

Influence of Epidemic Situation on Chinese Labor Force

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Keywords: Covid-19 epidemic, Labour market, Workers' income, Employment policy

Abstract: COVID-19 epidemic not only threatens people's life safety and health, but also has a significant impact on economic and social development. Under the epidemic situation, the expected changes of enterprises lead to more cautious employment of regular employees, and flexible employment has become an important channel for stable employment under the epidemic situation. Under the crisis, there are opportunities for the development of digital economy and new-type labor-capital relations. Therefore, to solve the employment problem, we must adhere to the idea of globalization and long-term. From the perspective of social average wage, the social average wage has dropped greatly in a short period of time, resulting in the phenomenon that the income distribution gap between urban and rural areas, industries and regions is too large, which has affected China's income distribution system. This paper puts forward corresponding policies and measures to reduce the impact of COVID-19 epidemic on China's labor market and workers' income.

1. Introduction

The global outbreak of the COVID-19 epidemic not only seriously threatens human life, health and safety, but also has an unprecedented impact on the economic development of various countries. And through the global value chain, consumer confidence and demand, it has a profound impact on the global economy, thus causing a huge impact on global employment, especially informal employment groups. According to the calculation of the International Labor Organization, the current COVID-19 epidemic will cause 400 million informal sector workers in the world to face the risk of losing income and deep poverty [1].

In the post-epidemic period, while gratifying achievements have been made in epidemic prevention and control and economic recovery, the international and domestic situation facing China is still complicated [2]. Globally, the COVID-19 epidemic is still spreading, and the unfavorable prevention and control of the epidemic in major economies makes the economic situation extremely uncertain. Domestically, China's epidemic prevention and control is in the normal state of "import from outside and rebound from inside", and economic recovery is constrained by epidemic prevention and control. In the fourth quarter, it will enter the peak season of job hunting, and the number of migrant workers and college graduates seeking jobs will increase greatly. There is great pressure to "stabilize growth and ensure employment". Under the crisis, there are opportunities for the development of digital economy and new-type labor-management relations. Therefore, to solve the employment problem, we must adhere to the global and long-term thinking [3-4]. This paper will study and analyze the impact and challenge of China's labor market and the impact and changes of workers' income caused by the outbreak of COVID-19 epidemic, and put forward corresponding policies and measures.

2. Transformation Judgment of Unemployment Characteristics under Epidemic Situation

2.1 Amplifier with Periodic Unemployment

When the economy is in normal operation, it is often difficult to distinguish periodic unemployment from natural unemployment at the operational level. In addition, it is necessary to use macro-policy tools to control periodic unemployment, which inevitably has some negative effects. Therefore, it is difficult for policy makers to pay attention to unemployment management

aiming at periodic unemployment. On the one hand, from the need of policy response, because the demand gap becomes obvious, it is no longer difficult to judge the cyclical characteristics of unemployment, and it is easy for policy makers to reach a consensus on policy response as soon as possible; On the other hand, the survey unemployment rate has soared due to the existence of periodic unemployment, which makes it easy to control unemployment as the main contradiction in macro-control. From this point of view, the demand shocks produced under the economic crisis or epidemic situation often becomes the amplifier of periodic unemployment, which makes it clear that the unemployment formation mechanism that is difficult to distinguish under the normal operation of the economy.

The demand shocks caused by the epidemic situation needs to be dealt with through short-term macro-control policies. From the perspective of labor market policies, short-term policies aimed at controlling cyclical unemployment should reflect timeliness of response and simplicity of operation, and also need to grasp the main directions covered by policies according to the characteristics of shocks.

2.2 The Superposition Effect of Flexible Employment

The economic impact of the current epidemic globalization on China and the normalization of prevention and control measures have affected the flexible employment groups in all walks of life through demand effect, and exerted “double” pressure on the quantity and quality of flexible employment [5]. The overlapping effects are mainly reflected in the reduction of some flexible employment opportunities, the increase of competitive pressure, the aggravation and decline of employment quality, and the increase of social security interruption risk. Fig. 1 is a schematic diagram of the superimposed influence mechanism of global spread on flexible employment scale in COVID-19.

