

SHARED EMPLOYMENT IN CHINA: ISSUES AND CHALLENGES

Xiuli Zhao ^{1*}, Mahazril 'Aini Yaacob², & Radduan Yusof,³

¹Shandong Youth University of Political Science, China

^{2,3}Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia

*E-mail: zhaoxiuli@sydu.edu.cn

1. INTRODUCTION

Shared employment, which emerged in the fight against the COVID-19, originated from a collaboration between Fresh Hema and Xibei. During the epidemic period, the rapid growth of online orders and delivery services led to the vast labour shortage of Fresh Hema. Xibei was a catering enterprise that was prohibited from serving dine-in meals due to controlling the epidemic. More than 20000 "surplus" employees just filled the labour demand of Fresh Hema, and a new type of "shared employment" mode (also called the shared employees' model) was born (Mo Kaiwei & Li Qingzhi, 2020). Since then, it has been rapidly replicated in different industries. Many companies such as Wal-Mart, Suning, Meituan, SF Express, and Harbin Travel have adopted this new employment model. The application fields have gradually expanded from food delivery and online retail to logistics, manufacturing, and other industries (Arthur Huang & Adam Haney, 2021). It has grown from first-tier cities (most developed areas of the country) to second-and third-tier cities (medium-sized and small cities of the developing world) (Guo Zhengang, 2020). Past studies were only focused on the characteristics, risks, functions, and optimisation paths of shared employment. Little studies were conducted investigating logic generation and systematic analysis of its mode and practice constraints. The initiative was to ensure the protection of legitimate rights and interests of labour. Therefore, the main aim of this article is to explain the shared employment with reference given in China and the issues and challenges faced by the China government about shared employment.

1.1 Past Related Studies

The "shared employees" is a new model of employment that attached great attention from Chinese scholars. Searched on CNKI (which is the most popular database in china) with the keyword "shared employees" found more than 200 articles from 2019 to the present. While searching by Google Scholar, there are only a few articles exactly matching this keyword. Some representative research results are as follows: In the practice of "shared employees", there are hidden worries such as the sense of belonging of employees, the protection of labour rights and the scope of positions, the existence of illegal qualifications, and business safety (Yang Yunfei, 2020; Zeng Yu, 2021). In terms of legal risks, shared employees are attributable to the risk of injury or damage to others and discharging the status of shared employees (Chen Jingyuan, 2020) and the identification risk of labour relations (Xiao Pengyan, 2020).

As a new employment model, the model can significantly reduce the human cost of the company (Guo Zhengang, 2020; Xiao Zhu, 2021). It realises the precise matching of the supply and demand of the company's human resources (Xie Jiemeng, 2020). It can effectively allocate social resources while helping the company carry out cost control and risk prevention (Li Xin,

2020). In terms of the promotion path, findings from previous research revealed that relevant systems and policies for employees should be improved (Zhang Mingliang, 2020). The government supervision and legal guidance to enterprises should be strengthened (Li Gan and Dong Baohua, 2019), and enterprises should improve the construction of shared platforms and upgrade human resource management (Zhou Hua, 2020).

2. METHODOLOGY

The desktop study technique was used to research relevant related literature, collect data, and analyse secondary data in this study. For data analysis of acquired documents and secondary data, the content analysis technique was applied as suggested by Zhou and Nunes (2016). The study employed terms like shared employment, sharing employment, China, employment issues, and challenges of shared employment to find and collect pertinent material using CNKI and Google Scholar, two of the most popular search engines. Journal articles, published reports, conference proceedings, and China government websites were used as online sources. There is a total of 22 articles now downloaded and used for the review with the timeline between 2016 and 2021 was selected as one of the inclusion criteria.

3. RESULTS AND DISCUSSION

3.1 Shared Employment in China

Shared employment mode refers to the flow of labour between "labour-absence" companies and "labour-surplus" companies to adjust the temporary shortage or surplus of labour with multi-party consensus. It contrasts with the present one-to-one traditional economic model. Sharing economy entails the sharing and socialisation of human and physical capital in resource control, integration, and allocation, shattering the fixed contract between human and physical capital. The firm provides physical capital, labour provides human capital, and both must be linked to the enterprise (Chen, 2019).

