In conclusion, Youth cohort encounters several difficulties in securing a place to live when confronted with their parents and their subculture certainly incorporates this aspect of their life. In the last years, many young Chinese who work in First Tier cities have switched to renting instead of buying and Lying Flat acted as an outlet to display their dissatisfaction.

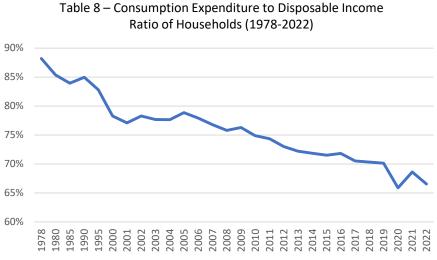
2.5.3 Income, financial burden, and welfare

The yearly income of Chinese families has grown impressively in the last decades from 171 yuan in 1978 to 36. 883 yuan in 2022, to the great advantage of Youth cohort. In the last 7 years all income sources showed an increase, but the most outstanding is observable in wages and salaries.



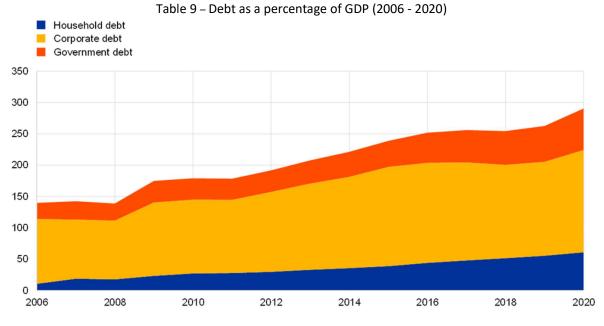
Another positive trend is observable in the Consumption Expenditure to Disposabe Income ratio, that shows a consistent contraction of consumption compared to income (see Table 8). According to this data, the portion of income that flows into savings has reached over 30%. These findings could suggest an erroneous interpretation of the different behavior of cohorts towards money: Elderlies should be

considered consumerist as thet saved a mere 10% of their income; while Middle Aged and Youth should be regarded as frugal because they save 30%. In reality, the situation is quite the opposite.



Source: National Bureau of Statistics of China

While it is true that savings rate has increased from the past, some clarifications are needed. First of all, in the last decade the Consumption Expenditure to Disposable Income Ratio was in average 121%: this means that Chinese families could not sustain their consumption levels solely with wages, but need to integrate through investments (savings). Secondly, household debt repayment is not an expenditure item, therefore this graph does not show the amount of the family savings that goes towards loan interests and repayments. European Central Bank reports that Chinese household debt has quintupled from 2006 to 2020, to approach 50% of the GDP (as per Table 9). To conclude, while the percentage of savings is apparently high, they are often non-spendable money that is frozen as investments or debt repayment. When comparing Middle Aged and Youth, the second group is definitely the more indebted one. A 2021 report on consumption behavior of young Chinese showed that 87% of 18-32 years old are in debt (Liang Jun, 2021).



Source: Apostolou, Al-Haschimi, and Ricci, 2022

I will now examine the different expense categories in which total consumption subdivides, as per Table 10. In the last seven years all expense items have had an inflation, but the most affected categories are Services, Food, Tobacco and Liquor, and Housing. Since food and housing demand remains more or less stable across time, the flection can be linked to basic necessities' appreciation. Housing expense make up 24% of total income, this percentage is lower than the US values of around 28%, while it is higher than the UE average 18.9%. Health care expenses to income ratio currently stands at 8.6%, a tolerable portion according to the World Bank: a catastrophic health expenditure exceeds the threshold of 20%.

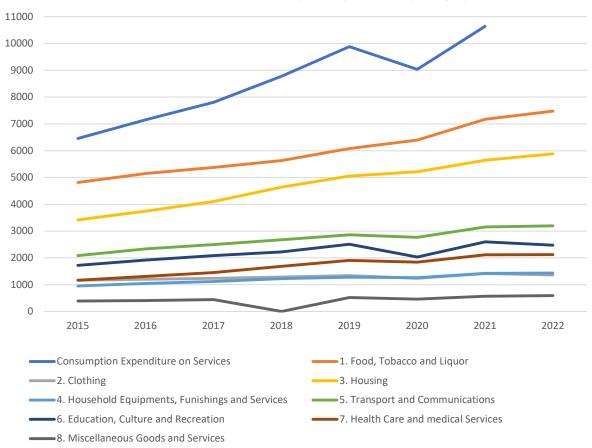
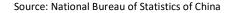


Table 10 – Household Consumption Expenditure by Category



Welfare System in China strictly depends on the individual's job, for this reason this topic will be explored also in also in chapter 3. However, a jointly published report by Pecking University and Zhaoping (2022) claims that Youth (and especially Generation Z) is the most disadvantaged regarding welfare access and it scores considerably lower than the national average in all forms of insurance: respectively 59.1% and 76.0% in medical insurance, 56.8% and 75.2% in pension insurance, 58.9% and 73.9% in work-related injury insurance, 52.7% and 70.8% in unemployment insurance and 49.2% and 66.0% in maternity insurance. 31.6% of post-00s group reported not to be covered by any type of insurance, while the national average is 18.5%.

In conclusion, it can be said that while it is true that at the beginning of their career Middle Aged had low wages and reduced spending power, in the last decades the situation has reversed and now they are the group that benefited more from wage increases. Moreover, said group often enjoyed financial stability due to the housing programs that allowed them to avoid debt and could increase the portion of savings. They have the highest probability to be multiple homeowners, which grants them returns through rent and further increases their income. Youth group instead always enjoyed a reduced expenses-to-income ratio, but suffers the consequences of an inflated real estate market, which forces them to increase household

debt. Moreover, they are less covered by the welfare system than their parents, therefore need a high savings rate to bear Out Of Pocket expenses.

2.5.4 Marriage

Over time, the average age at first marriage in China has gradually increased, from 23 years in 1982 (Li, 1985) to 28.6 in 2020 (National Bureau of Statistics of China, 2021) – see Table 11. As hereafter explained, such increase mainly depends on economic factors, as house ownership is fundamental for young Chinese couples. Traditionally China is characterized by a patrilocal culture, meaning that in the past when a woman got married she moved into her husband's house and became part of his family, where she would perform house duties and caregiving. Consequently, according to Elderly generation, it is a man's responsibility to provide an accommodation for his spouse and ensure financial stability. This tradition was partially abandoned during the Maoist period, when housing offer was determined by the *danwei* system, but it was never totally dismantled. Middle Aged tended to marry early in life, hoping to have more than one child (at least before One-child policy enforcement).

Nowadays Youth tend to consider housing as a shared responsibility, but young couple generally still wait to buy a property and ensure financial stability before marrying. Some young men even reported frequent rejections in the dating phase because they lacked property ownership. Anyhow, the access to affordable houses deeply impacts the matrimonial sphere, and there are several studies to support this theory. Hu, Wu, Xiang, and Zhong (2021) found that after land reform in 2002 – that introduced public bidding, auction, and quotation for the assignment of all profit-oriented lands – young people's likelihood of marriage decreased by 6.82%.

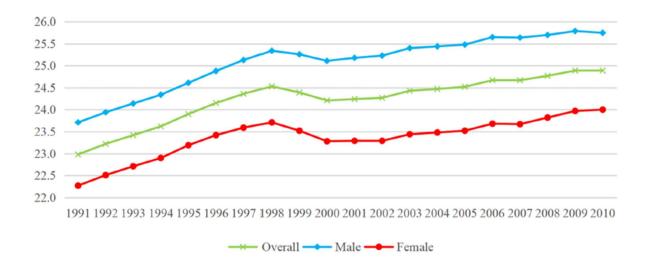


Table 11 – Average age at first marriage in China: 1991–2010.

Source: Seventh National Population Census of China (2020) – Graph by Zhao et al. (2023)

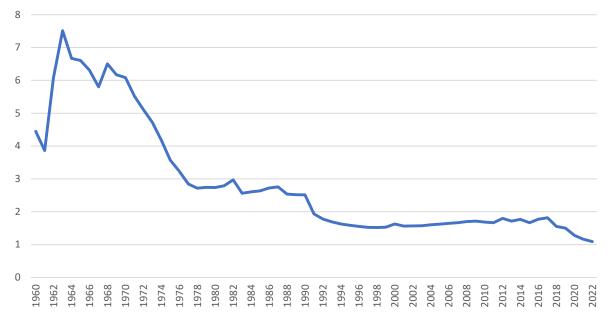
Chen, Li, and Zhao (2023) studied the correlation between housing prices and marriage delay and found that an increase in housing prices significantly delayed the age of first marriage by 0.2280 years, (0.4372 years for males). The worst affected categories were more educated females (possibly because they had higher requirements of their spouses), males with more siblings (who could benefit less from parental transfers), and individuals from large cities (due to Tier System).

2.5.5 Childbirth

In the Maoist periods fertility rate was still heavily influenced by traditional Confucian culture, that considered a couple's duty to have at least a male heir to perpetrate the family name. Maoist propaganda advocated women's duty to generate manpower for the nation. In addition, also practical reasons – as the need of workforce in the rural areas and the high mortality rate – pushed families to expand. Elderlies believed that procreation was a sacred duty for a couple and passed on this mentality to their children.

Middle aged generation absorbed their parent's beliefs, but had to deal with the total overturn of government's narrative and policies. Deng Xiaoping knew that his country was not self-sufficient in food and he believed that a strong population growth could prevent economic development. In 1979 he introduced the One-child policy and started to enforce it in the following years. Enforcement was not uniform, but still over the years fertility rate in China progressively dropped.





Source: National Bureau of Statistics of China

In modern days Youth have set aside some of the Confucian beliefs on procreation duty, even if there is still a preference for boys over girls. The government has gradually relaxed its birth policies introducing the Two-child policy in 2016 and the Three-child policy in 2020. Nowadays family planning decisions are the result of several factors, including the mother's career ambitions, the availability of a suitable accommodation, and the financial means of the parents.

First, in China the mother is still considered the primary caregiver: this is supported by the fact that maternity leave is 98 days while paternity leave is 14 days – until 2021, paternity leave was only 7 days. Day care services are incredibly expensive, and the only possible alternative is grandparents' involvement in childcare. According to Dong, Du, and Zhang (2019) 48% of mothers used grandparental care and 58% of all Chinese grandparents provided care for their grandchildren. Nonetheless, sometimes childcare affects negatively elderlies' health (Cheng, Guo, Wang, and Xu, 2019); and some couples have no access to this type of aid: in such cases women are forced to leave their job. Li, Ye, Yu, and Zhou (2022) found that female labor force participation rate drops significantly after childbirth, while male labor force participation rate is not significantly affected. For these reasons, the mother's career choices heavily influence her birth decisions.

Financial burden is another relevant element to take into consideration: having a child is an important financial commitment. A new birth is always correlated to an increase of expenditure both in immediately necessary items (such as food, water, electricity, heating, and other fuel expenses, housekeeping, medical care, and communication) and long-term expenses – for example in education. Moreover, in China besides

some education expenses deductions there are no fiscal incentives for couples with children: nurse expenses are not deductible and there is no national family allowance. A study from Deng and Yu (2021) correlated birth with an increase of household debt and suggested that, given the aversion of Chinese culture to debt, household decision-makers are less inclined to have children. It has also been hypothesized that high expenditure on children education could be a deterrent to having one or more children, but has not been proven yet.

Housing pressure has been proven to have negative repercussions on fertility rate. In particular, Zhang and Zhu (2022) found that housing pressure causes fertility anxiety both directly and indirectly: on one hand, having a child implies the need of a bigger house and not all Youth have the financial means to buy it. On the other hand, the economic burden of a house reduces a family's resources and therefore the possibility to have an offspring. On average, Liu, Xing, and Zhang (2020) found that an 1% increase in house price leads to a decrease of 6.4‰ in the likelihood of women delivering births.

2.5.6 Social mobility and inequality

Social mobility and inequality were not included in this analysis as fundamental elements of Tangping, but they can serve as indicators of social stability. Low social mobility and high inequality can cause friction between different factions of society and spur social unrest.

Foreseeably, in the Maoist era, social mobility had its peak in correspondence of with the Revolutionary period. With the creation of Social Status System previously advantaged rich landowner were stripped of their belongings and punished. Existing government was replaced and all previous public employees lost their job, substituted by communist groups. These changes determined an important subversion of social roles and wealth redistribution. Many goods were subjected to rationing, but this meant that resources were allocated rather equally. Elderlies had an equal society, but poverty was widespread and political agitations frequent, therefore they could not perceive the benefits of this system.

Since the introduction of market-economy, China saw a sharp increase in income inequality. At first, because the creation of the market offered to privileged classes many opportunities to convert their political power into material resources (Xie and Zhou, 2019). Later, because companies' motivational strategies switched to a monetary based rewarding system. Meanwhile, the reintroduction of private property made much easier wealth inheritance and reduced social mobility. The creation of private schools granted a better instruction to richer children and maintained those families in a privileged position (Zhang, 2020). Nonetheless, the extraordinary economic growth enhanced the living conditions of millions of people, leaving some space for upward mobility. Although Middle Aged experienced an unequal society, they only perceived a generalized material improvement.

In the last years economic growth has slowed down, reducing the space for upwards mobility. Meanwhile government did not implement wealth redistribution policies, thus strengthening income polarization. From 1978 to 2014, Piketty's graph (Table 13) shows that the 50% of population with lower income reduced their share of national income from 26.5% to 14.5%. Simultaneously the share of the national income absorbed by the richest 1% of the population increased from 6% to 14%.

