

**Beyond the Iron Rice Bowl:  
Life Stage and Family Dynamics in Unemployed Chinese Workers**

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## Abstract

The shift from a socialist to a market economy in China can be thought of a “policy induced life event” (Zhou & Hou 1999), particularly for those urban workers who had previously held secure jobs in state owned enterprises. For workers, layoffs [*xiagang*] and unemployment status [*shiye*] mean they must cope with the unfamiliar challenges of job search and the threat of economic hardship, both of which influence psychological responses to unemployment in ways that distinctively reflect the Chinese experience. We review the research literature on the psychological impact of unemployment in Western workers and then examine the Chinese case, focusing in particular on survey data from a sample of 2,412 laid-off Chinese workers in seven cities in China. The impact of unemployment on workers’ coping patterns, their experience of economic hardship and their mental health depend to a great extent on life stage (Price & Fang, 2001). Young, midlife and older workers show quite different responses to the experience of unemployment. We interpret these differences using a “life course” perspective, noting some generational experiences such as the Cultural Revolution that are unique to the Chinese case. In addition, the psychological effects of unemployment are shaped by culturally determined relationships between spouses. In particular, we find differences between husbands and wives in level of social support and undermining behavior in response to economic hardship. These differences are important underlying mechanisms that influence the psychological experience of unemployment in the Chinese family and reflect culturally distinctive patterns of family relationships. Our findings suggest a broadened theoretical understanding of the impact of life events, stress and coping emphasizing the relevance of the life course and culturally shaped family dynamics. In addition, we consider the importance of job search skills and education in a rapidly changing Chinese labor market.

## Introduction

The forces of globalization and economic reform in the People's Republic of China have led to government efforts to downsize state owned enterprises and support a competitive labor market. This means that urban Chinese workers who have been laid off (*xiagang*) no longer benefit from the employment security of the Chinese socialist state and are being forced to experience the uncertainties and stresses of unemployment and job search. Unemployed workers and their families have been forced to compete in unfamiliar and increasingly competitive labor markets. The employment transitions occurring in the People's Republic of China are particularly rapid and intense, and are creating powerful demands on individual workers and their families to effectively cope with economic stress and labor market uncertainty (Lee, 1998; Perry and Selden, 2000; Riskin, 1999; Tang and Parrish, 2000; Zhou et al. 1997; Warner, 2000, 2001).

**Leaving the security of the "iron rice bowl" and entering the world of unemployment, job search and economic uncertainty.** The scope and rapidity of social and economic change in China influences the psychological responses of workers and their families in immediate ways as they attempt to respond to their new economic circumstances. In the past, urban workers in China could expect to partake from what has been called the "iron rice bowl" (Hughes, 1998). Workers were assigned by government authorities to jobs in state-owned enterprises, and employment was assumed to be secure for a lifetime. Wages were guaranteed under this system, and the state-owned enterprise also arranged for housing, health insurance, pensions, and other benefits. Wong (1998) has argued persuasively that state sponsored welfare benefits may not have been nearly as universal or as supportive as they have sometimes been claimed to have been. Nevertheless, the shift to a market economy and the breaking of the iron

rice bowl reduced the benefits enjoyed by workers in state-owned enterprises in sweeping and pervasive ways, which has in turn influenced the psychological sense of security, mental health, coping efforts, and family dynamics of urban workers in China.

**Findings from the West on the psychological impact of unemployment.** Are there findings from psychological studies in the West that might shed light on what we might expect to observe in the psychological responses of Chinese workers to unemployment? There is a long tradition of research on the adverse psychosocial and health effects of unemployment on workers and their families in Western countries, particularly in periods of economic recession. Meta analyses (e.g., McKee-Ryan, Song, Wanberg, & Kinicki, in press) of the health and mental health effects of unemployment, as well as a recent review by Price and Kompier (in press) indicate that elevated levels of anxiety, depression, alcohol abuse, child mistreatment, and marital disruption (Catalano et al., 1993; Howe et al., 1995; Price, 1992; Price et al., 2002; Vinokur 1997; Vinokur et al., 1996) are some of the adverse consequences of job loss and unemployment. But these studies, while useful in documenting the adverse health and mental health effects of unemployment, do not reveal the psychosocial mechanisms that connect the life event of job loss and unemployment status to the psychological impacts themselves. However, a number of studies have identified specific conditions of unemployment that lead to poorer mental and physical health. Perhaps the most important determinant of poor mental health, particularly depressed mood, is economic hardship (Kessler et al., 1987, 1988; Price et al., 2002; Vinokur, 1997; Vinokur et al., 1996). The reason that economic hardship is associated with poorer mental health is that it often produces a cascade of additional stressors in the lives of unemployed workers and their families, including loss of health benefits, inadequate food, and loss of access to satisfactory housing and transportation (Price et al., 1998). In addition, unemployment and economic hardship can produce

disruptions in family equilibrium, increased marital conflict, and loss of social support in family relationships (Vinokur et al., 1996).

