

# Nonregular Employment in China's Public Sector: Sociopolitical Rationales Underlying Its Demand and Supply

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**Abstract:** *This study examines the sociopolitical drivers of nonregular employment (NRE) in Shanxi Province's public sector through the detailed case analysis of county-level public organizations. I find that job seekers, especially in less-developed areas in Shanxi, are attracted to NRE positions due to the potential for an improved lifestyle and opportunities for privileges. These counties often focus on government infrastructure projects, leading to robust infrastructure but underdeveloped industrial and financial services. As a result, with limited regular employment options, job seekers gravitate towards NRE roles, which offer non-monetary benefits and social capital gains. Additionally, public organizations employ NRE as a means by which to integrate retired officials, tackle unemployment among youth, and handle top-down policy pressures with greater flexibility and minimal formal oversight, thereby indirectly safeguarding regular employees.*

**Keywords:** *Nonregular Employment, Bianwai, public employment in China*

## 1. Introduction

In the 21st century, we are experiencing globalization and have witnessed remarkable technological advancements. The shift towards an increasingly complex and fluid division of labor has sparked scholarly discussions about the rise of a new era marked by the prevalence of precarious work<sup>[1]</sup>. The reality that non-regular employment (NRE), in contrast to regular employment, results in a precarious work status—forming an overburdened and underpaid group lacking job security in many countries—has inspired scholarly efforts to elucidate the mechanisms of the power imbalance between employers and non-regular employees<sup>[2]</sup>. The goal is to raise broader societal awareness and establish a more equitable, fair, and productive relationship. To achieve this, it is crucial to thoroughly understand the rationales for embracing NRE from both the supply and demand sides. However, the existing body of literature primarily focuses on the private sector and largely perceives NRE as a response to market forces, while it neglects NRE in the public sector<sup>[3]</sup>. Consequently, the distinctive nature of NRE in the public sector and its resulting precariousness have not been adequately explored.

Why do non-regular employees accept or even pursue such precarious employment status? What motivates public sector employers to increasingly utilize non-regular workers? This study seeks to answer these questions within the context of county-level public organizations in China, such as public schools and lower-level administrative units, where the majority of non-regular workers in China's public sector carry out basic tasks at the grassroots level. While NRE is an increasingly prevalent phenomenon across the public, private, and third sectors, our focus is specifically on the public sector, aiming to scrutinize the unique logic of both supply and demand within public institutions. Public sector employment constitutes a substantial portion of the workforce in all countries, even those with relatively "small" governments. Therefore, the incentives, experiences, and challenges facing non-regular employees in the public sector share much in common with those in other sectors. However, public sectors, uniquely responsible for providing public services and managing public resources, require specific working conditions for their workers<sup>[4]</sup>. Thus, uncovering the underlying logic behind the prevalence of NRE in the public sector is important not only for expanding and deepening our understanding of the issue of precarious work but also for elucidating the changing dynamics within public administration.

## 2. Labor Casualization and Precarious Work: A Literature Review

The literature on the rise of precarious work<sup>[1]</sup> largely focuses on labor-cost saving considerations through a neoliberal lens. For instance, Aronowitz<sup>[5]</sup> points to technological progress as a driving force behind the increasing casualization of labor. If investment in machinery yields better returns, there is little incentive to expand employment. Consequently, the computer-led technological revolution has resulted in more traditional job losses than job creations, leaving individuals with fewer skills facing diminished job prospects.

Another set of arguments links the casualization of labor to the accelerating process of globalization, which has led to an increase in regime shopping. Through this process, capital has migrated to the most cost-effective regions, primarily in the global south, to capitalize on low labor costs and minimal regulatory hurdles. This trend has not only undermined labor protection in developing countries but has also trapped developed nations in a detrimental circle: increasing manufacturing outsourcing, reduced domestic infrastructure investment, and a scarcity of quality employment opportunities<sup>[1]</sup>. As a result, NRE has expanded as it meets both the profit-maximization goals of investors and the need for employment among workers.