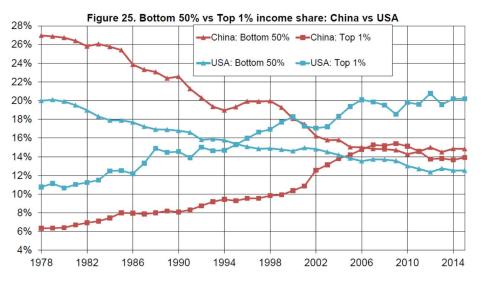
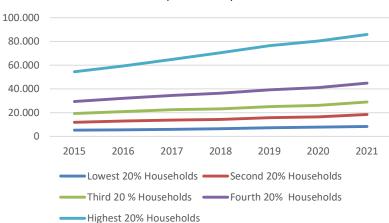
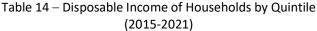


Table 13 – Bottom 50% vs Top 1% income share: China vs USA (1978 - 2014)

Source: T. Piketty, Capitale e Ideologia, 2020, La nave di Teseo





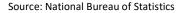


Table 14 reveals income disparity by quintile after 2015. As expected, the trend continues towards an increment of inequality. Gini Coefficient (used to measure inequality within a country) by the World Bank supports these findings. From 1990 to 2010 the index rose continuatively (with a peak of 43.7), but showed

a gradual contraction since 2010, reaching 38.2 in 2019. However, in 2020 it rose sharply to 46.8 and in 2021 remained fairly stable at 46.1.

To conclude, it is only in the last years, when Covid-19 pandemic reduced enrichment opportunities, that Youth cohort have experienced the adverse effects of an unequal society in a low social mobility system. If the government will not be able to repristinate a high level of economic expansion or redistribute wealth within society, in the next years social frictions will become progressively evident.

2.5.7 Summary

To sum up, Youth cohort has seen a change of their socioeconomic conditions in various key aspects of their life, in many cases for the worse. They are more educated than Middle Aged, but their education does not subsequentially translate into an income increase and the competitive pressure associated with education rose. They have a high percentage of homeownership, but the increase in house prices and the reduced access to house subsidies forced them to ask financial aid from their parents, or accumulate household debt. They have on average a higher income than their parents had at their age, but the increase in living expenses and the limited access to welfare led them towards private investments or indebtedness. They marry later than their parents often due to housing problems and this delays or cancels their procreation intents. They live in a less socially mobile, more unequal society than their parents and are starting to feel the consequences of it due to the Covid-19 crisis. The combination of all these factors led to a slow cultural change that found its expression in the Tangping movement, as envisioned by hypothesis H2.

3. Impact of Tangping on Chinese HRM

Having framed Tangping as a signal of intergenerational cultural change, Chapter 3 will discuss its impact on Chinese labour market, reassessing intergenerational cultural change in the work context (hypothesis H3). The first part of the chapter (section 3.1) concerns Middle Aged generation, it analyzes the working conditions and work ethic of this cohort, describing how they translated into the current model of Chinese HRM, or Traditional HRM. Section 3.2 is dedicated to Youth generation; it describes the changes of working conditions in the last few years and provides an explanation on the new emerging work ethic. Finally, it attempts to forecast the future developments of HRM in China as companies will need to manage a young workforce.

Each section is structured as follows:

- Definition of the work environment in which the generation operates, divided by labour market, worked hours, wages, and workers' rights.
- Outline of the work values.
- Description of the best Human Resources Management systems to be applied to each generation and attempt to foresee future developments of Chinese HRM. HRM areas are divided in: job seeking and recruitment process, motivation and performance management system, compensation and benefits, training and development, leadership and empowerment, and communication and conflict management.

3.1 The Traditional Chinese Work System

Matures were born from 1959 to 1988, they entered the workforce from 1975 and started to retire from 2014. In the following section I will analyze the Chinese business system since the Opening Up period, explaining the work method of Middle Aged generation and their work values. Finally, I will present the traditional HRM techniques that have been used since the 1990s and have proven effective to manage this cohort.

3.1.1 Chinese work environment of Middle Aged generation

3.1.1.1 Labour Market

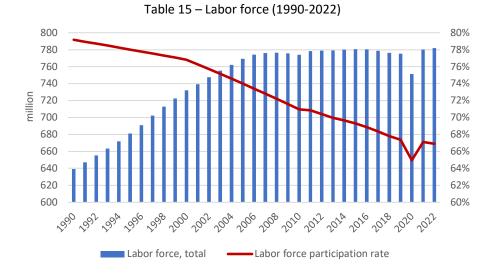
The first element to be analyzed in work environment is the labour market, namely the capability to match workforce supply and demand. A prime indicator in the labour market is the unemployment rate: high unemployment is often a symptom of a mismatch between employers' demands and workers' skills. This aspect is relevant for both employees (because high labour availability reduces the risk of income loss) and companies, as human resources are a key component of competitive advantage. In the next paragraph, I will examine China unemployment rate over time, followed by workforce supply and workforce demand. Finally, I will analyze the workforce distribution across sectors and productivity.

It is extremely challenging to find reliable data on unemployment in China before 1979, however it is possible to gather some information on the Reforms period. According to Cai, Du, and Wang (2016) in the 1980s there were two important phenomena that pushed urban unemployment to a peak: the release of surplus labor in agriculture and the return of young graduates from their "educational period" in rural areas. As a result, the registered urban unemployment rate in 1979 reached 5.38%, 80% of which were youth. Nonetheless, the rapid economic growth that followed in the 1980s and 1990s contributed to the creation of new jobs. This was fundamental to mitigate the effects of the shift to market economy, even if it could not totally prevent the rise of unemployment.

From 1990 the major events that shaped the labour market were the reform of industrial sector and the reorganization of state-owned enterprises (Zanko, 1998). In 1990s the RPC started an extensive restructuring of industrial sector aimed at modernizing production techniques and increasing efficiency. Large investments in technology led to an expansion of fields as semi-conductors, automobiles and micro-computers; while more traditional sectors – for instance textiles and machinery manufacturing – saw a decrease in production. This first event implied a redistribution of workforce across these sectors and modified the workforce demand. The goal of State-Owned Enterprises (SOEs) restructuring was to improve profitability and reducing underemployment (the phenomenon by which a surplus of employees reduces individual productivity). To this end, by 1999 SOEs laid-off 19.5 million workers, but this figure was not included in official unemployment rate. Hong Yong Lee (2000) estimates that the actual unemployment rate in 1999 was almost 9% (with peaks of 15% in some areas). Of these laid-off workers, about a third found jobs in the informal sector, while the others were unevenly covered by different forms of government aid. Those who were able to find an occupation have been transferred mainly to the private sector.

Both above mentioned events could have contributed to a reduction of labour force participation rate. As hiring requirements rapidly changed, many workers could have stopped looking for an occupation altogether instead of becoming unemployed. In fact, since 1990 labour force participation rate saw a steady decline (Table 15). However, this data is not worrying yet: the global ratio currently stands at 60.5%, the EU ratio is 75.3 %.

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Source: World Bank Database

Since 1990 the government has tried to reabsorb surplus workers from SOEs; between 1990 and 2014 reemployment from layoffs has been low but stable. Additionally, the state committed to creating new workplaces and reducing unemployment: in the same period total employment rose by 250 million, and nearly two thirds of the gain were newly created jobs (Lam, Liu, and Schipke, 2015). Thanks to the extraordinary economic growth in manufacturing and service sectors, the new positions opened mainly in urban areas, prompting internal migration and urbanization.

As shown by Table 16, total unemployment rate rose steadily since 1991, but kept under 5%. Apparently, the government was not concerned by this raise. A Chinese scholar calculated that "Chinese society can accept without difficulty an unemployment rate up to 5%; the 7%-8% rate causes stress for the society; but any rate exceeding 10% will likely create long-term social instability" (Lee, 2000). Overall, it appears that for the better part of their career Matures enjoyed the benefits of low unemployment and high economic growth. Although in the last years there has been an impressive rise of youth unemployment – from 2005 to 2023 youth unemployment rate increased from 9.5% to 12.6% – it must be considered that Middle Aged were largely unaffected by the variation, as the majority of this cohort was already over 25 years old.

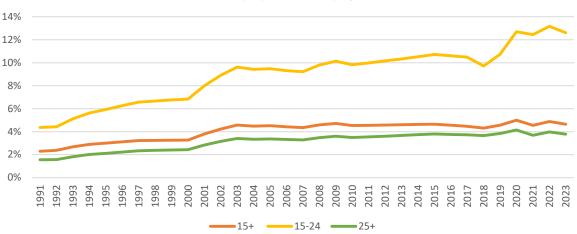


Table 16 – Unemployment rate by age (1991-2023)

Source: International Labour Organization. "ILO Modelled Estimates and Projections database (ILOEST)" ILOSTAT

As for workforce supply, the main influencing factor was the baby boom of the Maoist period. A high fertility rate coupled with a reduction of mortality rate made China the most densely populated country in the world. From 1949 to 1979 Chinese population nearly doubled, rising from 541.67 to 970.92 million people (Jowett, 1984). Obviously, the baby boom led to an increase of the working age population in the following years (Table 17). The peak was around 2015 with nearly 1 billion and then started to decline. Labour force followed the trend, with an increase from 639 to 780 million workers (Table 15).

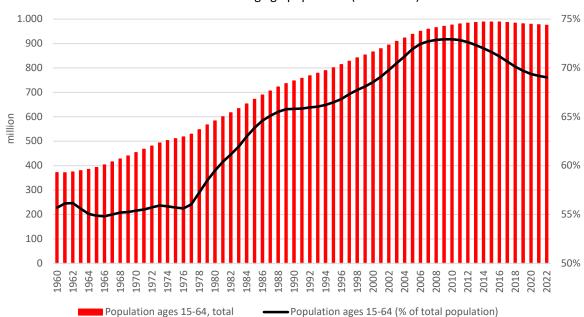


Table 17 – Working age population (1960-2022)

Source: World Bank Database

From the 1980s, China had an overabundance of young, low-skilled workforce. In 1985 the average age of labor force was 32.25 and the national average years of schooling was 6.14 years. The national proportion of labor force with at least high school education was 11.56%, while only 1.04% had a bachelor diploma. To create new workplaces, the government moved into two directions. Firstly, it increased public expenses on education to satisfy the needs of high-skilled and specialized talents. Bachelor graduates' percentage started to rise, by 2001 they were the 6% of the workforce, by 2015 the 17%. Secondly, it created a network of labour offices responsible of facilitating personnel recruitment and selection. These introduced new recruitment methods (as recruitment fairs and digital databases) and favoured the free flow of human resources between different sectors and departments which were previously isolated from each other (Chai and Liu 1998) (Li et al., 2022).

Workforce demand was obviously influenced by the Four Modernizations of 1979. The government decided to focus its investments in the four key areas of agriculture, industry, defense, and science and technology; required capitals were to be obtained through a high volume of Foreign Direct Investments in the form of joint ventures. The establishment of the market-economy brought about the privatization of many SOEs, and stimulated entrepreneurship. New employers saw an opportunity in the existing overabundance of unskilled workforce, the manufacturing sector flourished. Since then, China's share of global manufacturing output grew from less than 3% in 1990 to 22.5% in 2012, to 28.4% in 2023.

Thus, in 1990 companies took advantage of the low-skilled, abundant workforce to cut production costs and sell their products at competitive prices. However, to improve their products' quality and their business strategy, company quicky noticed that managers and skilled professional were essential but the labour market lacked such experts. Over time, both technological innovation and change of the economic structure contributed to a slow decline in the low-skilled workforce demand. Ge, Sun, and Zhao (2021) found that from 1990 to 2015 the share of routine manual job decreased from 57% to 32%, while routine cognitive jobs increased from 8% to 19%. Therefore, it is possible to conclude that the labour demand of the last decades has constantly favoured high-skilled workforce because it was the scarcest.

In regards to workforce distribution and productivity several trends are observable. Despite the fact that until 2003 agriculture absorbed around 50% of the workforce, its output (as a percentage of GDP) declined constantly from 26% to 12.5%. Between 1990 and 2003 industry was undoubtedly the most efficient sector, with an output that rose from 40% to 45% employing only 20-23% of the workforce. In the same period the service sector increased both its productivity (from 32% to 42% of the GDP) and its workforce (from 19% to 29%).

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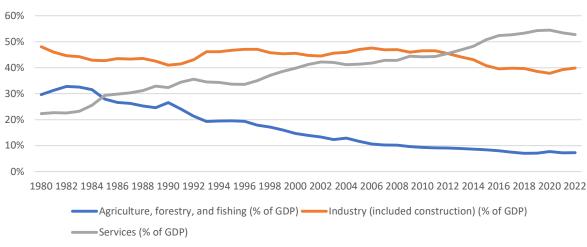


Table 18 – GDP composition by sector (1980-2022)

Source: World Bank Database

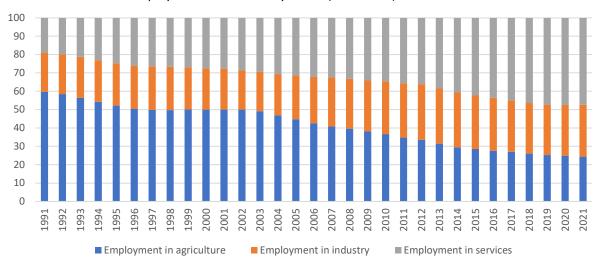


Table 19 - Employment distribution by sector (1991-2021) - Modeled ILO Estimates

Source: World Bank Database

3.1.1.2 Worked hours

Before the Opening Up period, information on worked hours are not available, however according to Chan (2000) the overabundance of workforce in SOEs promoted a relaxed work pace. On the contrary, peasants suffered a labour shortage and had to endure exhausting shifts (especially women) (Eyferth, 2015). Even after the 1970s data on this topic are scarce, except for some estimates from Giattino, Ortiz-Ospina and Roser (2020) based on National Accounts. From 1970 to 1995 the average worked hours per worker remained stable on an average of 1,975. In 1995 China issued and enforced a Labour Law with the purpose of regulating working hours and protecting worker's health and safety; the 48-hours workweek was

officially replaced by a 40-hours schedule and overtime work was also reduced. Nonetheless, the lack of supervision allowed employers to violate the law and in fact from 1995 the average working hours have increased by 10%, as shown in Table 20.