Of course, these findings can be useful as a preliminary way to identify adverse outcomes that link job loss to negative mental health and family outcomes in Western populations, but when applied to the Chinese context they do not take into account the critical role of contemporary Chinese economic policies and labor market conditions, cultural traditions and practices in the family, and the historical experience of Chinese workers. These are the questions that we address in the present chapter.

***Xiagan* triggers a series of "policy induced life events" that influence workers' psychological responses and life course trajectory.** The psychology literature on unplanned life events and transitions (e.g., Kessler, Price & Wortman 1985) suggests that these life events and crises can have adverse effects on the health and mental health of those experiencing them. As Price & Fang (2002) have observed, "These policy induced events often mark the beginning of a cascade of stressful individual life events for workers and their families including changes in the internal family economy, economic hardship, job search efforts, stressful reallocations of family roles, participation in the irregular economy, and increased reliance on personal and family networks for economic support" (p.417). The impact of unemployment influences not only the immediate economic and psychological well-being of individual workers, but also their life trajectory (Elder, 1974, 1995). We argue that the shift from a socialist to a market economy in China can be thought of a "policy induced life event" (Zhou & Hou 1999), particularly for those urban workers who had previously held secure jobs in state-owned enterprises. For these workers, unemployment means they must cope with the unfamiliar challenges of job search and

the threat of economic hardship, both of which influence psychological and interpersonal responses to unemployment in ways that distinctively reflect the Chinese experience.

The literature on life events has seldom been linked to the larger social changes that generate them. In one notable example, Elder (1974) described the impact of the Great Depression on the lives of unemployed workers and their families during that period of dramatic economic and social change. *Xiagang* for Chinese workers in the context of the current social change from a planned to a market economy eliminates the security previously provided by state owned enterprise. For workers and their families, that security has been replaced by economic uncertainty, substantial reductions in income, and the challenges of engaging in the search for employment and income in a new competitive labor market.

**The distinctive impact of life stage and family dynamics on Chinese workers' psychological responses to unemployment.** Thus far we have suggested that is important to understand the psychology of unemployed Chinese workers in terms of the larger social changes associated with economic reform in the People's Republic of China, and to look for continuities and discontinuities with the Western research literature on unemployment. But for a more complete picture of the Chinese context, we believe that at least two other distinctive influences need to be taken into account: 1) the age and associated career stage of unemployed workers, and 2) the dynamics of support and undermining between spouses in families dealing with unemployment.

We will consider empirical evidence that the impact of unemployment on workers' patterns of coping, their experience of economic hardship, and their mental health depend to a large extent on their life stage. As we shall see, Price & Fang (2001) have shown that

young, mid life and older workers respond quite differently to unemployment. We will interpret these differences in the life course framework, noting that some generational experiences such as the Cultural Revolution are unique to the Chinese case. In addition, we will argue that the psychological effects of unemployment on Chinese urban workers are shaped by culturally determined relationships between spouses. How husbands and wives provide social support and engage in undermining behavior with one another in response to unemployment and economic hardship emerges as a critically important factor. These differences in patterns of support and undermining behavior by husbands and wives are important underlying relational mechanisms influencing the psychological experience of unemployment in the Chinese family. These differences reflect culturally distinctive patterns of family relationships, at least in comparison with Western couples experiencing unemployment.

### **Life stage as an influence on the psychological impact of unemployment**

The downsizing of state-owned enterprises in the People's Republic of China created massive job losses and shifts in the labor market. It is also a significant historical event that has affected the lives of millions of Chinese workers. The political and economic instability of past decades has created generations of Chinese workers who have been forced to deal with drastic changes in government policies and regulations at different stages of their lives, and many are now facing the predicament of being without a job. Hung and Chiu (2003) spoke of the "Lost Generation" who are now in their late 40s and early 50s, and argued that this generation of Chinese workers is the most disadvantaged in this time of labor retrenchment. They proposed that the loss of a job could have very different implications for individuals "depending on their

life cycle position. In particular, the difference in the meaning of job loss will be great between those at the stage of family building and those in early adulthood or near retirement.” (p.207).

Based on interviews conducted with 80 “redundant workers” in Beijing, Hung and Chiu (2003) showed that the life course of the Chinese workers was significantly altered and shaped by major government policy changes that were implemented at various stages of their lives. In particular, campaigns such as the “send-down” policy during the Cultural Revolution that ordered urban youths to work in rural areas, the late marriage policy, the one-child policy, and finally the recent economic reform that has led to the current massive workforce reduction, have all served to reduce the life and career opportunities of the “Lost Generation.”

More broadly, recent studies of life course dynamics have suggested that social structures and social change often interact with biographical and psychosocial characteristics (Elder and O’Rand, 1995). This research shows that major life events can produce differential impacts on the course of individual lives, depending on factors such as the person’s age, social roles and expectations, or the availability of material and psychological resources and constraints. McKee-Ryan et al. (2004) found that coping resources and cognitive appraisals play an important role in the well-being of unemployed individuals. For example, the availability of financial resources and social support, and the ability to structure one’s time during this stressful job search period, are all significant predictors of individual well-being during periods of unemployment. Interestingly, the appraisal of one’s financial situation is an even stronger determinant of well-being than the mere presence of financial resources, which suggests that addressing the perceived needs of laid-off workers (“Am I in need of ways to find more money?”) might be more important than simply assessing the objective resources available to them.