No matter how it solves the imbalance of supply and demand of employees in different industries under the influence of the epidemic. There are three ways to share employees: employers reaching an agreement, employers finding opportunities by themselves, and a third-party or platform linking. Government, enterprises, and employees benefit from this mode and are highly regarded in China. According to the White Paper on China's Flexible Employment Development in 2019, 44.6% of enterprises in China have adopted flexible employment. According to related reports, As of March 2020, 4 million labour in catering enterprises has flowed (Cheng, 2021).

The new model provides opportunities and relieves the pressure of employment, gives full play to the enthusiasm and initiative of workers, and promotes their entrepreneurship and innovation (Xie Jiemeng, 2020). Therefore, this flexible employment model has served as emergency means in the epidemic period and has become a normal employment mode in today's normalisation of epidemic prevention and control. At the same time, the new employment mode of "sharing employees" breaks through the framework of traditional labour relations whereby the weak position of workers is more prominent, the risk of labour-capital contradiction is intensified, and the difficulty of legal risk prevention and protection is also increasing exponentially. The main reason for this legal risk problem is that the sharing parties have formed a new employment relationship different from the traditional one (Qiu Jie & Li

Yijie, 2020). Some researchers pay attention to the differences between traditional and shared employment (Zhu Yanqiu, 2020; Chen Jingyuan, 2020), as shown in Table 1.

Table 1: Summary of Traditional vs Shared Employment

TRADITIONAL EMPLOYMENT V.S SHARED EMPLOYMENT		
Difference	TRADITIONAL EMPLOYMENT	SHARED EMPLOYMENT
Labour Relations	Employ	Loan/Dispatch
Labour Contract	Formal labour contract	Loan contract
Employers	Single	Multiple
Salary	Monthly salary	Mission completed
Social Insurance	Labour contract-signing Companies	Negotiation
Labour Disputes	Labour contract-signing Companies	Negotiation

3.2 Issues and Challenges facing China

Despite the rising of this new employment model in China, it posed three main issues and challenges. First, labour' rights and interests are easily violated in the new model. For example, the income and working hours of shared employees are uncertain, social insurance cannot be guaranteed, and their legal rights may be violated at any time. For example, the drivers of the vehicle owned by the platform on Didi Chuxing Platform are usually full-time drivers. Didi Chuxing Platform limits their working hours, clients, and workplaces. They also cannot decide when to work; they have a fixed quantity of work each week and would not get their percentage from a sum of money if they could not complete their jobs (Cheng, 2021).

Secondly, the current framework of labour law and civil law in China both have limitations in protecting employees' rights and interests, and the existing coordination mechanism of labour relations is rigid. The current labour law is a traditional dual subordination of "employer-employee" in employment status (Chen Canping, 2020) while in the shared employee model, both employers and employees have gotten rid of the status. As for civil law, it mainly solves the relationship between equal subjects and does not play a role in the actual inequality between employers and employees in the labour relationship (Qu Xiaobo, 2017). Therefore, a new model, which is developing in line with the needs of industry, brings significant challenges to Chinese law (Chen Canping, 2020).

Thirdly, the existing social security mechanism shows apparent incompatibility because it has been designed only to affect the establishment of labour relations. This inherent security model tied to labour relations can no longer meet the actual needs of diversified employment relations under the shared employee model (Dong Baohua, 2016; Li Gan & Dong Baohua, 2019). As a result, the labour relations in the sharing economy of human and material capital are still uncertain and may alter. The growth of this sharing economy may drive the government to enact more regulations and laws to control labour interactions between workers and businesses and protect workers' rights.

4. CONCLUSION

Based on the above discussion, we recommend solving problems in the framework of labour law. Labour law has social characteristics with both private and public law attributions. Its legal mechanism has a more robust institutional function in promoting social fairness and justice and maintaining social harmony and stability (Lv Chenkai, 2021). It can provide more appropriate protection of new employment. However, the current labour law in China does not offer different protection measures for different types of work, which significantly reduces its applicability. Lack of hierarchy leads to a vague area of practical and effective protection (Tian Silu, 2017). Therefore, we propose to expand the scope of application of current labour law, broaden the identification standards of labour relations, adapt adjustment methods and social insurance systems suitable for shared employees. The proposed strategies are to enable the new employment model to be adjusted appropriately by labour law, thus ultimately realising harmonious development of both protection of labour rights and the new model of business.