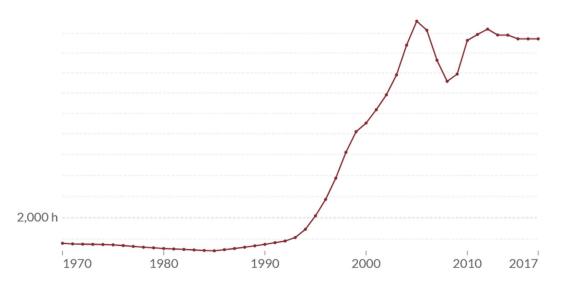


Table 20 - Annual working hours per worker (1970-2017)

Source: Giattino, Ortiz-Ospina, and Roser, 2020

A survey conducted in 2003-2004 by Idris, Lu, and Zeng (2005) sheds further light on the matter, and indicates that the average weekly working hours were 44.6, with more than half Chinese working longer than the legal standard. Looking at the distribution of the hours among population, it is notable that workers with junior high education or below worked considerably longer than those with master degree and above. Furthermore, younger employees had longer shifts than their older counterparts (and 32.2% of Chinese received no compensation for overtime work). Overall, it looks like the Middle Aged generation has always been used to long shifts and (often unpaid) overtime. The worst affected categories are blue-collar workers and rural workers, while white-collars were less subjected to illegal overtimes.

3.1.1.3 Wages

In discussing salaries, it is necessary to consider that there are no available data on rural wages. Therefore, the following paragraph will be based solely on urban workers who are employed in the private or public sector. The National Bureau of Statistic of China provides information on the average yearly wages in the urban private enterprises as well as non-private work units (*danwei*). Non-private work units include SOEs, collective-owned enterprises, cooperatives, joint-ventures, limited liability corporations, shareholding corporations, foreign funded companies, and others. For this section the data sources are National Bureau

of Statistics of China for non-private enterprises and International Labour Organization Database (statistics based on enterprises' reports) for private companies. This section addresses the span from 1995 to 2008, while section 3.2.1.3 examines the following period. Data have been manipulated to reflect monthly wages instead of yearly wages and have been organized in tables accessible in the Appendixes (Appendix A, D).

From 1995 to 2008 all wages in both private and non-private sectors grew on average four or five times. Within the non-private sector, all salaries grew at a uniform rate, except for collective-owned companies. The latter paid the lowest salaries among public enterprises, with a gap up to 1000 yuan (Table 21). Interestingly, the enterprises categorized as "Other Units" (joint-ventures, limited liability corporations, shareholding corporations and foreign funded companies) in 1995 offered the best paid positions, while in 2008 they did not have that advantage anymore.

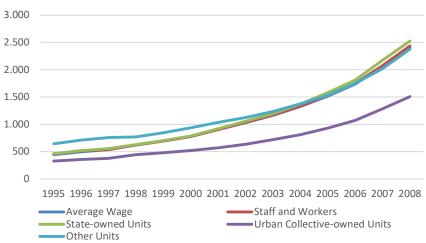


Table 21 – Average monthly wage of employees in urban nonprivate enterprises (1995-2008) - Chinese Yuan

Source: National Bureau of Statistics of China

Table 22 displays wages in the private sector divided by economic activity (the same data was not available for the non-private sector). In the 1990s pay was fairly equal across businesses, the highest being around double than the lowest. A decade later, in 2008 salaries had higher differentials between the various fields, but the majority of private employee still earned between 1800 and 3200 yuan. The two notable exceptions are agriculture companies (which paid on average 1080 yuan per month), and the financial enterprises – rewarding their workers with 5150 yuan. Thus, the poorest private employees earned nearly a fifth of the highest wages. However, only 0.2% of the labour force were employed in the financial business, while agriculture absorbed to more than 70% of Chinese labourers. Generally, the data suggests that at least until the 2010s Middle Aged received fairly equal wages, the most disadvantaged people being in collective-owned and farming enterprises.

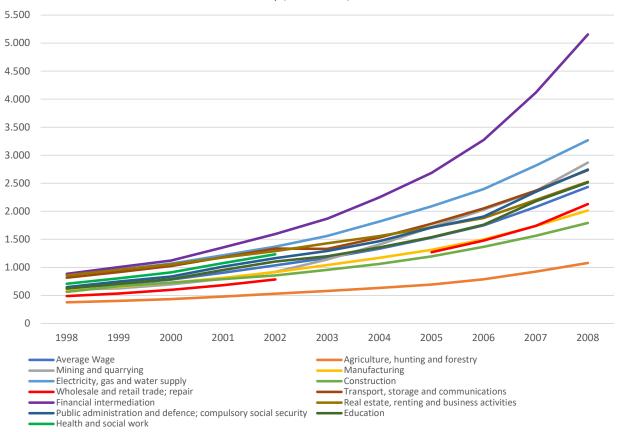


Table 22 – Average monthly wage of urban employees in the private sector by economic activity (1998-2008) – Chinese Yuan

Source: ILOSTAT Database - Employment and wages statistics based on enterprises' reports

3.1.1.4 Worker's rights and work safety

Workers' rights and work safety necessarily depend on laws and regulations. During Maoism labour law was severely deficient and the worker's health was of relative importance if compared to the achievement of the Party's goals. For this reason, worker's schedules and rights were subjected to production targets, any refusal on the employee's part to comply to the instruction of their superior was interpreted as political dissent and heavily punished. Trade unions existed, but were merely another instrument of the state to enforce its directives (Chan, 2000).

From 1970 the Chinese government made various efforts to improve workers' rights: first adding the right to strike to the 1975's Constitution, later with a number of national statutes and regulations – in particular the 1995 Labour Law. These included provisions on worked hours limits, health and safety, wages, and other areas. Unsurprisingly, until recent years there are no official records on the degree of enforcement of such laws. The reason can be attributed to both a difficulty of data collection and the tendency of the

government to minimize collective actions. Furthermore, in the Opening Up period the government formally encouraged a dialogue between employers and workers and many trade unions and syndicates were established in large private firms and SOEs. However, these institutions remained predominantly consultative and did not have the power to enforce signed agreements.

Naturally, employees' dissatisfaction with unlawful conditions had to find a means of expression. Since data are available, the number of strikes, disputes, and petitions is steadily increasing. The most concerned sector is manufacturing, which was responsible for around 50% of the workers' protests between 2000 and 2010. In those same years the focus of the protests shifted from SOEs to private enterprises (A Decade of Change: The Workers' Movement in China 2000-2010, 2012). Still, in small private companies the lack of formal regulations and the ignorance of workers on existing labour laws prevented them from asking for fair treatment.

Workplace safety is a closely connected point of discussion. The first decisive regulations on job safety date back to 1995, but in the early 2000s China was still considered a dangerous place to work. In particular, most of the incidents were concentrated in the coal mining sector. Such episodes usually generated a high number of casualties and gained ample coverage in news media, therefore the government committed to enhance safety in that sector. In the following ten years, partially due to the reduced market demand for coal, several mines were closed and the number of fatalities declined. However, as China Labour Bulletin (2021) denounces, the overall worker death and accident rates decline has been much slower. Minor entity occurrences such as construction and car accidents are still largely ignored by local authorities, and the vigilance on laws compliance remains insufficient. Besides, the private sector is much less supervised than SOEs (Chan and Chen, 2010).

3.1.2 Traditional Chinese work ethic

The traditional Chinese work ethic is intertwined with Confucian culture. According to Confucius, the goal of society is harmony, namely creating a social structure that does not encourage conflicts. Matures therefore tend to be non-confrontational, they avoid discussions and are cautious in the way they express. This trait has both positive and negative outcomes: it encourages workers to understand their colleagues' perspective and accommodate each other as much as possible before resorting to open conflict. On the other hand, necessary confrontations are often postponed or avoided and this could create tensions in the long term.

The Confucian society is built on solid interpersonal linkages, that are regulated by hierarchical relations. In particular, an individual should respect and obey to their superiors and older people. On this premise, the business environment of Chinese Middle Aged is rigidly structured in a pyramidal shape: at the top are

employers and managers; in the middle are senior, skilled employees; at the base lie young and unskilled workers. Respect is to be shown in formality of speech, politeness, humbleness, and compliance. For instance, it is extremely important to address each worker with the correct job title, never question managers' decisions and treasure the advices of older colleagues. The compliance to such unwritten rules is vital for the reputation of all parties, who carefully build up their Face. If on one hand the respect of rules and hierarchy facilitates roles and responsibility division, on the other hand a too rigid structure can prevent the development of creativity. Also the concept of Face could generate some problems on the workplace: often workers avoid pointing out their colleagues' mistakes for fear of retaliation.

Being used to hierarchical structures, Middle Aged workers often feel the need of a present and authoritative leadership. In Western organization, leadership bears the responsibility of task completion and motivates other members. Eastern leaders, however, are also in charge of all key decisions within their influence. Both leaders and subordinates are averse to delegation and empowerment: leaders because they believe it would weaken their authority, subordinates because they are reluctant to take responsibility for their mistakes. The loyalty to leaders can prove of great advantage in numerous cases as it preserves the boss' image of integrity and coherence. Nonetheless, it can also cover serious mistakes of management and generate substantial losses.

Due to the Confucian tendency to harmony combined with the egalitarian ideology diffused by decades of communist regime, Chinese people deeply value group identity and are excellent team-workers. In particularly, Middle Aged will form cohesive bonds with members of their team and this can foster a climate of trust and mutual help. Nevertheless, this trait also creates three negative outcomes. First, team members tend to protect each other from the negative consequences of their mistakes: this can lead to communication problems within the enterprise (for instance in phase of mistake assessment). Second, group members tend to suppress their individual needs and identity for the sake of majority. This can produce personal frustration and a general loss of diversity. Third, in a company ordinarily many groups coexist: if these are put in reciprocal competition, frictions will inevitably arise.

Another fundamental feature of Confucian cultures is the importance of *guanxi*, reciprocity in interpersonal relations. In practice, it translates into providing opportunities and favors for the people with whom one has personal ties, and reciprocating the favors one has received. This cultural trait inserts an element of the personal sphere into the business environment and has the undeniable advantage of strengthening professional relationships. Nevertheless, it can promote favouritism at the expense of expertise and efficiency.

Finally, Confucianism has often been compared to the European protestant teachings for the importance attached to work as a mean to contribute to society and fulfill one's potential. Middle Aged have been

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encouraged to find a sense of purpose in their job and this includes putting effort on daily tasks and cultivate one's skills. In this perspective, training plays an important role in developing each worker's capabilities and therefore should be a key component of business. However, the training component is always subjected to productivity constraint, therefore is not regarded as fundamental in every company.

3.1.3 Traditional Chinese HRM

3.1.3.1 Job seeking and Recruitment process

In the Maoist China there was no institutional internal recruitment mechanism: the labour administrative officials decided on career and promotions privately. The needs and requirements of new jobs were not publicized; workers were not encouraged to move laterally within the enterprise, not to say to other enterprises and units. External recruitment was handled by labour administrative departments and agencies of the governments. A worker who wanted to move to another organization needed written permits from labour officials of the city and this could take up to years. In both internal and external recruitment, often the personal connections of the candidate (*guanxi*) were more important than qualifications as there were no public criteria for the selection.

The Opening Up period introduced new guidelines, encouraging enterprises to publish open positions and select on the basis of qualifications. New recruitment methods were created both for internal and external recruitment. Internal recruitment procedure should have been the following: all employee were to receive recruitment notices for mid-level and top-level managers, internal competition was encouraged. Applicants were to be assessed by a review board formed by representatives of the workers and staff assembly, trade union, and administrative officials. Naturally, not all enterprises observed said guidelines and *guanxi* remained an important element of recruitment, but free applications widened the pool of candidates. External recruitment was mainly performed through recruitment fairs and advertisement. Recruitment fairs are large events periodically held by employment service centers in cities and towns. Both public and private employers can join by paying a fee, while applicants are not charged. During the event the two parties can meet and carry out job negotiations. If the recruitment has a positive conclusion, they sign a contract. Recruitment advertisements are published both in posters and newspapers, but they can also appear on radio and TV. In the past, major cities had even specialized newspapers and magazines that published almost exclusively recruitment notices.

A different and yet important recruitment method remained friendship and acquaintance: this method was used more frequently to change job rather than to find the first occupation. A survey in 2001 that included 7000 residents in Beijing revealed that most professional who left their job relied on personal connection to find their next occupation (Cooke, 2005).

In 1998 a digitalization of the recruitment process was implemented with the foundation of China Labour Net, the first computerized database that covers the whole country. In the following years many network service corporations started to cooperate with labour marketing organizations to provide computerized employment promotion services. The trend has continued until now, with the further development of database and the birth of online recruitment.

In regards to job-seekers' preferences, in the Maoist period the only valid choice was posed by state-owned enterprises, as they were the only ones to offer a stable salary and plenty of bonuses. After the mass laying-off of the 1990s workers started to prefer privately-owned enterprises, and more specifically foreign enterprises and joint ventures. Among the reasons for this choice were training and development opportunities, salary and benefits, and the desire to explore a new corporate culture. After 2010 however the trend shifted again, employees showed to prefer local private enterprises as they started to offer new career development opportunities and compensation (Aziza and Ogbolu, 2012).

Job turnover rate increased consistently since Maoism. Before the 1980s, employees changed job on average every fifteen to twenty years. During the 1980s the average employment period decreased to ten years, and in 1990s the figure was again reduced to five years. Still, in 2000 the Chinese retained a high employment stability, with only 14% of workers changing job before five years of employment.