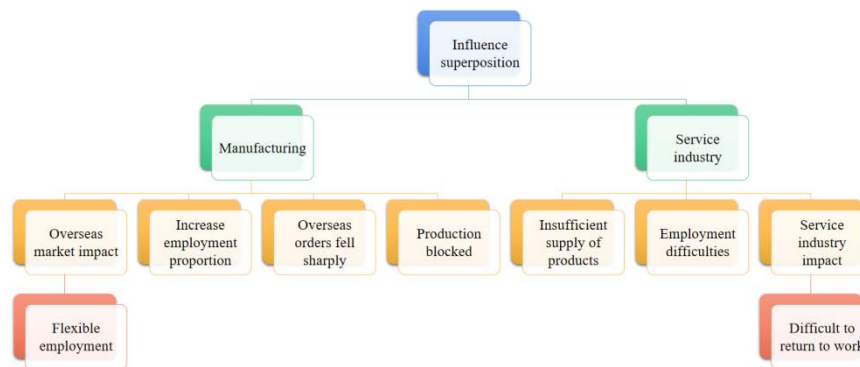


Fig.1 Superimposed Influence Mechanism of Global Spread on Flexible Employment Scale in Covid-19

Under the impact of the global epidemic, China's service industry has become the most directly and seriously affected field except manufacturing, and industries that depend on crowd concentration and mobility, such as sports and entertainment, tourism, catering and accommodation, have almost stopped running. These areas are the main development areas of individual economy, which mainly focus on flexible employment. Although the impact of the current domestic epidemic is gradually weakening, the impact of the international epidemic spread has not weakened the domestic prevention and control measures, but the control measures in some areas have been gradually upgraded, and the self-employed and self-employed practitioners of the tourism industry chain (such as tour guides and self-employed traders around tourist attractions, etc.) have not returned to normal business conditions.

The risk of employment quality decline of flexible employees intensifies [6]. On the one hand, under the condition that the overall market demand has not increased or even decreased, the large number of people who are transferred to flexible employment will undoubtedly increase the competitive pressure of the existing flexible employment groups, and may cause a decrease in income. On the other hand, the globalization of epidemic further inhibits the employment demand

of export-oriented enterprises and transmits it to the upstream and downstream through the industrial chain, and the employment quality of flexible employment groups such as labor dispatch and labor outsourcing is the first to be affected.

2.3 The Paradoxical Coexistence of Labor Shortage and Job Hunting Difficulty is Prominent

From the causes and characteristics, unemployment under the epidemic has the following characteristics [7-8]:

(1)Frictional unemployment. Due to the rapid adjustment of economic conditions during this period, the imbalance between supply and demand among industries, the labor mobility can not keep up with the speed of economic adjustment, and the result of frictional unemployment is inevitable in the short term.

(2)Technical unemployment. The main cause of technical unemployment in the epidemic is not the automatic production of enterprises, but with the whole stagnation of some low information and digital industries, enterprises and workers become victims at the same time.

(3)Structural unemployment. The economic adjustment under the epidemic situation did not touch the large industrial structure, mainly focusing on the adjustment of some industries under the tertiary industry. However, every change in the industrial structure requires the labor supply to adapt to the changes quickly, and structural unemployment is inevitable in the short term. Fourth, hidden unemployment. With the strengthening of labor control policies, under the intervention of the government, it is difficult for enterprises to lay off a large number of employees unless they go bankrupt. The compromise solution is hidden unemployment, that is, reducing wages by reducing working hours.

Due to the temporary transformation of major social contradictions in the special period, if a large number of laborers are forced to invest in the existing gap due to the pressure of life in the short term, will they be forced to turn into surplus labor again after returning to normal after the epidemic ended, resulting in the imbalance of the new structure? Compared with the rapid changes of technology and industry, the change of people is a slow variable. The realization of career transformation needs certain education and training, while the change of employment concept takes longer.

3. Influence of Covid-19 Epidemic on China's Labor Force

3.1 The Direct Deterioration of Emergencies Has a Structural Imbalance in Employment

The outbreak of COVID-19 has a direct impact on China's employment demand. From the trend of the national urban survey unemployment rate, from February to June 2020, the unemployment rate reached 6.2%, 5.9%, 6.0%, 5.9% and 5.7% respectively, and the unemployment rate remained at a high level of about 6% for half a year. Since the official use of the monthly survey unemployment rate index in 2018, the increase from January to April this year is at the highest point in history, especially the 6.2% level in February is the highest since the survey unemployment rate index was used (see Figure 2).

