

Labor Market Inequality during the COVID-19 Pandemic in China: The Moderating Effects of Gonghui and Working from Home

Xin Jin

Lecturer, Faculty of Economics, University of Toyama

Abstract (tentative):

This study aims to examine the impact of the COVID-19 pandemic on workers' employment outcomes in China, where the pandemic has brought about significant changes to the country's economy and society. Specifically, the study has three objectives. First, it examines differences in the impact of the COVID-19 shock on employment outcomes across workers with different individual and firm characteristics. Second, it investigates whether membership in a Chinese trade union (*gonghui*) has a moderating effect on the relationship between the COVID-19 shock and employment outcomes. Third, it examines whether the adoption of working from home (WFH) has a moderating effect on the relationship between the COVID-19 shock and employment outcomes.

The empirical analysis is based on individual-level data from the 2020 wave of the China Family Panel Studies (CFPS), conducted by the Institute of Social Science Survey at Peking University. Particular attention is paid to groups that have traditionally been considered more vulnerable during economic downturns, including women, migrant workers holding rural *hukou*, workers with less than a bachelor's degree, non-regular employees, and those employed in face-to-face service industries such as accommodation and food services. The study examines the effects of the COVID-19 shock on employment outcomes, including job loss, income reduction, changes in working hours, and the adoption of WFH. Furthermore, in light of the strengthened worker-protection role of Chinese trade unions (*gonghui*) following recent developments in labor legislation, the study investigates whether *gonghui* membership functions as a moderating factor that mitigates the adverse effects of the COVID-19 shock on employment outcomes. It also examines whether the adoption of WFH serves as a moderating factor in shaping these employment outcomes.

Keywords: COVID-19 Pandemic; Labor Market Inequality; Working from Home (WFH); Chinese Trade Unions (*gonghui*)