Research on inequality exacerbating unemployment in VUCA society

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Abstract. In 2020, the Shenzhen local government renamed its previous recruitment center from 'Sanhe Human Resource Market' to 'Fighter Square.' This change could manifest the government's disapproval of the Sanhe Gods, a renowned group known for their rebellious stance against their unemployment predicament. Examining the Sanhe Gods may provide insights into how inequality exacerbates unemployment challenges in a VUCA (Volatile, Uncertain, Complex, Ambiguous) society.

Keywords: Sanhe gods; VUCA Society; Inequality and Unemployment; Migrant Workers.

1. The Identity of the Sanhe Gods

The Sanhe Gods are mostly male migrant workers mainly found at the 'Sanhe human resource market' in Shenzhen, China, in the 2010s. Most of these people are described as unskilled workers with low levels of education. They come from the villages, face problems like cyclical unemployment, and earn lower wages. They cannot find steady jobs because most have inadequate and limited work experience. They are forced to accept low-paying and temporary jobs in factories with poor working conditions.[1] In certain rural zones, historical background, unequal distribution of assets and services, and other conditions have contributed to a lack of quality educational facilities, vocational training, and practically no working experience among some of the population. Therefore, when these people move to urban centers for employment, they are employed in temporary positions characterized by poor working conditions and meager pay. These workers are forced to work many hours daily, paid meager wages, and work in deplorable conditions without adequate rest time, protection gear, or job security. Involved in activities such as assembly line work and construction, they are subjected to unfavorable conditions that cause physical and psychological deterioration. Not only does this condition sustain chronic poverty among migrant workers, but it also hinders their opportunities for upward mobility and career enhancement. Due to poor literacy levels and lack of vocational training, they cannot quickly get promotions and salary increments. Thus, they remain socially deprived and cannot improve their standard of living. For instance, in one of these factories, particularly identified as Foxconn, these workers are subjected to working for more hours and a wage of as low as $3.15 per hour. The per capita income in Shenzhen is $13,000, while a worker in Foxconn earns an average of $3,000 annually. In this context, they must sleep outside at night, sell ID cards to obtain money, and sustain themselves with cheap water and food. [2]

Still, they work and live in poor conditions; however, this generation of Chinese Internet users admires these people as 'Gods' because they rebel against the conventional norms associated with work and savings where they only accept tasks that can be completed and paid within a day.

Lack of steady income and essential values may become a significant problem for young people who want to become financially independent and self-sufficient. In an economic environment characterized by a constantly shifting labor market, young people face challenges in setting long-term financial goals and planning for the future regarding savings and wealth building, thus failing to achieve economic independence. This kind of employment situation could lead to a vicious circle of job or career mobility, hindering one's endeavors toward improving oneself in the workplace. Also, the lack of employment security means there is no specific source of income, which makes people unprepared to face various financial emergencies. Also, a lack of an ethic of responsibility can make developing self-awareness overwhelm the youths.[3] The following are the definitions of values. Values are the principles through which people's behavior is guided. Therefore, lacking values can
make young individuals feel lost and directionless in attaining their goals. This lack of clarity can put them in a dilemma to quickly identify career directions and set developmental goals that will enable them to make the right decisions concerning their careers and lives. They can become discouraged and lack confidence, which can, in turn, affect their development and happiness. The Sanhe Gods' unemployment could be both a cause of and a consequence of their rebelliousness, defined by skepticism, denial, and opposition to the society's central values, including the need for employment, provision of income, and future planning. This trend is not only seen in China but also the VUCA environment.[4]

2. The Social Background of Unemployment in a VUCA Society

The term VUCA (Volatility, Uncertainty, Complexity, and Ambiguity) or Ambiguity best describes a context characterized by constant change that can result in a few possible events and circumstances. For example, the Beat Generation in America, which was a generation of non-conformists, engaged in acts of rebellion, which included drug use and consumption, promiscuity, taking unpopular political stands, and other unethical behaviors. This might be seen as a consequential approach to the VUCA environments that emerged post-WWII. In terms of the matter of unemployment, the problems of the Sanhe Gods are general and are deepened by the inequalities of resources and social hierarchy in a VUCA society. Here, unemployment and inequality are connected and interdependent, meaning one cannot exist without influencing the other. On a global scale, the distribution of resources is still very unequal, and some countries and regions possess many natural, technical, and human assets that enable them to develop quickly. Likewise, some other areas face many challenges because of resource constraints or unequal resource allocation. This global resource dearth has increased social differentiation, enhancing the gap between the rich and the poor in nations and regions. Hence, the issue of unemployment has gained more importance. Some countries and regions face high unemployment levels, especially if they are endowed with few resources or if the economy is poor. This situation not only worsens the existing social injustice but also negatively affects the quality of life of people, limiting their chances for a better life. The roles of resource constraints, social justice, and unemployment are the various problems that are compounded and present a complex societal issue that needs to be solved.[5]

A closer look at VUCA will reveal that the VUCA situation environment can be externalized, and the individuals must internalize it as their internal psychological condition or state, thus creating feelings of uncertainty. The vulnerable groups in the labor market, including the unemployed, part-time, and dispatched workers, are often subjected to exploitation and suffer from mental health problems as they struggle to gain employment. A notable illustration of this phenomenon is the Sanhe Gods incident, where in 2010, 14 Foxconn workers employees lost their lives in attempts suicide attempts[6].