A third mechanism centers on the theme of labor cost reduction in the realm of risk management, particularly when the economic outlook is uncertain. This approach is rooted in the process of corporate financialization, which incentivizes managers to prioritize rewarding investors rather than increasing employee incomes. Shigeru Miyamoto demonstrates a correlation between economic slowdowns and the expansion of NRE<sup>[6]</sup>. Firms employ non-regular workers to provide flexibility during periods of inventory accumulation, as these workers can be dismissed more easily.

While the neoliberal frameworks provide an important way of thinking about precarious work in the private sector, it is not convincing in explaining the labor casualization that takes place in the public sector. The fundamental reason is that, as already mentioned, the public sector, with its special responsibilities as the provider of public services, allocator of public resources, and coordinator of social conflicts, has concerns distinct from those of profit-oriented organizations. It is doubtful whether the market pressures that lead to the rise of precarious work status in the private sector are equally applicable to public employment. Katz<sup>[7]</sup> argues that public employment is an imperfectly competitive market where public workers, particularly civil servants, and service recipients have formed relatively stable patterns of interaction, making it difficult to replace them. Furthermore, public services have low price elasticity, meaning that users cannot easily avoid these services or find alternatives. Other scholars believe that public sector employees are empowered by the political nature of administrative work<sup>[8]</sup>. In reviewing the history of federal employees in the United States, for instance, Johnson demonstrates that, under the active promotion of labor unions, a belief was widely spread that tenure for the public sector workers served as the best antidote to prevent the public administration from reverting back to the era of patronage<sup>[9]</sup>. Furthermore, it was believed that tenure helped retain talented employees in the public sector and prevent political interference<sup>[10]</sup> when political parties alternate or require them to pursue narrow partisan interests. Moreover, since monitoring the performance of the public sector's work is costly, it is beneficial to design a deferred payment mechanism in which employees are deterred from shirking their duties out of fear of losing future higher returns<sup>[10]</sup>.

In retrospect, the history of public employment shows that the idea of job security and Weberian management has not gone unchallenged. One major challenge came from severe fiscal austerity measures<sup>[8]</sup>, coupled with public demands for improved administrative efficiency. In this context, New Public Management (NPM), which advocates for the marketization of government functions as the best solution to address inefficiencies in public administration, has gained widespread popularity<sup>[11]</sup>. In accordance with NPM rationale, the practice of outsourcing public services has gained credence, serving not only to bolster efficiency but also to tailor services more precisely to the unique needs of different regions. Consequently, NRE has found increased opportunities for growth in the public sector. At the same time, job security, generous welfare benefits, and seniority-based pay progression for statutory employees in the public sector have largely remained intact. The dual standards and stark disparities in human resource management between regular and non-regular employees are unique attributes of the public sector.

In the context of China, a recent report from Banyuetan ("Semi-Monthly Talk"), a widely circulated political magazine in Chinese mainland published by Xinhua News Agency, illuminates the stark contrasts between the regular and NRE modes in China's public sector. The report provides data from one county in China where the number of non-regular employees is 1.8 times that of statutory employees<sup>[12]</sup>. Yet, these statutory employees earn about 12 times more than their non-regular

counterparts. Researchers have explored the political rather than economic logic behind local governments' use of non-regular workers. For instance, some scholars have noted the proliferation of non-regular positions in China's public sector as a strategy used by local governments to address their shortage of human resources due to budgetary constraints<sup>[13]</sup>. Other scholars have investigated the covert political objectives that can be achieved through NRE. Heberer and Schubert argue that the flexible nature of NRE allows local governments to customize centrally determined policies<sup>[14]</sup>. Ong (2022) has demonstrated how China utilizes the informal status of non-regular workers to carry out unpopular actions, such as violent repression<sup>[15]</sup>. However, changes in the macro political environment, such as a slowdown in overall economic growth that results in a contracting labor market, and a shift in central-local government relations from incentivization to coercion—as described by Yang<sup>[16]</sup>—alter the operational dynamics within the public sector. Under the new circumstances, new incentives are driving both the demand and supply of NRE. However, due to the shrinking overall wealth growth rate and diminishing income expectations, individuals have become less tolerant of the significant differential treatment based on employment status and are more demanding of fairness. These changing dynamics in non-regular work have yet to be explored.