3.1.3.2 Motivation and Performance Management System

Employees motivation is widely recognized as a key element for companies because it directly results in performance enhancement. However, before the diffusion of Western style HRM in the 1980s and 1990s, Chinese managers were largely unaware of its importance. In the Maoist period management was not concerned with employee's motivation, even if someone could argue that the official propaganda and the frequent party meetings acted as a stimulant for workers.

The first motivation incentives were primarily material, while appraisals were perceived as less effective – partially due to the Tiananmen incident of 1989, which reduced Chinese's faith towards slogans and propaganda (Child, 1994). As better explained in section 3.1.3.3, in the 1985 there was an attempt of the government to link pay and performance. In the following years several pay schemes were implemented in both public and private enterprises, but the main obstacle remained the workers' commitment for egalitarianism.

Performance management system as a part of motivation strategy was introduced in the 1980s by foreign enterprises and slowly became popular also in large Chinese enterprises. Cooke (2005) reports that by the early 2000s, more than half of Chinese MNCs were effective in structuring specific performance plans that include work objectives and behaviors to help focus the efforts of employees. Employees received feedback on their performance at least once a year and were evaluated periodically by their supervisors. Performance evaluation was then used to determine the paycheck. As a result, many workers reported that they were quite satisfied by the performance management systems of their companies, but managers were often still unable to deliver effective appraisals as they were too generic, resulting in employees' demotivation.

Since then, many efforts were made to expand such practices within Chinese organizations (Budhwar, DeNisi, and Varma, 2008). In particular, private enterprises stimulated competition linking performance and job security: tests were held regularly in which the worst-performing employee would lose their occupation. Private companies were also more effective in setting goals and rewards compared to the public sector. Public employees were not subjected to the fear of losing their job, but still had yearly meetings in which they peer-discussed their performance. However, workers accepted more reluctantly such feedbacks due to their high subjectivity, therefore were not as effective in motivating.

Generally, it is possible to say that even if the Middle Aged generation was not familiar with performance management systems at the beginning of their career, they slowly grew accustomed with appraisal and incentives. Material compensation and job security remained the main source of motivation for this group.

3.1.3.3 Compensation and benefits

Pay system in China has undergone several reforms in the last decades. First of all, it is necessary to make a distinction between the state sector and the private sector. During Maoism the majority of population worked for the state and was subjected to the same pay structure. Maoist ideology was rooted in egalitarianism and discouraged wide wage gaps. Although some efforts were made to link wage to performance, incentives were minimal and did not lead to significant results. Despite rising inflation, until 1978 compensation was kept low for all state employees. In this way, the government could hire more people and lower unemployment rates.

Since the Opening Up period, the number of public employees started to diminish (due to the laying-off policies) and the proportion of private employments rose dramatically. While public employees' wages were decided entirely by the government (at least until 1993), private employers had the freedom to apply the schemes they deemed more appropriate. Even though syndicates and trade unions were sometimes present, in practice workers had no bargaining power on their salaries.

In 1985 both state and private organizations adopted performance-based pay systems, with varying results. The public pay was divided in four parts: a minimum required by law, longevity pay (a seniority bonus that

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increased every year), special bonus (for responsibility or high turnover jobs), and performance bonus (to reward outstanding performance). In 1993 the government created five different pay systems to reflect the differences across sectors, dividing the salary into a fixed (70%) and a flexible (30%) component. The latter also included performance bonuses that depended both on company productivity and personal effort. The implementation of such systems was disappointing. Because employees still valued egalitarianism and seniority, managers were reluctant to distribute performance bonuses. Often workers took turns in receiving the bonus to ensure everyone had the same compensation. Moreover, these reforms had the negative effect of lowering public minimum wages: this incremented the wage gap not only between the private and public sector, but also between the different state fields. Since the reforms prohibited officials from rising wages, some managers compensated introducing hidden bonuses and subsidies. For this reason, it is impossible to determine precisely the average salary in the state sector.

As anticipated above, in the 1980s and 1990s private companies had almost absolute freedom to decide the pay schemes for their workers. For this reason, there were striking differences in remuneration, bonuses and benefits. Foreign enterprises undoubtedly had the highest wages and better pay schemes. These organizations were required to tie pay to company performance and had a legal minimum wage (that could not be lower than the average local pay). Moreover, they were the pioneers of new pay systems, as they commonly tried to integrate Western management techniques. Large domestic firms often adopted a double pay system, in which they classified workers as cheap labour or talents. For the first category pay was low and benefits almost non-existent, there were no performance bonuses. The second category enjoyed an average higher pay and extensive benefits, it was stimulated by performance bonuses and in some cases also received company's shares (employee share-ownership schemes or ESOs). Freelances and small private enterprises' workers were never paid above the market rate, and labour laws enforcement was unsupervised. They had few or no benefits and outstanding performance was often unrewarded. Arguably, this was the group that had the lowest hourly wage.

The most difficult aspect to analyze is the non-wage component of income. It has been estimated that between 1985 and 1992 the annual average growth rate of wages was 12.9%, while that of non-wage income was 25.2%. However, the absence of precise figures on the real total work-related income impedes a correct assessment of the phenomenon. The gap can be attributed to the tendency of employers to supplement pay with subsidies and benefits, but also to the growing financial literacy⁷ in some areas of the country that could have led to higher investments and passive income.

⁷ An OECD test in 2012 found that Shanghai 15-years-olds had the highest rates of financial literacy – the survey included 18 countries. Retrieved from <u>https://www.oecd.org/pisa/keyfindings/PISA-2012-results-volume-vi.pdf</u>

Since the 2000s, the government issued a new reform of public pay, in which welfare is considered part of the compensation. Public workers (now called civil servants) receive a sum of basic pay, allowance, subsidies and bonuses. Subsidies and allowances should favor employees in poorer regions to compensate income disparities. However, the practice of hidden bonus distribution did not end with the 2006 reform. As Chan and Ma (2011) reveal, there are four types of hidden bonuses: direct in-kind welfare (for instance, direct distribution of food and home appliances during festivities), indirect in-kind welfare (as coupons distribution), monetary subsidies (illegal diversion of public fund to increase paychecks), and position consumption (rank-specific amenities such as company cars).

Meanwhile, in the private sector the demand of skilled workers has risen impressively and the number of key employees rose consequently – while cheap labour reduced substantially (Ge, Sun, and Zhao, 2021). Pay rise and personalized compensation packages became the most commonly used ways to attract and retain key workers. This led a diffused increment of average wages, welfare packages and bonuses.

As far as data are available, salary confidentiality was not the applied in Maoist China: salary disclosure granted the respect of egalitarian principles. After the Opening Up period however, employers received ample discretion on wages and many started to implement secrecy policies (Chan and Senser, 1997). Managers often did not state wage calculation criteria on the contracts, refused to print pay slips and forced employees to hide their compensation from colleagues through confidentiality agreements. This favored wage gaps and power abuse within firms.

To conclude, in the last years there has been a convergence of both state and private sectors towards performance-based pay system. Workers were slowly abandoning egalitarianism in favor of the motto "to each according to their work". However, Middle Aged generation always believed that seniority and role should remain the determinant elements of remuneration, performance is relatively less important. Although since the 1980s welfare and bonuses have come to constitute an important portion of both public and private sector salary, it is not clear the extent to which they influence personal income, but it is highly probable that the benefits of senior employees (Matures) substantially exceed those of Youth. Finally, Middle Aged are used to salary confidentiality and do not appreciate disclosing individual pay information. This increases the possibility of wage differential within the same sector and also within the same firm.

3.1.3.4 Training and Development

Ever since Maoism, it was clear that China had a huge pool of human resources, but could not benefit from that advantage since they lacked any basic skills. Vocational training schools and colleges existed, but personnel were insufficient and could not satisfy the country's demand. Since 1949, the government's primary focus was the reduction of illiteracy rate. To this end, efforts were made to improve the education system and grant elementary education to all children. Meanwhile, compulsory state courses were organized to teach reading and writing. Results varied across provinces, and rural workers were largely excluded by such programs. Furthermore, the campaign was interrupted during the periods of the Great Leap Forward and the Cultural Revolution.

In the Reforms period, the government resumed the previous policies on workforce training. The new directives required companies to organize two types of courses for their employees: general education and technical training. This combination was meant to provide unskilled workers with a basic education in Math and Chinese, plus a deeper knowledge in their professional field. Although by 1985 more than 30 million workers had attended such courses, in many cases the teaching quality was inadequate and the tests were poorly administered. Parallelly, 200 higher education institutes were founded all over the country, in which future managers of SOEs and other public organization were trained.

In 1991 new regulations compelled all employees to possess both an occupational and a positional qualification certificate to work. While the measure could not improve the quality of such courses, at least it increased their quantity. Between 1991 and 1995 positional training accounted for 85% of all training courses in China. However, employee training was still not seen as part of the core business for companies. Most training departments provided courses based on minimum legal requirements, instead of the enterprise's strategy. For this reason, pre-employment training was favored over in-employment training.

The joining to the WTO in 2001 stimulated training through the new rules on exports. Companies were required to provide additional specifications on ingredients and production methods to export their products and many were forced to organize emergency training. Competition partially rose awareness among Chinese managers on the necessity to increase learning opportunities. In 2005, Fang Lee Cooke found that the importance given to employees' development largely varied across sectors. In government and civil service organizations training was provided at relatively high levels, with increased focus on political studies. In SOEs it was provided mainly to managerial, professional, and technical staff. Compared to other forms of ownership, private enterprises showed the lowest level of formal learning and development opportunities for employees. Joint ventures and large multinational companies were the ones who offered the highest level of training and development opportunities to their employees.

Lau and Siu (1998) researched how training was implemented in foreign enterprises. For the purpose of this study I will assume that the same methods were used also in local enterprises, because the popularity of HRM in China surged only after foreign enterprises showed its advantages. Lau and Siu found that coaching was the most popular teaching method while apprenticeship was preferred for manual and technical levels. Both methods leverage the natural inclination of Chinese employees to accept advices from their superior.

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Other techniques as role play, games, case study, and group discussion appeared to be less preferred – Confucian cultures tends to avoid confrontation.

Courses were mainly on employee orientation, obviously necessary to new workers. The second most diffused courses were on fire prevention and work safety, provided as per labour law. Other teachings were offered specifically to managers, in disciplines as supervisory skills, computer training, product knowledge, customer services, and language training. Designated teachers could be both company senior employees or external consultants. Alternatively, companies sent trainees to local training centres, vocational training schools, and polytechnics or universities. In some cases, more companies organized joint courses to cut costs. To evaluate the results after classes, companies generally observed the behaviour of trainees. Otherwise, they resorted to company records, interviews, tests, and questionnaires.

3.1.3.5 Leadership and Empowerment

The following paragraph analyzes the leadership and decision-making systems of Chinese enterprises. Preliminarily, it is necessary to distinguish between leadership external to the company and leadership within the company. The first refers to the degree to which managerial decision are taken by external actors – such as higher State authorities. The latter indicates the degree of employee empowerment, in other words the extent to which higher management organs (the director and the party committee) delegate decision-making processes.

Chinese enterprises' external leadership has been the subject of several changes since the 1949. During Maoism the state had a strict control over all managerial decision and government official would often directly intervene in key managerial decision and strategies; the private sector was not developed. The 1985 reform attempted to extend SOEs management's decisional power, but higher authorities still heavily influenced decision outcomes through resources allocation and official endorsement. Moreover, managers were still appointed chiefly due to the lack of both market-oriented appointment mechanism and skilled market-oriented managers. Parallelly, the private sector slowly started to flourish: although management was independent form the state, the lack of defined laws in many commercial fields still allowed local bureaus to exert a certain degree of control over private companies.

By the 2000s the SOEs were restructured according to market needs, the roles of management and party committee were divided and the two organs were mediated by the board of directors. In 2013 and 2015 the government reinforced the party committee role, and finalized the leadership structure of SOEs. As a result, the government's decisions were enforced from within the enterprise, reducing the needs of direct intervention. Parallelly, during the 2000s and 2010s leadership in the private sector was left exclusively to non-state actors. The government introduced a number of laws in all economic fields and clarified existing

contradictions, therefore the intervention margins of local officers considerably reduced (Adhikari, Jin, Xin, and Xu, 2022).

I will now examine internal leadership and empowerment, which is the aspect that more strictly concerns HRM. Empowerment is an HRM technique that consists in giving to grass-root employees the faculty and the responsibility to make relatively important decisions. It emerged in the 1980s, after several Western studies demonstrated a solid connection between workforce empowerment and motivation. For this reason, before the 1990s no data are available on the degree of workplace autonomy within PRC companies. In the 2000s the first studies on the matter seemed to prove that both Chinese employers and employees reacted negatively to this managerial approach. Employers saw delegation as a loss of power, while employees would not respect a leader that they perceived as indecisive (Littrell, 2006). Such findings were backed up by parallel research in other countries that confirmed how high power-distance cultures⁸ did not respond well to empowerment (Begley and Zhang, 2011).

The Western influence of the Opening Up period partially altered this situation, as explained by Cheung, Huang, Shi, and Zhang (2006). In a study they found that the previous business experience of workers could alter their perception of empowerment: while participative leadership behavior tended to make workers hired before 1997 feel less competent, it was more likely to produce feelings of competence for shorttenure employees. Therefore, it appears that the majority of Middle Aged generation does not appreciate empowerment since they are used to vertical organizational structures; they still prefer hierarchical leadership and centralized decision-making.