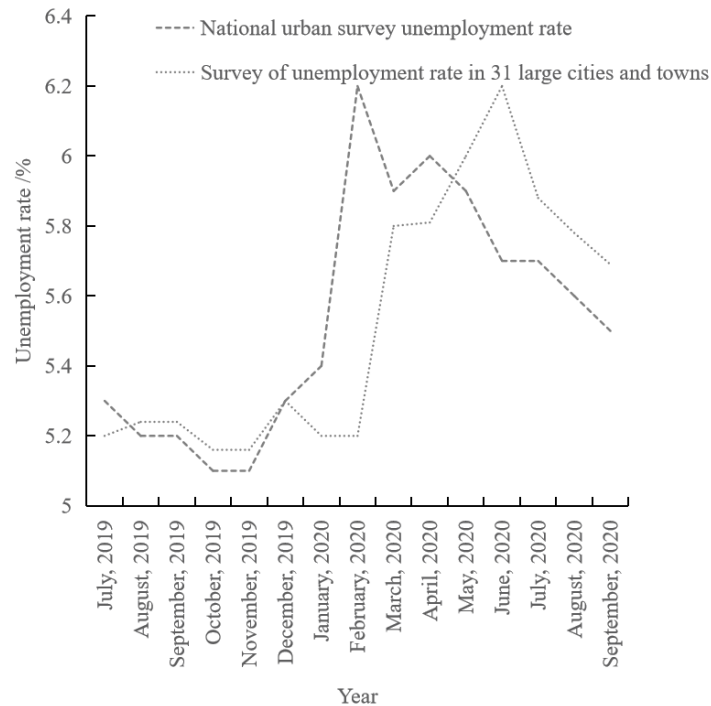


Fig.2 National Urban Survey Unemployment Rate

The surveyed unemployment rate in each month in 2020 is generally higher than that in the same period of last year, indicating that the situation of oversupply in the labor market is directly affected by the epidemic situation. By September 2020, the surveyed unemployment rate in China's cities and towns has not dropped to the pre-epidemic level, and the employment pressure is outstanding. It can be found that the imbalance between supply and demand in the labor market, which existed before the epidemic, has become increasingly prominent under the impact of the COVID-19 epidemic. January-March is China's traditional Spring Festival. Due to the seasonal influence of Spring Festival, the recruitment demand of enterprises will decrease, while the number of job seekers will increase, and the labor market will face great pressure on job hunting. Therefore, this period after Spring Festival will often become a key period for the government to stabilize employment. Although the effectiveness of China's policies in ensuring and stabilizing employment has gradually appeared in the post-epidemic period, which is helpful to alleviate the pressure on the job market, a basic judgment is that there is still great uncertainty in the job market in the fourth quarter, which may exert great pressure on the supply and demand of the job market next year.

3.2 The Influence of Covid-19 Epidemic on the Income of Chinese Workers

Among the components of workers' income, the wage income of workers, that is, the remuneration of wage labor, occupies the main part. Affected by the outbreak of the COVID-19 epidemic, the average wage of our society has declined, but not all workers' wages will decline during the epidemic period, and the changes of workers' wages are closely related to the types of industries and enterprises in which workers live.

2020 is an extraordinary year in the history of new China. In the face of the severe and complicated international situation, arduous domestic reform, development and stability tasks, especially the severe impact of the COVID-19 epidemic, major decisions on overall planning of epidemic prevention and control and economic and social development were made in a timely manner. China's economic operation has improved quarter by quarter and gradually returned to normal, and it is the only major economy in the world that has achieved positive economic growth. Per capita GDP can reflect the economic strength of a province and its residents' income level and wealth level. The high per capita GDP reflects that the limited area produces more GDP. In 2020, the per capita GDP will be 72,447 yuan, an increase of 1,555 yuan over the previous year and a year-on-year increase of 2.0% (Figure 3).

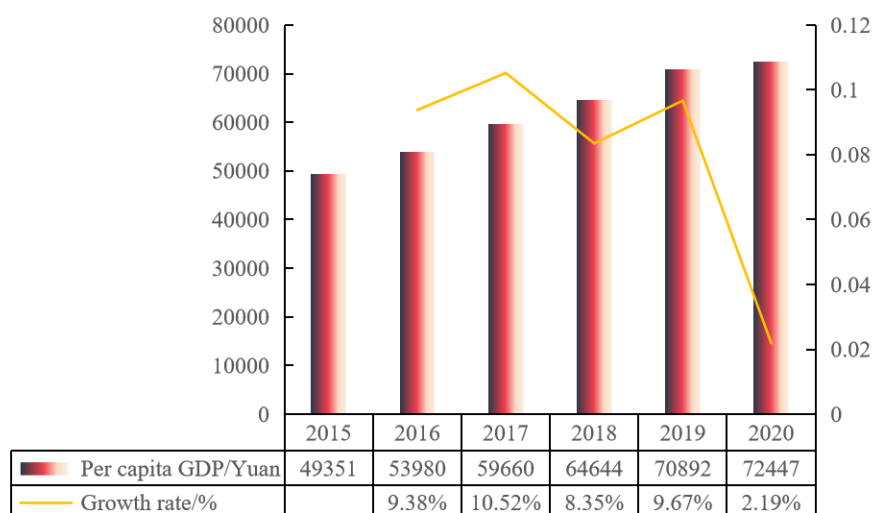


Fig.3 Per Capita Gdp and Its Growth Rate from 2015 to 2020

With the rapid development of China's economy, the gross national income is also increasing. By the end of 2020, China's gross national income was 100.92 trillion yuan, an increase of 2.07 trillion yuan over the previous year and a year-on-year increase of 2.09% (Figure 4).

