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Region/Country: East Asia – China.

Population - Labor & Employment

Indigenous fashion products: Hanfu and Cheongsam.

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Population and demographics

China is the largest country in the world with the largest *population* in the world. (Hackett, 2022) China's *population* today is about 1.4 billion, ranking first in terms of *population*, with a *growth rate* of 0.22%. It is expected to peak in 2030 while the workforce shrinks to 240 million people over the age of 65. The most *populated cities* in China include Shanghai, Beijing, and Shenzhen(World Population Review, 2022).

The *average age* of the Chinese *population* is 38.4, the average age of men is 37.5, and the average age of women is 39.4. Although China has 56 different ethnic groups, 91.51% of the Chinese are Han. The village owners have more than 1% of the *population* share. China is a *genuinely atheist country*, but according to a survey, 85% of Chinese residents have some religious beliefs, while only 15% consider themselves atheists. About 3% of the *population* is Muslim, and the Christian *population* is estimated to be about 5%. Between 10% and 18% of Chinese residents believe in Buddhism, while more than 30% believe in local folk religions (World Population Review, 2022).

Technology

E-commerce and Livestream retailing have been common in China in recent years. And it has been very successful in both areas. In particular, e-commerce in China is already ranked first in the world (Dykes, 2022). This is mainly reflected in the fact that China accounted for only 1% of the global e-commerce market ten years ago but now leads by 40% (Msadvisory, 2022). China has two most popular e-commerce platforms, which are Tao Bao (it belongs to Alibaba), a C2C e-commerce platform, and JD, also called Jing Dong, a B2B e-commerce platform. This was reflected in the November 11 holiday in 2021, which is also known as Singles' Day. These two e-commerce platforms, Taobao and JD, achieved a one-day combined sales of \$133 billion on Singles' Day (Dykes, 2022). Taobao sells

anything, products like cosmetics, clothes, flowers, kitchen utensils, wigs, and so on. Jing Dong is known for selling appliances.

Livestream retailing is a new idea for retailing in recent years in China, companies collaborate with live streamers to promote their products or sell them through Livestream (Greeven, 2021). Livestreamers Viya Huang (Huang Wei) and Austin Li (Li Jiaqi) help save a lot of businesses, and they bring many benefits to consumers like sales promotions. Significantly Viya also helps sell agricultural products to reduce damage and increase their incomes (Xu, 2020). Viya and Austin once sold a total of \$3 billion in goods in one day through Livestream (Cooke, 2022). China also uses Artificial intelligence technology in the fashion industry. Some of the Chinese designers, Zhang Chi's designs involve AI technology, which he uses to forecast fashion trends like color, fabrics, and patterns (Pan, 2017). Culture

China is a *multicultural country and heterogenous culture country* because there are *many cultures* in China (Sternquist, Lecture 5, 1998). Chinese culture is unique since China is a country with multiple nationalities. Even though almost all the people from Guangdong and Sichuan Province are Han nationalities, different regions have different eating habits. Eating habits are so different because they are deeply influenced by the diversity of geography and nationalities. Both Cantonese cuisine from Guangdong and Sichuan cuisine from Sichuan belong to the eight major cuisines of China, but they are very different in cooking methods and tastes. The main flavors of Cantonese cuisine are light, fresh, tender, smooth and sweet, while steamed and stir-fried dishes are the main cooking methods. However, the main flavors of Sichuan cuisine are mainly spicy, and the cooking methods are fried and simmered (Zimmermann, 2017). The biggest difference between Chinese and American food culture is that in China, people like to order a meal together and share. But in the United States, people like to order individually, and each person has his or her own piece of food (Mao, 2018).



Figure 1: Cantonese Cuisine

Figure 2: Sichuan Cuisine

China celebrates Lunar New Year, while the United States celebrates New Year (January 1). China celebrates the Lunar New Year for 16 days, from New Year's Eve to Lantern Festival (Cindy, 2022). However, Americans usually celebrate New Year for one days (Knorr-Evans, 2022). Northern and southern China celebrate the Lunar New Year in different ways. In northern China, people always eat dumplings during the Lunar New Year. But people always eat tangyuan (meaning reunion) during the Lunar New Year in the south. On New Year's Eve every year, most northern chinese choose to get together with their families to chat or watch the Spring Festival gala. In the south, less and less people choose to watch the Spring Festival gala on New Year's Eve, they prefer to play mahjong all night or hang out with friends. Nowadays, many provinces in the North still choose to get Spring Festival couplets (Chunlian) by hand paper-cutting and sticking them on their doors and houses. Southerners will put a pot of kumquat trees full of golden fruits in their houses during the Spring Festival. Usually, the tree will be hung on some auspicious words, such as peace, and Ruyi (Cindy, 2022). Chinese people also like to set off fireworks to celebrate the Spring Festival, but since fireworks are banned in urban cities, the activity of setting off fireworks is usually seen in rural areas.



Figure 3: Spring Festival couplets

Figure 4: Kumquat trees

China culture has *friendship patterns different than Americans*, for example, divorce (Sternquist, Lecture 5, 1998). In China, if a couple wants to divorce, they do not need to show the separation certificate to the Civil Affairs Bureau (marriage and divorce department in China) because China's divorce law does not require separation before divorce (Huang, 2022). Some states in the United States that do not require separation before divorce such as California, Texas, and Florida (Heinig, 2022). But states like New York still require a one-year separation before a couple goes to the supreme court to handle their divorce case if they want a "no-fault" divorce (Cordell & Cordell, 2022). One of the main *friendship patterns* differences between America and China is that according to China's divorce law starting on January 1, 2021, people must go through a 30 day cooling-off period, before going to the Civil Affairs Bureau for divorce (Zou, 2022).