3.1.3.6 Communication and Conflict Management

Good communication and conflict management is a necessary premise of a successful organization. China was included by Donghoon (1998) among high-context cultures⁹ in which individuals tend to leave part of their message unspoken. Consequently, for a successful communication it is essential that both parties are aware of what is expected of them and accordingly interpret the messages they receive. As already stated in section 3.1.2, Chinese traditionally value and respect authority and workplace relationships have always been based on hierarchy. Employers and senior workers are implicitly considered superior than employees

⁸ According to Geert Hofstede's Cultural Dimensions Theory, power distance measures the degree to which individuals accept uneven distribution of power within society. High power distance cultures are characterized by a strong emphasis on obedience and respect for those in authority and show a preference for hierarchical organizations. China is a high power-distance country, with a score of 80 out of 100.

⁹ Edward T. Hall in his book "The Silent Language" (1959) classified cultures either as high-context or low-context based on their communication style. High-context speakers heavily rely on non-verbal cues and context interpretation to deliver a message. By comparison, low-context individuals are more explicit and straightforward.

and young professionals and expect a certain degree of formality. Moreover, also the importance of Face in every interpersonal relation contributes to business formality. On the other hand, young labourers expect to be instructed and coached in their work and are prepared to a benevolent and paternalistic treatment.

Since before Maoism, it was common practice for young and low-grade workers to address employers and senior professionals in a deferential way, promptly follow their directives and value their opinion. Older employees in exchange provided useful insights and spontaneously acted as mentors. Communication was indirect and conflicts remained implicit, direct confrontation was extremely rare. While rebellions were firmly suppressed, requests expressed in subtle ways were better received and accommodated. The changes brought forth by the Reforms period could not modify this intrinsically Chinese business style, and these same principles remained valid both in public and private sector. Although the government established local labour bureaus that officially could act as mediators in business disputes, they were scarcely used (and often biased in favour of employers). It is enlightening that in small private enterprises the preferred way to resolve a dispute was termination.

In 2005 Cooke found that this framework was basically unchanged, with negligible variations between large SOEs and small private enterprises. The main differences lied in the degree of formality on employment policy and practice: while large organizations were more formal small firms preferred procedural informality. Smaller firms' employees enjoyed a closest relationship with their employer, but were less aware of labour laws and therefore more likely to suffer power abuse.

In conclusion, Middle Aged generation has grown accustomed to a business environment highly hierarchical and fairly formal, in which authority and seniority determined the treatment of an individual. Being now the oldest generation on the workplace, they expect to be addressed formally and kept in high esteem by younger, lower-rank colleagues. Clearly, this point has always been a potential element of friction in Chinese enterprises: Hummert and Zhang in 2001 investigated the intergenerational differences in communication styles and identified the main causes of miscommunication and conflict precisely in the young generations' tendency towards equality. However, young employees never had the freedom to express clearly their disagreement and this preserved the harmony within the company.

3.2 The Emerging Chinese Work System

Section 3.2 is grounded on the findings of Geert Hofstede (1985), who found that a country's culture deeply influences its work environment. Since hypotheses H1 and H2 have already been proven, it is reasonable to expect a change in the future work system of Chinese companies. As soon as Youth generation becomes the majority of the workforce, managers will need to adapt their HRM methods to the new needs of their labour force. Naturally, such transition is not fully detectable yet and will occur gradually over a number of decades. However, being Youth already 34% of the current workforce it is not too early to pinpoint the main needs that this cohort manifests and it is already possible to make educated estimates on the techniques that will be applied in the future.

This section therefore is centered around the business environment and work values of the Youth generation. In the last part, based on my previous findings on Youth's work values I will suggest the most effective HR techniques for management of this cohort, attempting to forecast future developments of Chinese HRM.

3.2.1 Chinese work environment of Youth generation

3.2.1.2 Labour Market

Youths were born from 1989 to 2008, so they entered the workforce from 2005 on. This cohort is now experiencing a completely different job market than their parents'. In the last 5 years China has seen its youth unemployment rate (16-24) rising steadily from 11.2% in January 2018 to 21.3% in June 2023 (National Bureau of Statistics of China), while the unemployment rate of older population remained steadily under 5% (see Table 16). Obviously, Chinese youth is experiencing a difficult situation on the front of employment and this is only partially due to the Covid-19 crisis. Among the several causes listed by Ma and Wright (2016) and by the Asian Development Bank (2023) there are both supply and demand factors.

On one side, Chinese young workforce is undeniably more educated than in the past, but still does not possess many of the skills required by recruiters. On the other side, the slowing growth of economy implies a reduction of job creation. As Xi Jinping stated in occasion of first session of the 14th National People's Congress (5th March 2023), China is restructuring its economy from "quantity" to "quality", and while this is definitely the safer growth path for the country, it poses major issues in repurposing the existing workforce and adjusting the education system to the new market needs. I will now examine Youth unemployment factors both on the supply and demand side.

From the supply perspective, China can still count on an abundant human resources pool, with an active population close to one billion (Table 17). Out of them, the percentage that actively seeks a job is close to 67%, falling (Table 15). This rate indicates that the job market cannot provide an occupation for all the active population and therefore many Chinese stop seeking for a job altogether, for example anticipating retirement or postponing entrance in the job market after graduation. The current workforce is on average older but also more educated: the national average age of labor force rose from 32.25 in 1985 to age 39 in 2020, while the national average years of schooling increased from 6.14 years in 1985 to 10.65 in 2020 (Li et al., 2022). In 2020 43.13% had a high school diploma and 21.82% had schooling of college or above. However, employers often complain that college graduates lack practical skills. In particular, firms frequently report inadequate technical training, poor English, and lack of soft-skills including creativity, leadership, and teamwork (Ma and Wright, 2016). Apparently, the excessively theoretical approach of Chinese education system produces rigid-thinking graduates that score low in many employability surveys (Su and Zhang, 2015; Aziz et al., 2012). These findings are true especially for college graduates, as confirmed by the Asian Development Bank (Feng, Lu, Terada-Hagiwara, and Qi, 2023) analysis of unemployment rate by education¹⁰. By comparison, Deng, Li, and Zhou (2021) report that the employment rate of vocational graduates has reached 97.6%. Data show that among 25-59 years-olds the unemployment rate of university degree holders is considerably lower than that of high school graduates; while for the 14-24 segment the situation is reversed.

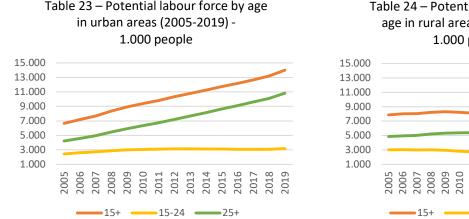
From the demand perspective, the two influencing factors are the restructuring of the economic system and the slowdown of economic growth. The establishment of a quality-focused economy implies a twofold restructuring of the Chinese business structure, with a consequent transfer of workforce across sectors. Firstly, the traditional manufacturing sector is developing new production techniques and introducing more technological elements. The consequences are a change in labour demand – low-skilled workforce is no longer needed – and a decrease of labour demand – with a gradual substitution of human employees with artificial intelligence technology (AI). In fact, according to Bai, Li, Shen, Wang, and Zheng (2023), 54% of jobs in China are at a high risk of being substituted with AI in the short-term – mainly routine, auxiliary, or processing works. Secondly, the growth-driving force of RPC economy is shifting from the industrial to the service sector. Analyzing Table 18 and Table 19 we find that since the 2000s, the same trends of the Reform period escalated. Agriculture output continued to decline (from 12% to 7%), as its share of workforce (from 49% to 24%). Industry and service sectors were more efficient and continued to absorb less workforce than their output: industry contributed to 45-40% of the GDP using 25-28% of the labour force, while service increased productivity from 42% to 53% employing from 30% to 47% of available workers.

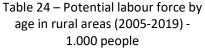
¹⁰ Asian Development Bank analyzed data from China Household Finance Survey (2013, 2015, and 2017) and China Family Panel Studies (2014, 2016, 2018, and 2020).

The slowdown of economic growth in the last years obviously reduces overall employment rate, as visible in Table 16, but the Covid-19 crisis of 2020 further exasperated this phenomenon. The effect of the crisis is evident in the GDP growth figures: if in 2019 GDP grew by 6 percentage points, the 2020 rate stopped at 2.2% and the Chinese economy has not fully recovered yet. Although in 2021 the official GDP growth rate was registered at 8.4%, in the following year the Central Commission for Discipline Inspection (CCDI) found numerous cases of data fraud (Reuters, 2022), so it is likely that this figure does not represent the real growth rate. It is also noteworthy that the labour participation rate reaches a deep in 2020, in correspondence with the crisis. Asian Development Bank (2023) claimed that the crisis has impacted mostly young people: Youth have the highest probability to be employed in the private sector, in the service sector and in the gig economy; hence suffered the effects of repeated lock-downs more than their parents.

In conclusion, the last years' labour trends show a growing mismatch between Youth's skills and employers' requirement, thus boosting youth unemployment rate. Moreover, the young cohort was more exposed to Covid-19 crisis' worst outcomes and is now struggling to find an occupation. In the future, as jobs evolve alongside the development of AI, employer will show a growing preference for a highly-skilled, creative, and socially intelligent workforce that can quickly adapt to business environment's changes. Only by cultivating their soft-skills will Chinese Youth represent a valuable resource for enterprises.

Ultimately, before closing the labour market discussion, it is imperative a final remark. A recent report of Zhang (professor by Pecking University) (2023) shows that Youth unemployment data may be underestimated: if potential labour force is taken into account, the urban unemployment rate could rise considerably. For instance, the author argued that the urban unemployment rate of July 2023 is in fact 46.5% rather than the official 19.7%. Her findings are supported by the recent years' sharp increase of urban potential labour force, especially among youth (see Tables 23 and 24).









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3.2.1.2 Worked hours

As stated in section 3.1.1.2, Middle Age generation was already used to work long overtimes, often unpaid. However, in the last years, Youth's conditions are worsening. According to the National Bureau of Statistics, the average worked hours per week are rising. As we can see in Table 25, since 2018 the value is in a constant climb, with an obvious drop in February 2020 due to the Covid-19 lock-downs. If in 2018 Chinese worked on average 45 hours per week, in August 2023 they spent nearly 49 hours on the workplace. Youth is the worst affected cohort: in 2019 the average weekly working hours of urban employed personnel (46.5 hours) were on average lower than those of urban employed youth aged 16-19, 20-24, 25-29, and 30-34 which worked respectively for 48.3, 46.8, 46.6, and 46.8 hours (Deng, Li, and Zhou, 2021). There are various explanations for this rise: one being that the current statistics are more accurate than in the past and the NBS is starting to include submerged work. On the other hand, it is more likely that the working schedules are simply intensifying to compensate for understaffing, especially in those sectors that require high-skill talents – as explained in the previous paragraph, many companies are encountering recruitment issues because the university graduates' preparation is too theoretical and they lack fundamental soft and practical skills. If in the past blue-collars had the longest working hours while white-collars enjoyed a relatively relaxed working pace (and had the highest chances to be paid for their overtime work), now the situation is slowly reversing. Many companies, starting from the IT sector, are now adopting mandatory overtimes and strict surveillance over their employees. Nikkei reported that it is becoming a common practice for some high-tech enterprises to install surveillance software in the pc of their staff (Nikki Sun, 2021).



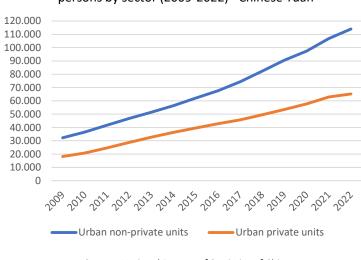


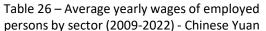
Source: National Bureau of Statistics of China

Another important phenomenon is the "996", namely working from 9 a.m. to 9 p.m., 6 days a week. This schedule was adopted for the first time in 2016 by the advertisement company 58.com and was later implemented in all major IT enterprises such as ByteDance, Huawei, Pinduoduo, Alibaba and others (Tan, 2021). The term became widely popular and in 2019 was listed among the "Top Ten Online Buzzwords of 2019" by the China's National Language Resources Monitoring and Research Center. Reportedly, walking in the central business district of a big city at night, it is not uncommon to see the lights on in every office building. Although 996 has been widely criticized by workers and even by the government (in august 2021 the supreme court officially declared 996 illegal), it is still a standard phenomenon. In 2019 Jack Ma – often praised as a role model by the government – called the 72-hour workweek a "blessing".

3.2.1.3 Wages

As anticipated in section 3.1.1.3, this paragraph examines data on urban wages in both private and nonprivate enterprises from 2008 to 2022. The sources are National Bureau of Statistics of China for nonprivate enterprises, and International Labour Organization Database (Labour and Social Security Records) for private companies. Even for this section data have been manipulated and organized in tables (see Appendix B, C, D).





Source: National Bureau of Statistics of China

The first, striking, difference between private and non-private sector is that on average the latter pays almost double wages (Table 26). Taking into account also the welfare benefits, subsidies, bonuses, and allowances, such data is not really surprising: public employees are almost always covered by all types of insurances (medical, pension, work injury, maternity, and unemployment) and have access to the House Provision

Table 27 presents a somewhat unexpected statistics: it has already been observed in section 3.1.1.3 how the non-private sector showed a wage gap between SOEs and Collective-owned enterprises. Nonetheless, due to the government's efforts to improve the material conditions of private sector's employee, a

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reduction of such gap was to be expected. Instead, the wages differences between Collective-owned companies and the other non-private categories continued to worsen, reaching a wage gap of 3000 yuan.

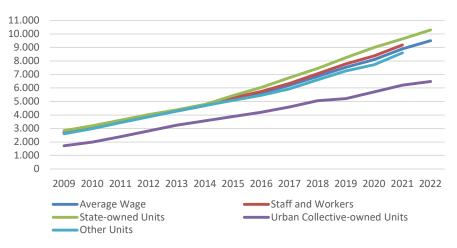


Table 27 – Average monthly wage of employees in Urban Units (2009-2022) - Chinese Yuan

Source: National Bureau of Statistics of China

Examining the salaries variations across economic activities (Table 28 and Table 29), it results that all wages have grown since the 2000s. in the 2000s there were already some inequalities across economic activities in both private and non-private sectors. However, the 2020 situation is way more scattered: cross-business inequality increased considerably and the highest wages were on average 3.7 times higher than the lowest wages. The two most disadvantaged fields are agriculture and accommodation and food service, with lower market-rates in both private and non-private enterprises. IT leads the chart with the highest salaries and financial intermediation has lost a bit of its pay competitive advantage.