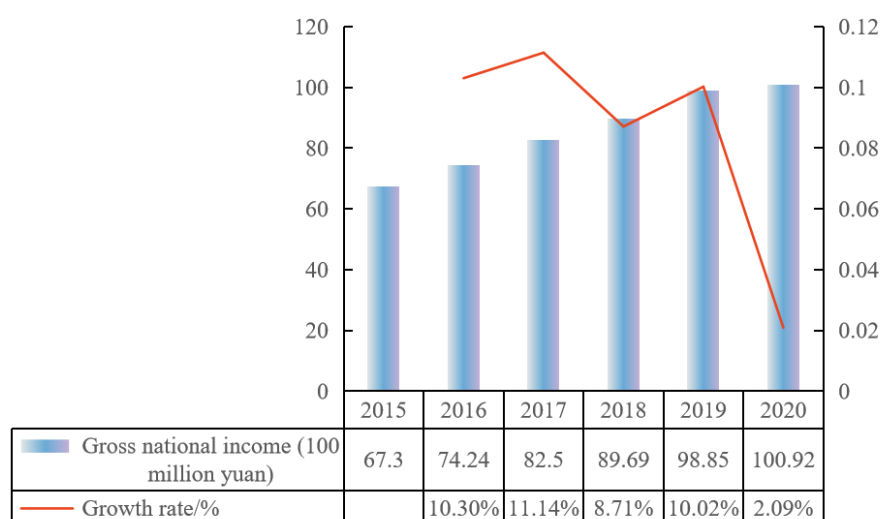


Fig.4 Gross National Income and Its Growth Rate from 2015 to 2020

With the continuous improvement of production technology level, management level, professional technical proficiency and labor enthusiasm of enterprises, the labor productivity of all employees in China has increased year by year. By the end of 2020, China's total labor productivity was 117,746 yuan/person, an increase of 2,737 yuan/person over the previous year and an increase of 2.38% year-on-year (Figure 5).

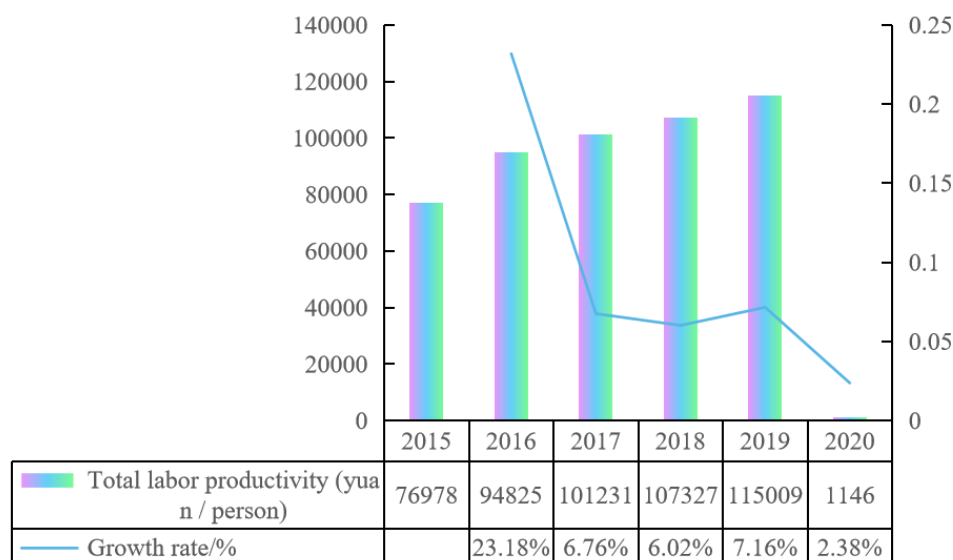


Fig.5 Labor Productivity and Growth Rate of All Employees from 2015 to 2020

Although affected by the epidemic, most industries have suffered more or less impact, but some industries have ushered in an opportunity for development. For example, medical and health materials and pharmaceutical industries, e-commerce and logistics express delivery industries, which are closely related to the epidemic, have a phenomenon that the labor market is in short supply even after the epidemic ends, that is, the labor supply cannot meet the demand, and the wages of workers will increase.