During the 1990s, in addition to China, the Japanese economy experienced a decline that resulted in numerous male workers losing their jobs[7]. This issue of unemployment, coupled with the inability to fulfill societal roles as breadwinners, is closely linked to the social phenomenon known as 'Hikikomori.' The term Hikikomori relates to those who isolate themselves from other people and society. During a period of economic recession, many unemployed males may fall into depression and become powerless and confused, which weakens their social relationships and personal identities. They may feel isolated from society, and finding stable employment to feed their families may become burdensome. Hence, they withdraw from social events and related activities and become lonely and secluded. This was followed by rising unemployment rates in the subsequent decade, commonly known as 'the Lost Decade.'[8]. This period was characterized by social pressure and agitation and, therefore, had negative public perceptions. This pessimistic vision can relate to the main problem of inequality that excluded the unemployed from social life and gave them no chances and respect[9]. Failing to find satisfactory jobs that could meet their basic requirements, they slowly developed a rather pessimistic attitude toward society. The effects of this inequality do not end at the
psychological health and social inclusion of the unemployed; it presents a severe danger to the stability and progress of society. The presence of a sizable portion of the population harboring negative sentiments and facing limited prospects can fuel additional social unrest and dissatisfaction, with profound implications for any given society. Inequalities can engender a passive stance and adverse perception of society.

3. How Inequality Worsens Unemployment in a VUCA Context

As previously indicated, the unevenly and disparately distributed resources between rural and urban areas in China could contribute to the Sanhe Gods' unemployment. This educational inequality is manifested through inadequate funding and a shortage of teachers in rural areas. In 2014, the mean expenditure per student in urban regions amounted to ¥14,000, whereas in rural areas, it was ¥7,100. Tier-one cities such as Beijing exhibit a lower student-teacher ratio of 1:12, in contrast to the national average of 1:17. Merely 4.5% of the labor force from rural areas possess a high school diploma or higher, limiting their opportunities in the job market. This indicates that individuals lack professional training and legal expertise, hindering their ability to compete for employment opportunities offering improved conditions.[10]

The issue of educational inequality can lead to a cycle of persistent unemployment across generations. The children of the Sanhe Gods are at risk of not obtaining a Hukou (a social registration system in China that determines identity in cities) in Shenzhen due to the unemployment experienced by their parents. Hence, they would face challenges accessing urban schools offering superior educational facilities. This situation perpetuates a cycle of disadvantage; due to the substandard education in rural regions, it becomes arduous for the offspring of the Sanhe gods to acquire expertise and secure employment prospects.

This cycle shows how class stratification is gradually increasing within the VUCA environment. Social categorization leads to occupational segregation and higher unemployment rates since those at the bottom of the social ladder occupy positions with higher turnover rates and are vulnerable to economic changes and technological advancements. This is defined as a situation in which certain occupations or industries are closed or have limited access to specific groups of people. This phenomenon is primarily due to educational differences, sociological factors, or historical backgrounds. When some social categories have restricted access to specific business segments or positions, the first has the necessary workforce, while the second suffers from increased competition and unemployment. This limits the possibilities of personal career progression and negatively affects the general economic development and proper performance of the labor market. The existence of occupational segregation complicates and worsens the unemployment problem. Thus, in the VUCA society, the volatility of opportunity costs is high, and social mobility is lower than in orderly societies where rewards and risks are easily accessible and calculable. Essentially, the VUCA environment heightens the dangers encountered by marginalized groups and successive generations of job seekers with limited educational and economic backgrounds. In addition to perpetuating this inequitable scenario, inequality further compounds unemployment as a global challenge within VUCA societies for the reason mentioned above.[11]

In summary, inequalities act as causes and consequences vital to unemployment. Unevenly distributed educational resources and social stratification tend to be exacerbated in the VUCA context. The uneven distribution of educational resources leads to some areas or groups being unable to access high-quality educational resources, creating an initial gap in educational opportunities. This gap impacts the individual's development opportunities and society's economic and cultural progress. Simultaneously, social stratification results in certain groups holding higher social status and possessing more resources and opportunities, while other groups may find themselves in lower social standings, encountering more significant difficulties and challenges. This social stratification exacerbates the unequal distribution of educational resources, as groups with higher social status have greater access to high-quality educational resources[12]. VUCA could not only be understood as
social conditions but also as psychological states internalized by the unemployed, and the inequalities will further reduce the chances for the next generation to find jobs, forming a vicious cycle[13].

The current VUCA context, exemplified by the declining plummeting birth rates and the ascendency of artificial intelligence, presents fresh challenges to the forthcoming generation. In one scenario, the anticipated labor deficit could engender a relative surplus of employment prospects, while AI could enhance human capabilities by providing accessible educational resources, potentially mitigating educational disparities. Conversely, integrating AI into various industries might encroach upon individuals' opportunities for self-actualization[14]. These pivotal issues are poised to evolve and reveal their full implications as we progress into the future.

References