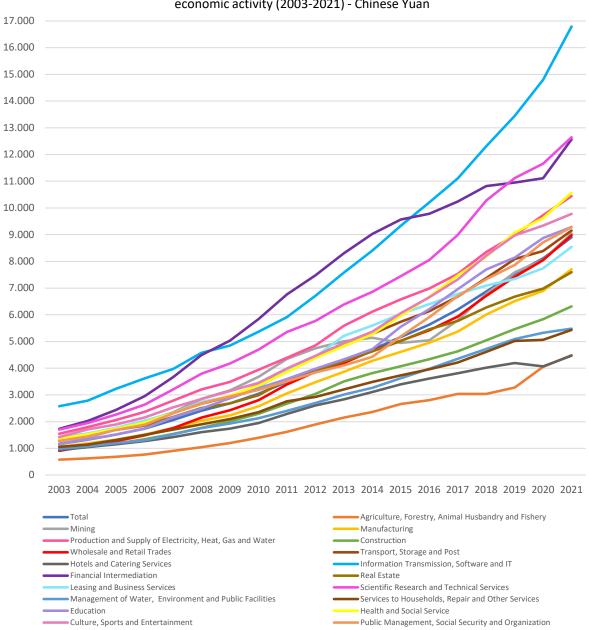


Table 28 – Average monthly wage of urban employees in the non-private sector by economic activity (2003-2021) - Chinese Yuan

Source: National Bureau of Statistics of China

Given the egalitarian principles that guide the RPC, the non-private sector (more strictly regulated) should provide its employees with equal opportunities. Yet, unpredictably, the cross-business pay gap is more marked in the non-private rather than in the private sector. This is due to the different possibilities of SOEs' managers in different sectors to divert profits to increase off-budget bonuses before 2006: industrial and manufacturing managers could easily increase salaries reporting lower profits, while for education it was more difficult (Chen and Ma, 2011). After 2006 the state revised the pay structure and such differences began to be accounted in statistics. However, this explanation is not totally convincing and further research should be made on the topic.

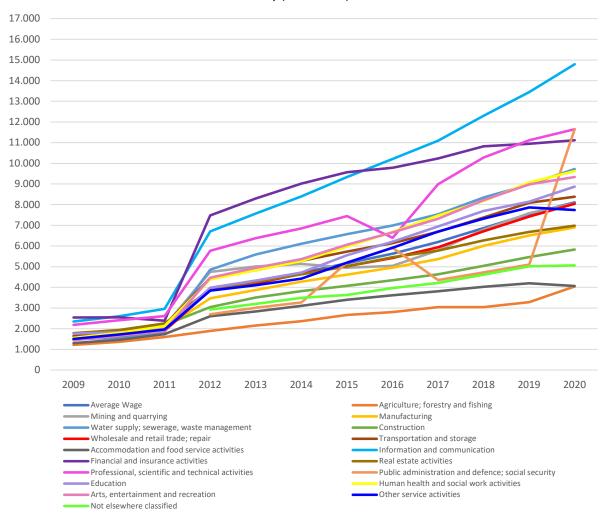


Table 29 – Average monthly wage of urban employees in the private sector by economic activity (2009-2020) - Chinese Yuan

Source: ILOSTAT Database - Labour and Social Security Records

What cannot be disputed is an increased disparity across business sectors and a wide gap between private and non-private companies. These elements could push Youth cohort to seek economic stability through public employment (as better explained in section 3.2.3.1). Nonetheless, the latest articles from Nikkei (Nakazawa, 2021), South China Morning Post (Zheng, 2022), Caixin (Fan, Li, and Wang, 2022), and Voice Of America (Gu, 2023) point out that in 2022 and 2023 also civil servants' pay (public workers) was subjected to a general reduction.

3.2.1.4 Workers' rights and work safety

The current Chinese Labour Law is still the same since 1995, but in 2008 it has been flanked by the Labour Contract Law that added some provisions on working hours, wages payment and paid leave. The degree of enforcement of such laws has varied across time and geographical territory, according to the surveillance exercised by local government. The ILO SDG indicator "Level of national compliance with labour rights¹¹" from 2015 to 2021 suggests that in the last years Chinese companies' level of compliance with labour law and syndicates' regulation is slowly diminishing (Table 30). Table 30 – Level of national compliance with labour rights (2015-2021)

Year	Value
2015	8.1
2016	8.1
2017	8.5
2018	8.7
2019	9.1
2020	9.3
2021	9.1

Source: ILO database

The 2022 Report on Employment Relationship by Pecking University and Zhilian Zhaopin recruitment platform shows that younger generations are

more disadvantaged than Midde Aged, as they have higher probability to work without a signed contract and less access to employer-provided insurance. Parallelly, Youth cohort is more aware of their rights and prone to take legal action for infringement of labor rights. For example, in a survey 60.7 % of Youth reported that they would "firmly oppose, and if necessary, take legal measures" against labour rights violations, opposed to 44.5% of Middle Aged. The youngest members of Youth cohort are even more combative, with 70.3% of Generation Z determined to resist workplace abuses. Consequently, the number of lawsuits against exploitative employers are constantly rising, especially since 2017 (Table 31).

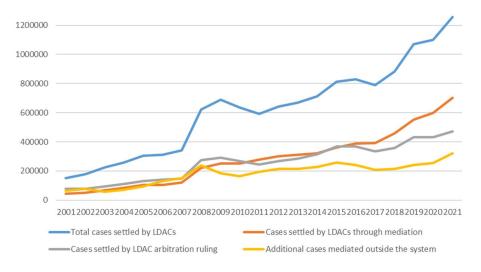


Table 31 – Number of cases settled by China's labour dispute arbitration committees (2001-2021)

Source: China Labour Bulletin, "Workers' rights and labour relations in China", 2023

¹¹ SDG indicator measures the level of national compliance with fundamental labour rights (freedom of association and collective bargaining or FACB). It has a range from 0 to 10, with 0 being the best possible score (indicating higher levels of compliance with FACB rights) and 10 the worst (indicating lower levels of compliance with FACB rights). It is based on six ILO supervisory body textual sources and also on national legislation.

As of work safety, according to the official figures China is constantly improving its safety and accidents are reducing. However, as China Labour Bulletin points out, the official statistic "is deliberately vague and opaque and lacks important details about the nature of workplace hazards, the most at-risk industries and the most common causes of death and injury". Many incidents are not recognized as related to workplace because of an excessive bureaucratization of the recognition process, and the lack of occupational disease diagnostic centers (in 2019 there was one such facility every 14 million workers). At present, the most endangered workers are in the construction and manufacturing sectors, but an increasing proportion of employees is injured by motor vehicles (with high percentages among delivery riders). Additionally, it is almost impossible to include in the statistic the health damage due to overwork, much less visible among white-collars.

3.2.2 Current Chinese work ethic

The work ethic of younger generations is a mix of the traditional Confucian culture of their parents and the new values that rose with economic development. The first difference is that they tend to value more diversity and unicity. While the Confucian concept of "harmonic society" is based on uniformity and individual sacrifice for the collective good, Youth are starting to believe that harmony can be present even in a more diverse environment. This change can be attributed to both the self-esteem they acquired during childhood (receiving the undivided attentions of their parents) and to the increasing globalization. For this reason, Youth are more direct and transparent when they talk, and avoid confronts less than their parents (Zhao, 2018).

Young Chinese agree with older cohorts on the necessity of hierarchical structures within society and are willing to obey to their superiors and older people. Nonetheless, they expect mutual respect in relationships and do not accept derision or rudeness even if they come from managers or older superiors. In particular, Youth firmly reject destructive criticism – negative feedback that is often incorrect, unsolicited, or malicious and can damage one's self esteem; a new slang word has also been invented to indicate such behavior: PUA (short for pick-up artist) (Wang and Wu, 2020).

Researchers found that Chinese Youth are considerably more individualistic than Middle Aged (Egri, Ralston, Stewart, Terpstra, and Yu, 1999), they deeply value self-expression and self-fulfillment. For this reason, they value their job only as long as it is gratifying and allows them to fulfill their potential and are willing to change job if it does not satisfy them (Fei, 2019). Parallelly, they believe that self-actualization is also realized through their personal life and therefore appreciate free time. Consequently, to attract and retain Youth employees, managers will need to prioritize work-life balance and personal development otherwise.

In the future, training and flexible work will need to become key components of Chinese HRM. Otherwise, Chinese companies may encounter some issues of employee's loyalty.

Given their preference for independence and individualism, Youth appreciate being empowered and share part of the decision-making power. For them leaders should encourage their colleagues to do their best, dedicate individual time to each team member (Zhao, 2018) and avoid taking every decision. Therefore, in the future delegation practices will become more common within Chinese enterprises. Managers will need to trust their workers while employees will be able to express their creativity. On the other hand, a redistribution of responsibility could reduce the wage gaps withing companies. Finally, younger Chinese are more likely to act independently and take risks. For instance, managers could accept higher risks in the pursuit of profits; and a higher percentage of graduates intend to become freelancers.

Due to their high individualism and straightforwardness, many employers regard young Chinese as poor team players. It is true that younger generations are more apt to compete on the workplace: this is a result of years of competitive education system and societal pressure. However, Yixuan Zhao (2018) found that younger generation value teamwork just as much as Middle Aged. The difference is that Youth expect a group to be diverse, and are not willing to annihilate their personality for the sake of the group. In the future, managers will need to manage people with more disparate opinion and personalities (Faurea and Fang, 2008).

While for Middle Aged the Confucian ideal of *guanxi* is a fundamental element of business environment, in many cases Youth prefer objectivity in professional relations. While they still recognize the importance of *guanxi*, they believe that performance should be evaluated solely on the basis of merit and phenomena as favouritism and nepotism should be eradicated. On a negative note, Fei (2019) found that they "have difficulties forming genuine relationships with their colleagues at work, instead preferring superficial interactions that might inhibit productive intergenerational collaboration". Also in the communication sphere younger groups appear to be more sterile: they prefer virtual teamwork and texting to verbal communication.

3.2.3 New Chinese HRM: an outlook to the future

Along with the development of a new set of values and ideals, China is slowly experiencing an evolution of its business environment. The following section is dedicated to the New Chinese HRM: while presenting the latest trends that are currently emerging in China, I will individuate the most effective strategies to manage this cohort. My attempt to forecast the future HRM techniques is the result of an educated speculation based on the value system presented in section 3.2.2, and it is indeed possible that Chinese managers' decisions will not go in that direction. However, it is most likely that at least some of the techniques

expressed hereafter will be put into practice, as the future success of Chinese managers depends on their ability to combine different HRM systems to manage simultaneously the Middle Aged and Youth cohorts.

3.2.3.1 Job seeking and Recruitment process

At present, Youth generation is influencing the recruitment methods in China towards a digitalization. If in the past the main recruitment sources were recruitment fairs, *guanxi* (friendships and acquaintances), and advertising, now recruiters are turning to digital platforms and databases – 63.7% of Chinese graduates have already taken part to an online interview. Specifically, Youth is the main force of internet job search: 86.8% of job graduates use recruitment platforms, making up 76.8% of online resumes (Pecking University and Zhilian Zhaopin, 2022). However, enterprises' official websites, job fairs, and promotional events are still widely used methods. The declining importance of *guanxi* reflects young Chinese' expectations of fair treatment during the selection process. This cohort wants to be judged for its knowledge and performance rather than being favoured by personal connections.

In regards to job preference, the post-pandemic years have seen a double-edged tendency: while there is an increase of perspective freelancers, also the proportion of public job applicants has risen. In other words, there is a coexistence of search for "stability" and "freedom". Among Youth professionals, those who want to work in state-owned enterprises are the 33.3%, compared to 21.4% in the Matures' group and this could reflect the "stability seeking" mentality of professionals in uncertain environments. The percentage further rises for college graduates: 50.4% of them wanted to work in state-owned units in 2022, 57.6% in 2023 (Zhilian Zhaopin, 2023). At the same time, 7.1% of Youth are willing to engage in freelance work, which is significantly higher than 3.45% of the Middle Aged: many of them justify their choice with a need of independence and work flexibility (Zhilian Zhaopin, 2022). Again, for college graduates this figure is higher: 18.6% wanted to become a freelancer in 2022, falling to 13.2% in 2023 (Zhilian Zhaopin, 2023). Chinese recruiters are perfectly aware of this need of freedom: in 2022 many companies listed "flexible work" as one of their job benefits when posting job advertisements. However, the overall proportion of positions providing flexible work is steadily decreasing, and this could prove an obstacle for future Youth employee retention (Zhilian Zhaopin, 2022).

3.2.3.2 Motivation and Performance Management System

Employee loyalty is a prerequisite for organizational effectiveness and a cornerstone for the long-term development of enterprises. The combination of the degree to which workers recognize in their company's values, their motivation, and their job overall satisfaction determine employee loyalty. As Zhaopin's 2019

Report on Employment Relationships demonstrates, however, Chinese Youth have a worryingly low dedication to their company. 52% of employees declare that they would "consider leaving if there is a better job opportunity", 17.7% "have no emotions and may leave at any time", while 12.2% may choose to leave according to the company's business situation. Only 15.8% of employees agree with the corporate culture and are willing to grow with their enterprise. Accordingly, the job turnover rate is slowly increasing over the years: in 2019 65.4% of professionals stated that they switch jobs on average every 3 years. This data was confirmed by the employers' survey, 74.2% of Chinese employees had worked in their current enterprise for less than three years (38.6% for less than one year).