In sum, the distinct operational logic and concerns of the private and public sectors necessitate separate examinations of NRE in the public sector and its resulting precariousness. Furthermore, while the macro factors discussed in the literature on precarious work and labor casualization—such as technological progress, deepening globalization, and the boom-bust cycle—are significant, they should not overshadow the micro perspective, which focuses on the active choices made by both the demand and supply sides of NRE. Most importantly, these choices are highly dynamic and contextualized.

In this study, I investigate the socio-political factors driving NRE in China's public sector by conducting a micro-level analysis of cases within county-level public organizations in Shanxi Province. As I will demonstrate, job seekers, particularly those in less developed Shanxi counties, are drawn to these roles by the prospect of a better lifestyle and the possibility of privileges and rent-seeking. These relatively impoverished counties typically prioritize government-led infrastructure projects, resulting in solid infrastructure but weak industrial and financial sectors. With the shrinking service sector, the public sector remains the primary employment source, pushing job seekers towards non-regular positions due to the scarcity of regular roles. Furthermore, non-regular public sector employees often enjoy certain non-cash benefits and opportunities for social capital and rent-seeking, provided by their peers and superiors in return for their support in managing tasks and policies. On the employer side, public organizations embrace NRE because it is often a political task to absorb retired officials as a rewarding measure or to hire jobless young people to reduce the unemployment rate. More importantly, they capitalize on the flexibility and lack of formal accountability of non-regular employees to manage ever-increasing top-down pressure and discipline in policy implementation, creating a new layer of protective shield for statutory employees.

### 3. Methodologies

I adopted an exploratory case study approach to identify potential causal mechanisms that drive both the demand for and the supply of NRE in public organizations. Given that research aim is exploratory rather than confirmatory, I sought out “ideal cases” — public organizations where NRE is on a large scale. Data from labor dispatch companies and the human resources and social security bureaus in Shanxi Z county, show that departments with many auxiliary positions, such as courts, procuratorates, police, and government service halls, are the largest NRE adapters, followed closely by schools, accounting for approximately 35% of the total number of NRE (Internal documents). However, unlike the former departments, the majority of NRE in school logistics roles are labeled as such to comply with regulations, even though they are actually performing teaching duties (Internal documents). Consequently, we contend that schools are ideal research sites due to the similarity in tasks among school colleagues, who frequently compare performance and salaries, thereby underscoring the disparities and conflicts arising from their employment statuses. I conducted fieldwork in Shanxi, interviewing various stakeholders from two public schools in county Z.

In total, 31 in-depth interviews were conducted: 21 with non-regular workers, 6 with statutory employees, and 4 with individuals in school leadership positions. I deliberately considered the inclusion of more young professionals in our workforce, recognizing that individuals from diverse generations may bring unique perspectives when navigating varied labor markets and making employment choices. The younger generation epitomizes the latest employment trends and modes of thinking. As a result, nine young professionals (defined as those with less than five years of work experience) were recruited in our

sample. Additionally, I facilitated a focus group with 10 non-regular employees from the transportation management bureau, people's court and government service hall in county Z. This group was convened to ensure that the outcomes are not biased towards specific school practices.

I focus on the region of Shanxi because its non-public sector is less developed, as its economic development largely relies on raw materials. This makes the public sector, including its NRE, a popular choice for many job seekers. Furthermore, Shanxi was a pioneer in advancing public sector reform. The accomplishment of "abolishing about 1,000 public organizations without laying off a single person," as claimed by local officials, has prompted delegations from other provinces to visit and learn from its successful experience<sup>[17]</sup>. Thus, it provides a case to scrutinize the new developments in the public sector and their impact on NRE. Fieldwork was conducted in Shanxi also due to practical considerations, as it is the hometown of the author, who possesses an extensive local social network. This enabled me to investigate the internal dynamics of public organizations, a topic that is challenging for outsiders to approach.

#### **4. Who Are the "Non-Regular Workers" in China's Public Sector?**

Given the variations in the public sector's scope across different countries, defining the public sector can be a lengthy task. However, China's *bianzhi* system alleviates this challenge by drawing a distinct line between public and private employment. *Bianzhi* refers to the authorized number of personnel (the number of established posts) in a Party or government administrative organ, a service organization or a working unit<sup>[18]</sup>. It is a human resources framework established by the party-state to maintain the party's full control over personnel across public organizations and administrative bodies<sup>[18]</sup>. While civil servants are part of the *bianzhi* system, many statutory employees in the public sector, especially those who work in *shiye danwei* — public institutions for social services such as public schools and hospitals — as well as employees of state-owned enterprises with "*bianzhi*," are not civil servants.

