

Chinese youth and workers face jobs crisis as US sanctions hit

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The high level of youth joblessness has again generated a great deal of attention and renewed discontent in China.

After the Chinese government's complete abandonment of the "zero COVID" policy, and the huge social disaster that has caused, gross domestic product (GDP) grew by 4.5 percent year-on-year in the first quarter of 2023, according to official reports. This has not overcome the problem of unemployment, however.

According to the government's statistics, the urban unemployment rate is 5.3 percent, while the unemployment rate of the urban population aged 16 to 24 rose to 19.6 percent, up by 3 percentage points from the December to March quarter.

That is second only to the 19.9 percent recorded in July 2022. Official reports also admitted that the unemployment rate of migrant workers remains high.

This means there are about 30 million jobless young people even before the annual graduation season in June and July. Media reports estimate that the number of university graduates is expected to reach 11.58 million in 2023, up from 10.76 million in 2022.

More and more young people are looking at obtaining postgraduate degrees, such as PhDs, as a way of temporarily escaping the pressure of unemployment. But that situation is also dire. The number of applicants for China's postgraduate examinations has continued to rise from 3.77 million to 4.74 million, and it is estimated that less than a quarter of them will be successful in gaining admission.

This is producing open disaffection on social media. One Weibo user commented: "What other way out is there for young people nowadays? Regardless of the comprehensiveness of this data, it is true that there are many young people around who cannot find jobs, and

some statistics say that more than one million graduates are already working as food delivery riders and other temporary jobs."

Another user noted: "The number of people applying for civil service exams has also skyrocketed in recent years to levels previously unimaginable. Why is it that 'Kong Yiji' is receiving attention again? Because the problems of society have become increasingly serious for young people and students."

This year, the meme known as "Kong Yiji literature" has appeared on several major internet communities, with university graduates seemingly making fun of themselves. Kong Yiji is a famous literary image created by the twentieth century Chinese writer Lu Xun in his short stories. The stories portray a humiliated traditional intellectual deprived of the ability to earn a living by the rigid social system and his Confucian education.

According to Lu Xun's own interpretation, Kong Yiji is undoubtedly a man of misery, representing the plight of a feudal intellectual who cannot find his place in society. He represents "society's indifference to the suffering people."

The internet meme is based on a parody of a well-known passage in the Kong Yiji stories, in which young people suggest that their situation corresponds in some way to the tragedy of Kong Yiji. The popularity of this meme is mixed with dissatisfaction with the mass unemployment in society.

In response to this discontent, the Central Committee of the Communist Youth League posted an article on its social media account criticising "negative young people." It accused young graduates of refusing to engage in manual labour and exhorted them to "take off their suits and enter the factories and farmlands."

This caused a huge outcry on the internet. Critics

accused the officials of hypocrisy, ignoring the huge social inequalities and the lack of security for manual workers.

Two comments received thousands of likes. One comment asked rhetorically: “Would the author of this article be willing to give up his current job to become a street cleaner or factory worker?”

Another asked: “Did you think about ‘Xiangzi’ when you suggested that Kong Yiji take off his suit?” Xiangzi is a literary figure created by another writer, Lao She, to tell the story of a mentally devastated labourer.

As Chinese officials have to admit, the structural pressures on the country’s economic situation are coming to the fore. Youth unemployment is only one side of the current social tensions.

The unemployment of industrial workers, involving a large number of internal migrants, is also a growing concern. Technology bans imposed by the US have led to firms relocating out of the country, and factory owners are cutting jobs and reducing wages by as much as a third, according to media reports.

Recent information that Foxconn, which assembles Apple products, is shifting some of its production out of China has provoked discussion. Although there has been no official acknowledgement from Foxconn, the current state of its factories in a number of locations has raised concerns.

Foxconn’s Zhengzhou plant, Apple’s biggest overseas supplier, has drastically cut its staff as Apple shifts its industrial chain. According to a report by Yicai, the kilometre-long commercial pedestrian street that previously mainly served Foxconn’s factory area is empty, with almost no one in sight. Nearly all the shops on both sides were closed and out of business, with some simply hanging up information on rentals and transfers.

A worker who said he had worked at Foxconn for 10 years stated in an interview that at the peak of Foxconn’s employment, nearly 100,000 people used to live in the vicinity. A number of Foxconn employees said the number of people still on the job is much smaller than last year, let alone the more than 300,000 employees at the peak. “The number of workers is now less than half of what it once was,” one said.

According to a report in the *South China Morning Post*, Foxconn has reduced the wages of workers on the

production lines of its main factories. Hourly wages for assembly line workers at the Shenzhen factory have been reduced to RMB19 or RMB20 (about \$US2.75), from RMB22 to RMB26 at the same time last year.

Last April, Foxconn Zhengzhou offered a subsidy of RMB6,500 to newly recruited workers, while the latest job advertisement for the Zhengzhou Foxconn factory at the beginning of April this year showed that this subsidy had been reduced to RMB2,500.

Most of the surrounding factories and companies also have reduced their wages as a result of Foxconn’s pay cut. A labour agent said “compared to last year, the wages are all very low this year. Many factories were paying RMB20 to RMB30 per hour last year, and this year they have all dropped to RMB17 or RMB18.”

According to Bloomberg and other media reports, Foxconn will invest \$US700 million in India to continue the expansion of its factories, which are expected to create more than 100,000 jobs in that country. This is certainly in line with the preferences of Apple, Wall Street, the Biden administration and US imperialism as a whole.

The *Economist* has reported that a dozen countries and regions, including Taiwan, will come together to form what is known as the Altasia (alternative Asian supply chain), a supply chain designed to replace Chinese production.

President Xi Jinping’s regime is confronting a potential social explosion in the 400 million-strong Chinese working-class as jobs and wages are slashed.

This pressure is only going to intensify as the Biden administration ramps up its military and economic offensive against China. US Treasury Secretary Janet Yellen last week insisted, in a speech on US-China relations, that US “national security” considerations must dominate. On that pretext, Washington has imposed a range of sanctions aimed at crippling high-tech development in China.



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