Chinese managers have clearly failed in motivating young employees so far. Zhaopin (2019) reports that 73.4% of employees are not satisfied with the current incentive methods, which in 68.1% of cases consist mainly of monetary stimulus. According to Cheung Kong Graduate School of Business (2023), young Chinese are motivated mainly by wealth accumulation and enriching experiences. Zhaopin had similar findings, with 83.7% of respondents reacting positively to material or salary incentives, 74.5% seeking a sense of achievement and self-actualization, and 72.3% marking "being respected" as motivating factor (this percentage rose among white-collars to over 80%). Competition, on the other hand, ranked last among motivating factors.

Due to their upbringings, Youth generation is undoubtedly the most materialistic one, therefore linking performance to pay is a correct strategy (a tendency that has already been observed in the past years). However, this strategy alone proves inefficient in the long-term: companies should revise their core values to align more to younger generations' beliefs if they hope to attract and retain young talents.

The performance management systems should be expanded introducing more feedback meetings during the year and it should set clear goals focusing on soft-skills. Evaluation needs to be objective, while goal accomplishment should be rewarded with pay rises. Being Youth highly individualistic, it is more appropriate to use individual assessment when evaluating their work rather than group assessments (Fei, 2019). Finally, Chinese managers (especially those from Middle Aged cohort) will need to practice to express in a more specific and direct way, thus improving feedbacks and appraisals' quality.

3.2.3.3 Compensation and Benefits

In China the welfare system is connected to the labour market. Compensation is determined not only by the monetary pay (a sum of fixed monthly salary and performance bonus) but also by the provision of insurances, benefits, paid leave, and work flexibility. I will first examine monetary compensation. In 2019 43.8% of firms adopted a combination of fixed monthly wage and performance bonus, while 29% did not give any bonus to their employee. This data shows that although there have been many attempts to link

performance and pay, not all firms have embraced this model (Cai, Jing, Song, and Xie, 2022). In many sectors still persists the distinction between talent to retain and low-skilled labourers to exploit, a striking example is the manufacturing sector. For this reason, it is still diffused the practice of personalized compensation packages and salary confidentiality. Although labour law requires employers to share pay information through contracts and pay slips, in practice there are still many firms that refuse to print pay slips for their employee and do not communicate how salary is calculated (Tse, 2022). Such episodes are more frequent in the private sector, as SOEs need to report pay slips to dedicated bureaus. However, it is still a diffused practice that fosters suspicion and competition on the workplace. According to the 2019 Zhaopin report 30.2% of professionals believe that pay transparency could reduce inequality, 28.9% stated that it could be a source of motivation. Only 22.6% deem salary amount a confidential information that should not be disclosed.

Non-monetary compensation is obviously more volatile and difficult to measure than monthly wage. First of all, companies can provide welfare services to their employees. In China the access to the five insurances (medical, pension, work injury, maternity, and unemployment) and the House Provident Fund (a special non-taxed fund that can be used to purchase a home at a subsidized price) is strictly dependent on one's work. Currently, almost 60% of workplaces give complete access to all previously mentioned welfare services, but since 2018 this number is slowly reducing. In particular the online entertainment and services industries have reduced their welfare provision from 60% to 40%. As explained in section 2.5.3, youngest generations have the lowest welfare access, with 31.6% of Generation Z not covered by any type of insurance (18.5% is the national average). Generation Z scores low even in the enjoyment of other benefits on the workplace, for example they receive around 10% less of holiday bonuses, guarterly or year-end bonus, paid leave, and free medical examination. 26% of Generation Z report they do not enjoy any benefits, while the national average is 20.2% (Pecking University and Zhaopin, 2022). Such data is coherent with an increase of the proportion of Youth that engages in flexible work (for example odd jobs, part-time or freelance). In 2019 survey (2019) while 73.8% of white-collar respondents stated that they would like to engage in flexible work, they identify the main obstacles in lack of social security, unstable income, and insufficient laws and regulations.

In conclusion, the structure of Chinese welfare system excessively links social security to the workplace. For this reason, professionals of the Youth cohort that either wanted or were forced to engage in flexible work are now exposed to an increased welfare risk. Given their need for freedom and their desire to accumulate wealth, the new Youth could only resort to public employment, an already visible tendency on the job market. In the future, managers of private firms will likely compete for talents with the public sector. To remain competitive on the recruitment scene, they will be forced to increase non-monetary compensation.

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3.2.3.4 Training and Development

As mentioned in section 3.2.2 training and development are valuable elements for Youth employers as a way to express one's potential. Yixuan Zhao (2018) found that "millennials prefer to work for those employers who invest heavily in training and development". Training would be also incredibly useful to compensate the mismatch between young graduates' skills and companies' needs: although the government is making incredible efforts to expand vocational education – 90% of students in secondary vocational schools enjoyed tuition exemption in 2019 (Yuan and Wang, 2021), existing workforce still needs to learn many practical abilities.

However, the work learning industry in China is still underdeveloped. At present 95% of small and mediumsized enterprises have problems in providing efficient and systematic training to their employees. Often they only provide strictly mandatory training courses which lack practicality and pertinence. Larger firms offer slightly better training and development opportunities, but still the majority of offered courses are those required by law. This mandatory training cannot satisfy the actual growing needs of a young workforce, indeed 53% of millennials feel disappointed by the training and development provided in their workplace (Mayangdarastri and Khusna, 2020). There is also a wide gap in training opportunities among urban residents and migrants: Agarwal at al. (2021) found that out of 291 million migrant workers, only three million took a vocational and technical program in 2019. In the future, managers will need to invest more resources on the professional development of their workers if they hope to attract and retain young key-workers, offering more diversified courses and stimulating employee by linking career (and pay) to learning accomplishments. Moreover, companies should rely more on mentoring, coaching and apprenticeship to support employees, favouring solid interpersonal bonds on the workplace. Finally, an underestimated method is cross-training: changing roles within the company could reveal particularly effective in stimulating young employees' creativity, and at the same time it would increase the accumulated knowledge within the enterprise.

3.2.3.5 Leadership and Empowerment

"Leadership and Empowerment" is an especially significant section for Youth HRM. As explained in section 3.2.2 a characteristic trait of Youth generation is their need of independence, expression, and personal growth on the workplace. This group does not like to blindly follow directives but want to actively take part in the decision-making process. Yixuan Zhao (2018) reported that according to Chinese Millennials' psychological needs and aspirations, "companies should develop HR-related policies to better empower millennial employees; provide opportunities to develop their core competencies". There are several

methods for a company to empower its employees: increased autonomy and responsibility, job crafting, and work flexibility.

The fist method consists in gradually assigning to employees more autonomy and responsibility in their daily jobs. Managers must be able to assess precisely the capabilities of their employees and understand when they are ready to acquire more decisional power. They need to establish effective monitoring systems without invalidating the autonomy of their employees and accept that to some extent they will not be able to control the actions of their subordinates. To compensate this reduced supervision, managers have to rely on *guanxi* (personal knowledge of their subordinates) and corporate culture. If companies adopt this technique, in the long run their organizational structure will gradually shift from a vertical to a horizontal system. It is a major change that not every firm can manage, therefore this kind of empowerment is not common in China yet. At present, Greeven, Xin, and Yip (2023) explain that Chinese managers have created independent groups that can include several dozens of people. Within such groups "Autonomy is not complete, nor is it given to everyone. Rather, it is directed exactly where it is needed, and what employees do with their autonomy is carefully tracked."

The second method, job crafting, is an increasingly common tendency among Youth professionals. It is defined as the process of spontaneous, proactive redesign of one's job to better align its characteristics with personal needs, goals, and skills. In other words, Youth cohort has the natural instinct to modify and personalize their daily tasks; and they are less inclined to copy exactly their boss' work system. Managers can choose to second this tendency and accept that their subordinates will not adopt their exact working habits, or can decide to supervise them closely to ensure everything is done according to their modus operandi (also called micromanaging). Unfortunately, many Chinese supervisors are used to micromanagement¹², and employees complain for the lack of autonomy. For example, Jantan and Xiao (2023) individuated an excessive control as one of the problems in banking HRM. Binti, Xing, Zainal, and Zhang (2023) listed it as a cause of demotivation and creativity reduction in e-commerce. Such practice could damage the company in the long-term: as Li, Wang, and Wang (2018) found, job crafting indirectly impacts job performance in a negative way if employees do not have the possibility to participate in the decision-making process. On the other hand, the same research proved that job crafting can transform into competitive advantage if employees' participative decision-making is high.

Lastly, empowerment is also expressed in working flexibility here intended as flexibility in workplace location, scheduling, workload, leave periods and career opportunities. Flexibility in workplace location is given by the possibility to work remotely and it concerns mainly white-collar employees. This opportunity

¹² Oxford Dictionary define micromanagement as "the practice of controlling every detail of an activity or project, especially your employees' work". Retrieved from

https://www.oxfordlearnersdictionaries.com/definition/english/micromanagement

has been explored during the pandemic period, when frequent lock-downs forced many companies to establish telematic work systems. Giving employees the possibility to choose where to work can facilitate some categories of people who are currently struggling to combine work and personal life, for instance parents (primarily women) and commuters. It could also fulfill Youth's psychological need of making enriching experiences, allowing them to travel while working full-time (becoming digital nomads). In particular, according the 2022 Employment Relationship Trends Report from Pecking University and Zhilian Zhaopin, 64.6% of surveyed Youth answered that they would like to continue working remotely even after the pandemic (versus 58.6% of Middle Aged). Moreover, 76.4% of Generation Z reported that they would like to become digital nomads in the future. At the same time, if remote work was to be implemented, it would be necessary to draw a clearer boundary between on-duty and off-duty availability. In 2019, 50% of white-collar workers stated that they did not have freedom of disconnection and received frequent calls from their bosses even after their shift had ended. Only less than 20% reported they had such freedom (Zhaopin, 2019). During the pandemic such problem has aggravated and a stable remote work system that does not leave personal space could damage the psychological well-being of employees.

Flexibility in scheduling is defined as the possibility of an employee to decide their own working schedule, provided that they clock in for a minimum number of hours. This practice can favour work-life balance because it allows labourers to organize their life more easily and increase personal activities. Moreover, a varied work schedule can help people to break their routine and perceive their life as less monotonous – and more interesting. Flexibility in paid leave is increasingly relevant for Youth, not only because they are the generation that is currently experiencing parenthood, but also because of the changing attitude toward tourism, that is now considered important for many young Chinese (much unlike their parents) (Lai, McKercher, Yang, and Wang, 2020).

Flexibility in workload and career opportunity is defined as the possibility of employees to choose how much responsibility they are accepting within the production process. It is reflected into the length of work shifts, the amount and importance of assigned projects, the freedom to decline or apply for a promotion and so on. In other words, it is the degree to which an employee can decide their contribution to the company – of course compensation needs to be decided according to such levels of contribution. This is the less diffused form of flexibility, because it implies that managers modulate recruitment decisions according to employees' needs. The typical Chinese company will offer either a full-time or, less often, a part-time position, and recruit or dismiss workers solely based on production volume. Being this an extremely rare form of flexibility, many young Chinese started to engage in freelance jobs or side jobs. Freelance jobs allow people to work less than employers ask while side jobs integrate the full-time job with additional work. In particular, Zhilian Zhaopin and Pecking University (2022) report that 85.5% of Youth are willing to take up side jobs and 12% already did.

Naturally, not every job can offer the same degree of flexibility, but Chinese HR managers should make an effort to develop the appropriate strategies based on the actual needs of their employees. In the future an increasing proportion of Youth will ask for work flexibility and HRM should be prepared to fulfill those needs. Unfortunately, the proportion of positions providing flexible work is steadily decreasing. Zhaoping and Pecking University (2022) attribute this data to the decline in flexible jobs provided by the IT, communications, electronics, and internet industries (from nearly 25% in 2018 to 15% in 2022) and the surge of 996 work system. In contrast, in the transportation, logistics, and warehousing industries flexible job positions have increased from around 10% in early 2018 to around 25% in 2022.

3.2.3.6 Communication and Conflict Management

As anticipated in section 3.1.3.6, communication in Chinese business environment is determined by respect for hierarchy and seniority, which is expressed through formality. Communication methods are evolving from in-person to online meeting, mails

	Active	Passive					
	Competing:	Avoiding:					
Negative	aggressive, uncooperative	passive, under-responsive					
Negative	(hostile questioning,	(minimizing conflict,					
	denying responsibility)	shifting the topic)					

Accommodating:

unassertive, cooperative

(taking full responsibility

without proposing a

solution)

Problem-solving:

assertive, cooperative

(acknowledging

responsibility and trying

to find a solution)

Table 32 – The 4 Conflict resolution Styles

and instant messaging, but communication style still remains formal

Source: Hummert and Zhang, 2005

and polite. However, the conflict management approach of youngest generations is slowly changing, especially in regards to intergenerational communication. In 2001 Hummert and Zhang already found that intergenerational conflicts mainly arouse from youngest cohort's preference for equality. In 2005 they continued their previous research and found evidence of an intergenerational evolution of conflict resolution preference. They divided interpersonal conflict management styles into four categories: competing, avoiding, accommodating, and problem-solving. Table 32 provides an overview of each style's main features. Researchers found that managers and senior workers often expressed their critiques to younger employees with a competing style: they believed that their higher status allowed them to use this type of communication without making the other party feel disrespected. Younger people on the other hand would have preferred a softer approach; since they valued hierarchy less their parents, they perceived this approach as fairly disrespectful. Another interesting result emerged in the preferred response to such behaviors: according to Confucian culture, older employees claimed that the best response would be the accommodating one. Young employees, on the other hand, judged accommodating and problem-solving as equally appropriate, but deemed problem-solving more effective. These results

Positive

provide an interesting analysis on the majority of intergenerational misunderstanding that could occur on the workplace, and explain to some extent why in the last years the concept of PUA has become viral among young Chinese. While older generations perceive aggressive communication as a normal way to express a critique, younger generations interpret it as an explicit disrespect. Being the Chinese culture highcontext, such miscommunication episodes are likely to become common in the future, and managers will need to be ready to mediate.