In the era of the reform and opening-up policy, the *bianzhi* system underwent reforms in 1998 to adapt to the transition from a planned economy to a socialist market economy with Chinese characteristics. Through the "three fixes" program, known as *san ding* in Chinese, which controls public sector expansion by setting clear staff limits and defining administrative functions, this reform delineated the roles of government and market forces, and streamlined government functions<sup>[18]</sup>.

Employees in the public sector who do not possess *bianzhi* status are considered non-regular and are managed under a separate system. While there are Civil Servant Law and the Regulations on Personnel Management of *shiye danwei* (Public Institutions) governing the human resource management of public employees in China, regulations for NRE were not introduced until 2020 and still vary in their provisions across different regions. There is a noticeable salary gap between statutory and non-regular employees in the public sector. Statutory employees' salaries are regulated to align with national economic development<sup>[19]</sup>, while non-regular employees are only guaranteed wages not below the local minimum standard. The commitment to lifelong employment does not extend to non-regular employees, nor do they receive the various subsidies and benefits provided to statutory employees, such as transportation allowances. In practice, due to the lack of fiscal budget guarantee for non-regular workers, wage arrears, lack of upward mobility, perennial salary freezes, and even pay cuts are common<sup>[20]</sup>. While some non-regular technical workers may receive competitive salaries, this is not the standard. They usually lack union representation, and the decentralized nature of their work weakens their collective bargaining power, making it difficult to negotiate for improved working conditions and fair compensation.

#### **5. Why Do People Seek Non-Regular Positions in the Public Sector?**

In this section, I explore the rationale underlying the seeking of NRE in China's public sector from the perspective of the labor supply side. My research participants who seek non-regular positions in the public sector are largely driven by their desire for a high quality of life at a low cost, along with various privileges and rent-seeking opportunities. Such desires are more likely to be realized in less developed counties in Shanxi province that often prioritize government-led, infrastructure-based development, resulting in good infrastructure facilities but poor financial status and low economic productivity. In this context, the industrial and financial sectors are weak, making the public and service sectors the primary job options. As the service sector has also been shrinking due to the decline in the overall economy in recent years, the public sector becomes the only choice for job seekers, leading them to take non-regular positions, as regular positions are rare and highly competitive. Moreover, among the numerous non-cash

privileges offered by public organizations to their employees, some benefits are not exclusive to statutory employees and are also available to non-regular workers. Additionally, non-regular employees in the public sector obtain various social capital as well as rent-seeking opportunities, which are tacitly or even explicitly provided by their regular counterparts and superiors as rewards for their effective assistance in sharing workload and shouldering responsibilities in policy implementation.

### ***5.1 Scarce Employment Opportunity***

A certain portion of people opt for non-regular positions in the public sector because they are unable to find better employment opportunities. County A, the location where this research's fieldwork was conducted, is renowned for its abundant natural resources. It houses a variety of industrial support facilities, including those for metal products, chemical raw materials and products, ferrous metal smelting and processing, as well as coal mining and washing industries. Additionally, two other economic sectors, agriculture and services, approximately contribute 20% and 50%, respectively, to the total economic output of the region. Given that agriculture and most industrial products are in the preliminary stages of production, and the service sector is predominantly composed of traditional services, such as catering, rather than high-value-added financial or digital services, these sectors tend to offer fewer attractive job opportunities with competitive wages. In this context, seeking employment outside the county is a common recourse for many individuals. For instance, in a class of 40 students at a village school in County A, 30 children, which constitutes 75% of the class, have parents who work as migrant laborers outside the county.