The economy

China is the second largest *economy* (Silver, 2022). Before Covid, China's GDP annual percent from 2016-2019 was around the mark between 6%-6.9% (The World Bank, 2021). Although China's growth was steady around 6 percent, it was decreasing slowly each year from 2016-2019. For example, in 2018 the GDP growth percent was at 6.6%, meanwhile in 2019 the GDP growth percent decreased to 6.1% (Qui & Yao, 2020). Although the

decrease in 2019 is not as low as other countries and still within the range that the government wants, their growth has not been this low since 1990 (Qui & Yao, 2020).

The economy of China was impacted by Covid-19. China's annual growth rate has decreased from 6% in 2019 to 2.4% in 2020 (Mirazayev, 2021). Their growth rate of 2020 was their lowest since 1976 (Wang & Bermingham & Mullen, 2021). After having their lowest growth rate in 2020, for the first time in a few decades, the *economy* grew 8.1% in 2021, which was their best since 2011 (Yao & Crossley, 2022). Despite the growth, economists predict the growth will slow down (Yao & Crossley, 2022).

Majority of products are made in China. One reason why most of the products are made in China is because of the cheap *labor* (Bajpai, 2022). Since they have a greater supply of low wage workers than what is demanded, employers are able to keep wages low. The supply of workers comes from immigrants because they are willing to work even though the pay is low (Bajpai, 2022). China only started to increase their minimum wage because of the increase in the cost of living (Bajpai, 2022). For example in 2021, Guangdong, China, increased the minimum wage by 10% which is about "2,360 per month" (Bajpai, 2022). They would not increase the minimum wage if it was not for the increase in cost of living because they don't follow most laws.

China's economy is growing because of the increase in market share from international trade (Alon & Hale & Santos, 2010). China has looked to invest in foreign direct investments to expand its economy (Alon & Hale & Santos, 2010). It also attracts other countries into investing in China (Lardy, 2021). China is planning to invest in infrastructure with \$1 trillion yuan to help them come back from the pandemic (Hancock, 2022). The investment can help them improve their employment and help them improve their economy in the long term (Hancock, 2022).

Since 2000, *entrepreneurship* has been on the rise in China, both in state-owned industrial enterprises and non-state-owned private enterprises. Now more and more Chinese entrepreneurs want to turn their businesses from local to *international* (Javed, 2017). Even though the pandemic has had a negative impact on the global economy, it has not stopped Chinese people starting *entrepreneurship* (businesses). China believes that SMEs played an important role for the economic recovery from the pandemic. This can be seen in the fact that the entrepreneurship rate in 2020 increased by 5% compared to the rate in 2019 (Nhy, 2022). Not only do many Chinese start businesses in China, many foreign companies like to move part of their business to China, or choose to start businesses in China because of the advantages. In terms of *manufacturing*, China is still cheaper (*low cost*) than lots of countries, especially *developed countries* like the United States. Not only is China one of the world's major trading centers, but Chinese policies are increasingly favorable to foreign enterprises (Schwartz, 2021).

Labor and Employment Practices

Concerns about the rights of Chinese workers as well as competitive pressure on the global economy have been voiced as China's economy changed from being based primarily on agriculture and state owned business to one that employs a large number of people and is specialized in textiles (Dupuis, 2010). The two main policies that were put into place were the 1995 Labor Law of the People's Republic of China and the 2008 Labor Contract Law of the People's Republic of China's employment rules are excessively complex, and as a result many investors find China laws to be even more intimidating due to potential legal risk and liabilities that their company may face if they fail to comply (Boquen, 2022). Article 1 of the 1995 China labor law protects the legal interest and rights of laborers and employers, shapes the appropriate labor relationships and establishes and safeguards China's labor system among others (Boquen, 2022). The labor contract laws Article 1 was

passed in order to strengthen the labor contract system, establish the rights and obligations of both parties to a labor contract, preserve workers lawful rights and interest, and promote and foster a peaceful and stable working relationship (Jintao, 2007).

China's Contract law says that an employment contract must be in writing in order to establish a labor relation. Oral agreements are permissible for part- time work as an exemption to this requirement (Yang, 2018). Discrimination is illegal under People Republic of China (PRC) employment legislation. According to the labor law, women should have the same job right as men, and no one should be subjected to discrimination on the basis of ethnicity, sex, religion, amoung other factors. The employment promotion law of the People Republic of China (PRC) also states that all job applicants are entitled to equal employment and opportunities and can not be subjected to prejudice based on their physical, mental disabilities and whether or not they are from rural areas (Liang & Ma & Wang & Yao, 2022). The legal and standard working time in Mainland China is eight hours per day, forty hours per week, five working days, and two rest days. China's business hours are from 8 am to 6 pm (Pang, 2021). According to China highlights, Chinese workers are entitled to paid leave for the legally required 7 holidays, including New Years Day, Chinese New Year (Spring Festival), QingMing Festival, Labor Day, Dragon Boat Festival, Mid-Autumn Festival and National Day (Quan, 2022).

Barriers to trade

Such complex regulations and employment laws can be *barriers to trade*. Investors may not want to work with a company out of fear of potential legal risk and liabilities they may face if they do not comply with the set laws. It'll be much easier not to deal with any hassles. Holidays and business hours can also be obstacles to trade. The buyer must wait for their product or wait to get in communication with the seller because of time differentiation,

limited hours and required days off for workers. They can decide against doing business with a company because they require a product right away and can not wait.

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