Miscommunication among peers is currently less problematic: the Chinese business environment still tends to uniformity as a way to grant harmony. As youngest generations enter the workforce, however, the increased diversity of opinions will probably foster also misunderstanding among peers. In this case, it is probable that the straightforwardness that characterizes Youth will be fundamental to solve such conflicts without affecting the degree of opinion diversity.

Conclusions

In this dissertation the phenomenon of intergenerational cultural change in China has been analyzed from a multilateral perspective. The research has started describing the Tangping mediatic phenomenon, giving a full account of its development and social context. Then, I drew a connection between cultural change and socioeconomic environment, individuating the key aspects within the latter. Finally, I examined the implications of cultural change in the work environment. My research has produced several interesting results.

First of all, Tangping is not to be considered an isolated episode of Youth unrest, but a signal of a wider and more radical change in cultural values between Middle Aged and Youth. Lying Flat presents the characteristics of a social movement because its members strive for social change, some perceive the very adherence to its ideals as an act of rebellion. It is also categorized as a subculture, since Flatters agree on a precise set of values, ideas, beliefs, and behaviors, which finds its expression in both material and immaterial cultural production. At the same time, the Tangping attitude is not precisely confined within the online groups of Flatters, but is slowly spreading among Chinese population, and the same ideals are often recalled even in other social movements. This slow, gradual process of value diffusion is coherent with a dynamic of intergenerational cultural evolution, by which the values of the new generation are slowly replacing those of older generations.

Another important finding is that the intergenerational cultural evolution currently taking place in China was triggered by the changes in the socioeconomic structure which occurred in the last years. The expectations of society to achieve life goals decided by traditional canons, combined with an increased difficulty to reach said goals has created an unbearable pressure on young Chinese. As a consequence, they spontaneously rejected previous social norms and formulated a new ideal of success. The elements of the socioeconomic environment that were concerned said change were education; housing; income, financial burden, and welfare; marriage, children, and social mobility and inequality.

Simultaneously, also the work environment underwent several changes in the last decades. The labour market registered a surge in college graduates supply, but their lack of soft and practical skills coupled with the ongoing Covid-19 crisis led to an increase of youth unemployment rate. The high-skilled workforce shortage and the diffusion of 996 translated into longer work schedules, especially for younger workers. While the wages were constantly raised in the last years the expenses grew even more, moreover the wage gap across economic activities and private-public sector is constantly widening. Apparently the government was able to enhance work safety, but international organizations documented a reduced compliance to labour laws.

The analysis of youth's work value system relatively to the generation of their parents highlighted the following differences: young Chinese are more individualistic and self-centered; they value diversity, self-expression and are not willing to sacrifice their personality for the sake of the company. On the contrary their parents appreciate harmony and frequently make compromises to the benefit of collectivity. While middle aged Chinese are used to hierarchy and demonstrate their respect through formality, their younger colleagues prove to be more direct and assertive. Young workers prefer an egalitarian environment and a leadership that readily empowers them with the delegation of decision-making processes. Finally, older generations deem *guanxi* a fundamental element of business environment, as opposed to younger people who prefer objective judgements.

More theoretical findings have emerged in the field of Human Resource Management, since several promising HRM techniques are yet to be adopted in Mainland China. However, the existing evidence suggests that mangers eager to acquire young assets should conduct their recruitment process online, verify that the corporate values coincide with their workforce's ideals and propose a personalized compensation package that combine fixed salary and performance bonuses. Later, they should invest heavily in training and development and empower their young employee with delegation, job crafting or work flexibility. Finally, they should expect a certain degree of diversity within the company, and foresee possible frictions with the older colleagues, suggesting to the involved parties the appropriate communication style.

Finally, another interesting aspect is the simultaneous appearance of movements similar to Lying flat in several countries. While each of these groups presents its individual characteristics, they have all in common a tendency to reject consumerism and promote work-life balance. At a superficial level, the socioeconomic structure of these countries resembles China in some of the aspects analyzed in this thesis. Further researches could explore the connection between socioeconomic factors and youth subcultures, individuating the key variables capable to activate new social movements.

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Appendixes

APPENDIX A – Average monthly wage of urban employees in the private sector by economic activity from 1986 to 2008

Currency: Chinese Yuan

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Average Wage	111	122	146	161	178	195	226	281	378	458	518	539	623	696	781	906	1035	1170	1335	1530	1750	2078	2436
Agriculture, hunting and forestry	90	97	109	118	131	142	158	170	235	294	338	359	377	403	432	478	533	581	634	692	786	924	1080
Mining and quarrying	131	139	164	198	227	245	267	309	390	480	540	569	604	627	695	799	918	1140	1406	1719	2028	2365	2867
Manufacturing	106	118	143	158	172	191	220	279	357	431	470	494	589	650	729	815	917	1041	1169	1313	1497	1740	2016
Electricity, gas and water supply	125	140	164	187	221	244	283	360	513	654	735	804	873	959	1069	1216	1370	1563	1817	2089	2397	2817	3267
Construction	132	140	163	181	199	221	256	315	408	482	521	555	562	665	728	790	857	957	1064	1195	1367	1565	1794
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	96	106	130	138	152	165	184	223	295	354	388	404	489	535	599	683	783	-	-	1270	1478	1741	2128
Transport, storage and communications	123	135	162	183	202	224	260	356	474	579	656	716	817	916	1027	1181	1337	1331	1532	1779	2052	2370	2733
Financial intermediation	113	122	145	156	175	188	236	312	559	615	701	811	886	1004	1123	1356	1595	1871	2249	2686	3273	4120	5153
Real estate, renting and business activities	101	111	143	160	187	209	259	360	524	611	695	766	859	959	1051	1175	1292	1432	1559	1715	1882	2202	2527
Public administration and defence; compulsory social security	113	122	142	156	177	190	232	292	414	461	528	629	648	748	837	1012	1165	1294	1467	1709	1907	2348	2746
Education	111	117	146	157	176	187	226	273	410	453	512	563	623	709	790	954	1108	1200	1356	1539	1761	2180	2515
Health and social work	112	121	146	163	184	198	234	284	427	488	566	633	708	805	911	1078	1233	-	-	-	-	-	-

Source: ILOSTAT Database - Employment and wages statistics based on enterprises' reports

APPENDIX B – Average monthly wage of urban employees in the private sector by economic activity from 2009 to 2020

Currency: Chinese Yuan

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Wage	1517	1730	2046	3897	4290	4697	5169	5631	6193	6868	7542	8115
Agriculture; forestry and fishing	1215	1364	1602	1891	2152	2363	2662	2801	3042	3039	3278	4045
Mining and quarrying	1546	1748	2127	4746	5012	5140	4950	5045	5791	6786	7589	8056
Manufacturing	1438	1674	2012	3471	3869	4281	4610	4956	5371	6007	6512	6898
Water supply; sewerage, waste management and remediation activities	1483	1570	1841	4850	5590	6112	6574	6989	7529	8347	8978	9727
Construction	1656	1852	2176	3040	3506	3817	4074	4340	4631	5042	5465	5832
Wholesale and retail trade; repair of motor vehicles and motorcycles	1481	1661	1899	3862	4192	4653	5027	5422	5933	6713	7421	8043
Transportation and storage	1636	1832	2162	4449	4833	5285	5735	6138	6685	7376	8088	8387
Accommodation and food service activities	1302	1461	1740	2606	2837	3105	3400	3615	3813	4022	4196	4069
Information and communication	2347	2602	2964	6709	7576	8404	9337	10207	11096	12307	13446	14795
Financial and insurance activities	2538	2543	2389	7479	8304	9023	9565	9785	10238	10820	10950	11116
Real estate activities	1778	1936	2251	3897	4254	4631	5020	5458	5773	6273	6680	6984
Professional, scientific and technical activities	2182	2407	2610	5771	6384	6855	7451	6399	8985	10279	11122	11654
Public administration and defence; compulsory social security	-	-	-	2695	3010	3267	5194	5913	4352	4723	5097	11654
Education	1756	1822	1970	3978	4329	4715	5549	6208	6951	7699	8140	8873
Human health and social work activities	1553	1798	2133	4380	4832	5272	5969	6669	7471	8177	9075	9621
Arts, entertainment and recreation	1445	1668	1889	4463	4945	5365	6064	6656	7317	8218	8976	9340
Other service activities	1505	1718	1962	3840	4105	4426	5194	5913	6698	7328	7864	7744
Not elsewhere classified	-	-	-	2928	3202	3490	3627	3965	4213	4612	5019	5060

Source: ILOSTAT Database - Labour and Social Security Records

APPENDIX C – Average monthly wage of urban employees in the non-private sector by economic activity from 2003 to 2021

Currency: Chinese Yuan

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Average Wage	1164	1327	1517	1738	2060	2408	2687	3045	3483	3897	4290	4697	5169	5631	6193	6868	7542	8115	8903
Agriculture, Forestry, Animal Husbandry and Fishery	574	625	684	772	904	1047	1196	1393	1622	1891	2152	2363	2662	2801	3042	3039	3278	4045	4485
Mining	1136	1398	1704	2010	2349	2853	3170	3683	4353	4746	5012	5140	4950	5045	5792	6786	7589	8056	9039
Manufacturing	1056	1188	1328	1519	1762	2034	2234	2576	3055	3471	3869	4281	4610	4956	5371	6007	6512	6899	7705
Production and Supply of Electricity, Heat, Gas and Water	1548	1795	2063	2369	2789	3210	3489	3942	4394	4850	5590	6112	6574	6989	7529	8347	8978	9727	10444
Construction	944	1048	1176	1347	1540	1769	2013	2294	2675	3040	3506	3817	4074	4340	4631	5042	5465	5832	6314
Wholesale and Retail Trades	908	1084	1271	1483	1756	2152	2428	2803	3388	3862	4192	4653	5027	5422	5933	6713	7421	8043	8978
Transport, Storage and Post	1313	1506	1743	2009	2325	2670	2943	3372	3923	4449	4833	5285	5735	6138	6685	7376	8088	8387	9154
Hotels and Catering Services	933	1052	1156	1270	1421	1610	1738	1949	2291	2606	2837	3105	3401	3615	3813	4022	4196	4069	4469
Information Transmission, Software and Information Technology	2575	2787	3233	3620	3975	4576	4846	5370	5910	6709	7576	8404	9337	10207	11096	12307	13446	14795	16792
Financial Intermediation	1732	2025	2436	2958	3668	4491	5033	5846	6759	7479	8304	9023	9565	9785	10238	10820	10950	11116	12570
Real Estate	1424	1539	1688	1853	2174	2510	2687	2989	3570	3897	4254	4631	5020	5458	5773	6273	6680	6984	7595
Leasing and Business Services	1418	1560	1769	2043	2317	2743	2958	3297	3915	4430	5212	5594	6041	6399	6783	7096	7349	7744	8545
Scientific Research and Technical Services	1704	1946	2263	2637	3203	3793	4179	4698	5354	5771	6384	6855	7451	8053	8985	10279	11122	11654	12648
Management of Water, Conservancy, Environment and Public Facilities	981	1074	1194	1303	1532	1759	1930	2129	2406	2695	3010	3267	3627	3979	4352	4723	5097	5326	5484
Services to Households, Repair and Other Services	1055	1140	1312	1503	1698	1905	2098	2351	2764	2928	3202	3490	3734	3965	4213	4612	5019	5060	5433
Education	1182	1340	1522	1743	2159	2486	2879	3247	3600	3978	4329	4715	5549	6208	6951	7699	8140	8873	9283
Health and Social Service	1349	1532	1734	1966	2324	2682	2972	3353	3851	4380	4832	5272	5969	6669	7471	8177	9075	9621	10569
Culture, Sports and Entertainment	1425	1710	1889	2154	2536	2847	3146	3452	3990	4463	4945	5365	6064	6656	7317	8218	8976	9340	9777
Public Management, Social Security and Social Organization	1280	1448	1686	1879	2311	2691	2944	3187	3505	3840	4105	4426	5194	5913	6698	7328	7864	8707	9280

Source: National Bureau of Statistics of China

APPENDIX D – Average monthly wage of urban employees in the non-private sector from 1995 to 2022 Currency: Chinese Yuan

	Average Wage	Staff and Workers	State-Owned Units	Urban Collective- owned Units	Other Units
1995	446	458	463	328	644
1996	498	518	517	359	710
1997	537	539	557	376	758
1998	621	623	632	443	770
1999	693	696	704	480	845
2000	778	781	787	520	937
2001	903	906	920	571	1036
2002	1031	1035	1058	636	1124
2003	1164	1170	1197	719	1237
2004	1327	1335	1370	810	1377
2005	1517	1530	1582	931	1530
2006	1738	1750	1809	1072	1750
2007	2060	2078	2175	1287	2023
2008	2408	2436	2524	1509	2379
2009	2687	2728	2844	1717	2613
2010	3045	3096	3197	2001	2983
2011	3483	3538	3624	2399	3444
2012	3897	3966	4030	2815	3863
2013	4290	4366	4388	3242	4288
2014	4697	4780	4775	3562	4707
2015	5169	5270	5441	3884	5076
2016	5631	5749	6045	4211	5461
2017	6193	6343	6760	4604	5942
2018	6868	7062	7456	5055	6621
2019	7542	7782	8242	5218	7266
2020	8115	8376	9011	5716	7727
2021	8903	9185	9632	6208	8599
2022	9502	-	10302	6489	-

Source: National Bureau of Statistic of China