For those reluctant to leave their hometowns for better job opportunities elsewhere, seeking employment in the public sector is a common path. This tendency has been particularly pronounced during the Chinese economy's transition from a boom to a bust cycle, characterized by excessive debt levels and deleveraging<sup>[21]</sup>, leading to overcrowding in the public sector due to its stable prospects. As Li (2023) notes, the emergence of a "civil servant economy," which provides stable incomes to employees, contributes to the vitality of county towns that might otherwise lack economic dynamism<sup>[22]</sup>. While regular positions in the public sector are limited and highly competitive, non-regular posts have become the second-best option for many job seekers.

Despite generally being underpaid and lacking both welfare benefits and job security, non-regular positions in the public sector offer individuals the means to support themselves and remain in their hometowns. For instance, one interviewee who had returned from studying abroad and found work as a non-regular public sector employee expressed, "I can't afford to be too concerned about the specific details of the job; as long as it covers my living expenses in my hometown, that's sufficient." Being the first in his family to receive a college education, he finds satisfaction in his office role, believing that "white-collar jobs better align with societal expectations for college graduates than blue-collar positions."

### ***5.2 Desire for a High Quality of Life at a Low Cost***

One might wonder why our respondents in small cities do not leave their hometowns for better job opportunities in larger cities. They argue that the quality of life can actually be better in smaller cities, a perspective informed by their understanding of China's development patterns. One of the primary drivers of China's rapid economic growth over the past two decades has been government-driven investment. Local governments actively seek funding from the central government for construction projects such as high-speed rail, highways, and infrastructure improvements. They have also become the largest borrowers from banks, engaging in active investment in infrastructure projects that often surpass the financial capacities of the total local population. This investment in infrastructure may help boost real estate development, which, following the implementation of the tax-sharing system reform, can generate land transfer fees—a significant source of income that local governments can retain for themselves. In fact, since 2017, these fees have accounted for over 30% of their total revenue for five consecutive years<sup>[23]</sup>. The rationale for these actions by local governments is straightforward: to increase local GDP, excel in evaluations by higher levels of government, and climb the bureaucratic ladder. As long as promotions occur swiftly enough, the burden of debt is deferred to the successors.

An economy driven by investment in infrastructure has made a significant impact on small counties. For instance, they now have readily available online shopping, reliable electricity, internet connections that rival those in big cities, well-maintained tarmac roads, and even impressive light shows and skyscrapers at night. However, when compared to big cities that started developing earlier, experienced a rapid influx of population, and actively utilized financial leverage, there is a noticeable difference in

the growth rates of property prices. In big cities, soaring housing prices have led to urban issues. To exacerbate the situation, the high ratio of housing prices to income has prompted developers to focus on smaller-sized, affordable housing in large cities. In contrast, houses in small county towns appear to be more affordable, with the income-to-house-price ratio in County A being less than 3. This means that living in a small town can make it easier to realize the dream of owning a comfortable home and living a convenient life. One interviewee showcased his house in the county and explained, "That's why I chose a non-regular position in the public sector in a small town over better job opportunities in big cities."

Moreover, the unbalanced local economy has resulted in the uneven distribution of the fruits of economic development to everyone. Despite the increase in GDP driven by infrastructure investment, local residents, especially those in the private or third sectors, generally see little improvement in their incomes. In contrast, salaries of statutory public workers typically experience a standard, incremental increase over time. Some interviewees explained that the underpaid income of non-regular workers is to some extent offset by their increased purchasing power, which is attributable to lower prices in County A. In short, China's development model, through transfer payments, supplements the nominal wages of non-regular employees in the public sector, thus attracting a cohort of pragmatic job seekers.

### 5.3 Flexibility and Non-Cash Benefits

An aphorism shared during an interview: "The wealth family remains where they originated, while the family facing financial hardship relocates," offered another perspective in understanding the reasons for people seeking NRE in the public sector. Contrary to the image that non-regular employees often face financial struggles due to low wages, some actually hail from affluent local families with rich social capital. The previously noted distinction between regular and NRE management systems in the public sector highlights the absence of stringent oversight in the human resource management of NRE. This creates opportunities for local cadres in a job-constrained economy to play a significant role in the allocation of resources by providing non-regular posts to their relatives, friends, or the children of their acquaintances. One interviewee mentioned, "J's father is the bureau director; everyone knows that's why he got the position (a non-regular post in the public sector)."