5. ACKNOWLEDGMENT

This study was supported by the commission program of Shandong Youth University of Political Science 2020, "Research on changes in labour relations in the post-epidemic period", Project number: HXKT20026. It was part of the current research conducted in China.

6. REFERENCES

- Arthur Huang, & Adam Haney. (2021). An employee sharing model for the tourism and hospitality industry. *Tour. Hosp.*, 2, 190-194.
- Chen Canping. (2020). *Appropriate promotion of "shared employees" and its legal protection*. People's Court News, p7, 1-3.
- Chen Jingyuan. (2020). Legal and mechanism of "Downtension Risk" sharing-Sharing risk of government, enterprise, and workers. *Political and Legal Forum*, 38(4), 61-71
- Chen, S. (2019). The impact of sharing economy on China's labour relations in the internet era. *Journal of Human Resource and Sustainability Studies*, 7(2), 149-159.
- Cheng S. (2021, September 1). *Plan to ease life for flexible workers*. Retrieved from <https://global.chinadaily.com.cn/a/202109/01/WS612ed952a310efa1bd66c838.html>
- Dong Baohua. (2016). Flexible use of the China model. *Human Resource*, 2016(01), 30-32,
- Guo Zhengang. (2020). *Exploring the long-term development model for "shared employees"*. Workers' Daily, p5, 1.
- Li Gan, & Dong Baohua. (2019). Reform path of labour relations governance: Based on a perspective of increment and stock. *Exploration and Contention*, 2019(01), 42-53.
- Lv Chenkai. (2021). Feasibility study on normalisation of "shared employees" system. *Shandong Trade Unions' Tribune*, 27(2), 25-31.
- Li Xin. (2020). Innovation promotion effect and outlook on "Shared employees" business model. *Decision & Information*, (6), 91-93.
- Qu Xiaobo. (2017). Is the implementation of the labour contract law effective? --From Chinese enterprise-employee matching survey (CEES). *Labour Economics Research*, (5), 82-101.
- Mo Kaiwei, & Li Qingzhi (2020, June 2). *Shared employees VS flexible employment: Value, dilemma, and way out*. International Finance News, p3, 1-3.
- Qiu Jie, & Li Yijie. (2020). Replenish the shortcomings: The practice and regulation of the "shared employee" model. *Trade Union Theoretical Research*, (06), 15-23.

- Tian Silu. (2017). Evolutionary course and legal response to atypical developing trend of labour relations. *Law*, 2017(06), 138-147.
- Xie Jiemeng. (2020). Discussion on the influence of shared employees on Chinese Enterprises. *Chinese and Foreign Entrepreneurs*, (18), 114-115.
- Xiao Pengyan. (2020). Compliance sharing: Sharing employees' legal risks and prevention and control. *Human Resources Development of China*, 37(07), 96-98.
- Xiao Zhu. (2021). Theoretical explanation and systematic construction of subordination criteria for labour relationship identification. *Law*, (12), 160-176.
- Yang Yunfei. (2020). Shared employees-Is it an emergency strategy or the general trend? *China Logistics and Purchasing*, (6), 21-22.
- Zeng Yu. (2021). Legal risks and prevention and control of the "shared employees" model. *Legal System and Society*, 102-104.
- Zhang Mingliang. (2020). Analysis of shared staff working mechanism. *Human Resources Development of China*, 39(9), 80-83.
- Zhu Yanqiu. (2020). Informal employment: Defects and regulation of shared employee. *Human Resources Development of China*, (10), 70-78.
- Zhou Hua. (2020). Sustainable development and legal regulation of the shared employment in the post-epidemic era. *Journal of the University of Labour Relations*, 34(4), 92-100.
- Zhou, L., & Nunes, M. B. (2016). *Formulating a framework for desktop research in Chinese information systems*. Handbook of Research on Innovations in Information Retrieval, Analysis, and Management (pp. 307-325). IGI Global.