3.3 Differentiation of Employment Situation in Different Industries and Emergence of New Employment Forms

Under the impact of COVID-19 epidemic, the employment situation of different industries and occupations is seriously divided, forming a sharp contrast. During the epidemic, the industries with better employment situation include online education and training, intermediary services, insurance, entertainment, professional services and Internet e-commerce; In contrast to these industries, the industries with poor prosperity are mainly concentrated in catering services, tourism, air transport, energy, mining and other industries. The job demand of online education, entertainment, sports, leisure and other industries has increased rapidly due to the characteristics of “home” and “remote service”, which has also led to the increase of some auxiliary jobs such as writers, screenwriters, writers and photographers. However, these industries have relatively high requirements on the quality and career threshold of employees, but their job stability is low, so their role in alleviating the contradiction between supply and demand in the job market is limited.

Although the structural transformation of employment has limited effect on solving sudden employment difficulties, the new employment highlights developed under the impact of the epidemic may also grow into new employment growth points in the post-epidemic period. The new employment pattern produced during the epidemic has become a buffer to provide short-term jobs. In this regard, we should take advantage of the trend and let it go with the flow and stand out.

4. Facing the Epidemic Situation, the Countermeasures to Reduce the Adverse Impact of the Epidemic Situation on Employment

4.1 Pay Attention to Income Distribution and Serve the Reform Direction of National Industrial Policy

Under the circumstances that China's demographic dividend has disappeared and labor supply has already turned into an inflection point, China's income distribution policy should not only focus on stabilizing losses and reducing the impact of the epidemic on employment, but also pay more

attention to the value orientation of the income distribution policy, and lean more towards the real economy such as manufacturing, mining, construction, agriculture, forestry, animal husbandry and fishery, which has a low income level in the current industry and will support China's economic and social development in the future. For the tertiary industry, it is necessary to further subdivide and formulate more targeted countermeasures. Promote the optimization and upgrading of industrial structure at all levels, so as to better meet the needs of economic and social development and meet the people's yearning for a better life.

4.2 Improve the Response Mechanism of Labor Market Policies to Shocks

The analysis of this paper shows that due to the difference of governance methods between periodic unemployment and natural unemployment, different functional departments need to coordinate across departments, and timely and rapid policy response is needed to deal with the challenge of periodic unemployment. From the policy response mechanism and coordination mechanism, it is necessary to effectively solve this paradox, which not only corresponds to the challenge brought by the pneumonia epidemic in COVID-19, but also is essential to build a more effective employment policy system and implementation mechanism in the future.

The emergency response mechanism must pay attention to timeliness, and normally identify and target the implementation of procedures, which will greatly increase the operating cost and opportunity cost of policy implementation. Combining with the labor market impact caused by the epidemic, and drawing lessons from the experience of public health emergency response mechanism, hierarchical management of the response mechanism of labor market policy may be the direction that can be considered in the future system construction.

4.3 Standardize Employment Forms According to Law and Protect Workers' Rights and Interests

The new employment pattern is the bright spot of employment under the impact of COVID-19 epidemic, but its employment pattern breaks the traditional employment relationship. The work of workers is free, and there is no longer a labor relationship with the network platform. The relationship between workers on most platforms and platform enterprises is not a traditional labor relationship, and self-employed work is carried out by means of the platform. Therefore, the current law cannot protect the rights and interests of workers from the perspective of workers. Once disputes arise between workers and platforms, the rights and interests of workers often cannot be guaranteed. Therefore, in order to continue to play the role of employment absorption in the post-epidemic period, relevant departments need to strengthen investigation and research, issue laws and regulations regulating the new employment form as soon as possible, and earnestly safeguard the legitimate rights and interests of workers.

5. Summary

The epidemic situation caused by pneumonia in COVID-19 has had a great impact beyond public health events. Although substantial progress has been made in controlling the domestic epidemic, the international spread of the epidemic is still showing a growing trend. For the unemployment situation during and after the epidemic, such as the number of unemployed people, reemployment of difficult people and other survey indicators need to be further improved, and the information and file management of difficult people, low-income groups and vulnerable workers should be collected and improved to achieve accurate assistance. Give full play to the advantages of platform data and technology, innovate the mechanism and mode of workers' insurance guarantee, improve the safeguard measures for flexible employees, better support and promote their development, and achieve double growth of employment and economy.

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