Many non-regular employees, especially those with connections or good relations with officials, can have easy jobs with simple, minimum tasks, as they are not subject to being evaluated with harsh key performance indicators (KPIs) like their statutory employee colleagues. One of the interviewees, Ahui, described his typical day: arriving at the office, taking a nap, going for lunch, playing online games for a while, and then spending about two hours checking and writing work documents before clocking out and going home. This allows the non-regular workers to have abundant free time for handling private affairs and leisure, enhancing their level of job satisfaction and compensating for their low wages.

Another way in which people convince themselves to tolerate underpaid incomes in non-regular positions is by taking advantage of the flexibility inhered in NRE. For example, some non-regular traffic police officers can simultaneously work as truck drivers. Additionally, since non-regular employees are not bound by the stringent rules regulating the behavior of statutory employees in the public sector, they have more room to capitalize on the opportunities afforded by the unique status of public workers to make a profit for themselves or their acquaintances. One non-regular employee with experience in government procurement (01) explained in the interview:

*When the government is willing to spend money to standardize the decoration of shops on the street with uniform signage, to offer incentives for people to clean up the environment, or to invest in promotional publicity, we, as non-regular workers in the public sector, receive this information quickly and can capitalize on such business opportunities. Additionally, when businessmen want to understand the government's policy priorities to inform or facilitate their investments, we can venture into policy consulting and offer insights into the areas where the government will concentrate its efforts.*

Public sectors typically provide their employees with more generous welfare benefits. While not all of these benefits are applicable to non-regular employees, certain non-cash forms of benefits, or even privileges, are accessible to them, as illustrated by Li's case. Li, a non-regular teacher at a public school, was able to enroll her child in the same school without paying tuition fees or lunch expenses. Our interviewees generally agreed that these benefits play a significant role in retaining non-regular employees by serving as an incentive. A regular employee with 22 years of experience (05) commented that "Additionally, non-regular employees in the public sector are highly sought after in the marriage market due to their extensive connections with civil servants and government officials, which constitute valuable social capital."

## **6. Public Organizations Embracing NRE**

In contrast to the practices guided by NPM, such as outsourcing some public services to private entities or having the public sector learn from private sector experiences, China's NRE may not always be the result of re-division of labor between public and private sectors. The government may, at times, utilize its flexible nature, treating it as a political tool to allocate resources in alignment with political objectives. As job security turned into a critical political concern, public entities started to recruit non-regular workers as a strategic means of lowering unemployment rates. Furthermore, while the local government's dedication to enhancing public services coupled with assertive land financing strategies has certainly escalated the demand for staff at the grassroots level of public organizations, the upper echelons' clear intention to streamline the public sector compels the acknowledgment of non-regular workers as a practical alternative.

### **6.1 Provision of NRE as a Political Task**

One type of non-regular positions in China's public sector are referred to as "the welfare positions", designed to demonstrate the government's commitment to creating job opportunities for disadvantaged members of society, such as individuals with disabilities. I come across internal government documents that emphasize the role of public welfare positions as a significant strategic tool in poverty reduction. These documents commend the efficient allocation of public funds to assist individuals facing unemployment challenges while also reducing government's labor costs.

Some non-regular positions in public service are reserved for retired officials or high-ranking veterans. These positions are typically assigned minimal and easy responsibilities. For example, at Organization J, which the researcher visited, there were multiple non-regular positions designated for retired officials and veterans, leading to apparent over-staffing. As some interviewees described, "a cup of tea for a whole day" vividly illustrates the minimal workload of non-regular workers at the organization. Given that the work location is in the countryside, surrounded by large fields, one non-regular worker even took up farming activities, like vegetable cultivation, to pass the surplus time at work.

Apart from being reserved for retired officials, these "welfare positions" are increasingly being utilized as a strategic measure to mitigate unemployment rates. For instance, the eligibility criteria for these non-regular positions often require applicants to be registered unemployed urban residents receiving the minimum living allowance and who have been jobless for over a year. One public organization that the researcher visited had no personnel shortage, yet it still requested 100 non-regular positions, approximately 60 of which have been filled. This is because it has been tasked by the higher echelons of government with the goal of reducing unemployment.

In the face of escalating youth unemployment, the 2022 Report on the Work of the Government, presented at the 12th National People's Congress of the People's Republic of China, emphasized the critical need for job creation as a primary policy objective. This emphasis was reinforced by the proactive policies of China's National Development and Reform Commission, which advocates a preference for human labor over machines in Work-for-Relief program<sup>[24]</sup>. Consequently, college graduates who are struggling to find employment have been recognized as a new demographic eligible for these "welfare positions". Quoting the words of an official, "*It is more economical to employ young people at a cost of 1,700 yuan per month than to pay unemployed youth directly.*" Based on the local standards for unemployment benefits, this income does not significantly surpass the unemployment payout, which is approximately 1,700 yuan, and even lower than the minimal wage standard of around 1,800 yuan. The official is of the opinion that the formation of non-regular positions has generated a reservoir of employment opportunities. He suggested that as the economy enters a phase of positive growth, the lower wages would motivate young people to exit the non-regular positions in pursuit of more stable and better-paying positions.

Clearly, the narrative that frames NRE in China's public sector as "welfare positions" has transformed the recruitment and management of these roles into a political task, with the aim of portraying the government's responsibility for the common good and its responsiveness to societal needs. However, this approach is largely performative in nature. In an interview, an official candidly revealed that the rationale behind the low wages for non-regular employees is to encourage them to leave quickly, thereby maintaining a pool of job opportunities for the unemployed groups that the government prioritizes at any given time. Moreover, non-regular positions offer insufficient training and support to help these workers transition to regular roles. Amid financial constraints and limited government resources, non-regular employees in the public sector are often the first to be laid off. Those impacted by these layoffs typically

express pessimism about their future prospects, bemoaning the years spent in the public organizations with no clear alternative career paths.

### **6.2 Convenient Expansion of Manpower Circumventing the *Bianzhi* System**

The central government in China typically sets ambitious and somewhat vague policy directions, allowing local governments to tailor the specifics of these policies. As a result, each government tier relies on the administrative level below it for implementation. Within this structure, lower-tier public organizations often bear the heaviest workloads and carry the most significant responsibilities. With the increasing variety and volume of public services and policy enforcement, these organizations face mounting burdens and pressures. To address these challenges, NRE has become a convenient solution to expand the workforce without changing the official *bianzhi* quota system, which is “determined top-down based on financial, demographic, and other factors with the goal of streamlining the public sector” (Interview 01), rather than based on actual labor needs.

For instance, during a visit to adjacent counties A and B, it was observed that County B’s per capita GDP is approximately 1.5 times that of County A. In an effort to catch up, County A has aggressively engaged in land sales, promising public schools in residential communities to attract real estate investment—a strategy not pursued by County B. Consequently, despite having only about 1.6 times the population of County B, County A has around six times the number of schools and 4.7 times the number of students. Nevertheless, due to its more limited financial resources and smaller population, County A has fewer *bianzhi* positions for public schools compared to County B. Comparing the two largest public schools, C School in County A has 800 students with only 26 *bianzhi* positions, while D School in County B has about 900 students with 100 *bianzhi* positions. Consequently, County A’s public schools rely on an increased number of non-regular positions to address their staffing shortfall, and the majority of the primary work responsibilities are shouldered by non-regular employees. “*The gap between the bianzhi quota and actual needs often leads higher-level government departments to support the expansion of non-regular positions in lower-level organizations, said a person in charge of the bianzhi work (Interview 03). “Due to the mismatch between the entities benefiting from committing to more public services and units providing services, excessive commitments are easily made, so does the expansion in the scale of NRE” (Interview 03).*

Moreover, non-regular positions add an additional layer to public organizations to manage the workload and responsibilities due to their temporary and flexible nature, which often lacks formal accountability. A crafty mechanism to smooth the accountability-shifting is observed. Initially, the public sector launches shorter tenders for NRE to invite labor dispatch companies, like one year, which fall significantly short of the legal requirement that labor contract needs to be signed for a minimum of two years. Since labor dispatch companies mainly supply labor to government departments, they are hesitant to take on the responsibility of fulfilling the two-year contract obligation and often operate in a gray area. This situation creates an environment where, to meet compliance standards, dispatch companies resort to transferring workers’ contracts between different dispatch companies. As a result, with responsibilities spread across multiple businesses, the government effectively designates itself as secondary responsible parties and various risks, such as workers suing government entities for failing to meet minimum wage requirements, are reduced.

Non-regular positions in the public sector are intended to serve as “supporting roles” and “technicians,” rather than being the primary workforce responsible for the daily operations of the organizations<sup>[22]</sup>. Furthermore, the party-state’s official media outlets have emphasized that the employment of non-regular staff should occur under restrictive conditions. For example, key functions such as finance should not be staffed by non-regular workers. However, in practice, non-regular workers frequently undertake significant responsibilities. For instance, non-regular workers within the traffic police team reported that they had effectively assumed the responsibilities of regular staff. One interviewee stated, “*The regular colleagues dump all the work on us*” (Interview 04), which has led to non-regular employees playing a more active role in managing road traffic. As a result, the substantial involvement of non-regular employees in traffic police duties has semi-institutionalized their role as auxiliary police. As non-regular employees increasingly become the de facto enforcers of policy in their dealings with the public, they also inherit a share of the blame for policy failures. This situation can be seen as a strategy to maintain the image of infallible excellence within the formal bureaucracy and its leadership. Media reports have indicated that non-regular employees are often made scapegoats for policy failings<sup>[25]</sup>.

## 7. Implications

The presence of a significant number of NRE in the Chinese public sector represents a departure from the New Public Management trend that swept through the West in the 1980s. In contrast to the Western environment of that era, characterized by fiscal constraints, financial crises, China's landscape over the past two decades has witnessed rapid economic growth and asset appreciation, resulting in increased fiscal resources. Therefore, unlike the New Public Management paradigm, which emphasizes lean and efficient government size, NRE in China, as per our data, was used as a strategy to sidestep personnel quotas and expands the shadow public workers. In the realm of NRE in China, the marketizing public service measure advocated by New Public Management is not apparent due to the absence of market entities. Those public services, even provided by non-regular workers remains within the public sector's domain, with some individuals being hired at the will of senior leaders. NRE should also not be confused with outsourcing. Unlike outsourcing, which involves subcontracting tasks to professional market entities, dispatching is a cunning 'innovation' designed to distribute labor risks between the employer and the labor dispatching company. In fact, in the Chinese context, factors such as lower living costs in underdeveloped regions, personal connections, and non-monetary benefits provided by the public sector was the forces that have helped compensate the low wages of newly recruited NRE.

Despite the continuous progress in legal construction in China, the presence of NRE highlights the fact that personal rule remains an integral part of governance in China. The lack of sufficient constraints on public power and the hypocritical nature of welfare positions will continue to be obstacles in front of China's ambitious commitments to improving workers' income and benefits.

## 8. Conclusion

It is important to acknowledge the limitations of this study, which are inherent in the small-N case study approach, particularly with respect to the generalizability of the findings to various regions and administrative tiers. The insights gained should primarily be considered as a basis for hypothesis formation and cautiously adapted to different settings, bearing in mind that the factors influencing NRE are likely to vary across different regions and within the various layers of the party-state system. Subsequent research should focus on exploring NRE across a wide range of regions and administrative levels throughout China to gain an in-depth understanding of the progression of NRE in the public sector, paying special attention to how local nuances interact with overarching national trends.

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## Appendix

01, *non-regular member, responsible for publicity posts, interviewed in Shanxi and lasted about 50 minutes*

02, *Bianzhi office staff, responsible for promoting bianzhi reform, interviewed in Shanxi and lasted about 50 minutes*

03, *The person in charge of the school, Update the employment demand every two years to report to the Education Bureau, and set the quota through tripartite communication with the bianzhi office, interviewed in Shanxi and lasted about 30 minutes*

04, *The non-regular traffic cop, He pointed out that due to law enforcement safety considerations, a certain number of personnel need to be maintained for each police mission, with often only one person being a statutory employee, while the rest are non-regular workers. This arrangement results in statutory employees having more holidays than non-regular staff, leading him to believe that non-regular workers are shouldering the core functions of the organization, interviewed in Shanxi and lasted about 20 minutes*

05, *Court workers, interviewed in Shanxi and lasted about 15 minutes*