These findings suggest that impact of unemployment might vary substantially depending on the individual characteristics of the affected workers. As an attempt to understand these dynamics in the current Chinese context, we collected data from a large field study, the Jobs in China Project, and sought to identify sub-groups of Chinese workers that might be differentially affected by policy-induced unemployment (Price and Fang, 2002). This study was conducted in the People's Republic of China in 1999-2000. Respondents were 2,412 unemployed Chinese job seekers who had been unemployed for approximately eighteen months and had worked for an average of seventeen years before they had lost their jobs. The sample included a mix of workers on furlough (*xiagang*) and those who were registered as unemployed (*shiye*).

Based on what we know from the general literature on the psychological effects of unemployment and utilizing a life course perspective, we expected that different patterns would emerge for the unemployed Chinese workers based on three key dimensions (1) their position in the social structure and stage of life, (2) their perceived coping needs, and (3) their experience of economic and psychological distress. To measure these variables, the study focused on four demographic characteristics (age, education, gender, and marital status), two coping needs reported by unemployed workers (job search and financial skills), and two measures of distress (financial strain and depression). Demographic characteristics reflect one's stage of life and position in the social structure. As markers of human capital, such information is readily available to potential employers in China and can greatly affect worker perceptions of their life trajectory and chances in the labor market. Therefore these background characteristics are likely to be key drivers of both the expectations and outcomes of the unemployed Chinese workers.

K-means cluster analytic techniques were used to identify sub-groups of unemployed Chinese workers who were distinct in their patterns of demographic characteristics, coping needs

and levels of financial and psychological distress. Of the 2,412 respondents in the sample, 1950 had complete data on all eight variables for analysis. Based on a solution that had no fewer than 10 per cent of the cases represented in any particular cluster, three clusters were found.

**The survivors, the worried young, and the discouraged old.** Cluster 1 (which we called “the survivors”) consisted of 679 unemployed workers who had the highest average education level and reported the lowest need for job search and financial coping skills. They also reported the lowest levels of financial strain and depression. Cluster 2 (“the worried young workers”) consisted of 575 unemployed workers who were much younger and less likely to be married than those in the other clusters. These workers had slightly higher than average education levels, but expressed the highest job search and financial coping needs, as well as higher levels of depression than the other two groups. Cluster 3 (“the discouraged older workers”) consisted of 696 unemployed workers who were much older, and had the lowest average level of education. These workers reported an average level of needs for job search skills and skills in coping with financial matters, but expressed the highest level of financial strain. Consistent with our prediction, demographic variables, in particular age and education, explained the most variance in the specification of the cluster membership (30 per cent and 28 percent respectively).

In addition, we also found that the worried young workers were the least likely to receive benefits from their last employer, and had significantly lower monthly incomes than the other two groups of workers. However, they were most likely to see their next job as a stepping-stone and had greater expectations of a higher-level job in five years. On the other hand, the discouraged older workers were most likely to expect doing the same work in five years and saw financial motivation as the main reason for work. They were also the most eager to retire.

These results suggest that the impact of job loss resulting from the economic reform in the People's Republic of China varies significantly depending on the life stage of the workers and the psychosocial resources available to them. As the Chinese labor market becomes more competitive and relies less on kinship ties and seniority in determining employment opportunities, education and age become important factors influencing the career trajectories of unemployed workers (e.g., Tang and Parish, 2000; Zhou et al., 1997). "The survivors", having the highest levels of education, are mature enough to establish an occupational career and contacts, but not too old to be obsolete in the labor market. They thus appear to be the best equipped to deal with the new competitive labor context and the least disturbed by the loss of their jobs. With little economic and psychological distress, they have few needs for new coping skills.

On the other hand, "discouraged older workers" are near the end of their working lives, have the lowest levels of education, and are likely to face the greatest difficulties in moving on to a new job. The workers in this age group, described as the "lost generation" in Hung and Chiu (2003), were "too young to be retired but too old to find a new job easily" (p. 215). A respondent in Hung and Chiu's study aptly illustrated the predicament of these older workers, "Our generation had bad luck. When we should have been at school, we were caught up in the Cultural Revolution, so ten years of our lives were wasted. When we should have started working, we were sent instead to the mountains and down to the villages. We earned just enough to support ourselves so we couldn't support our parents. What's worse, we're left with all these ailments. When we were eventually allowed to return to Beijing, all we wanted was an iron rice bowl. Who would expect that we would finally end up as *xiagang*? In my lifetime I really haven't enjoyed even a few years of comfort." (p. 219). With the lack of career mobility, it is not

surprising that this older generation of workers sees retirement as a refuge from a lifetime of hardship.

“The worried young workers” represent a group of individuals who aspire to upward job mobility, but are confronted with the challenge of facing the uncertainties of an emerging competitive labor market at a young age. Elder and O’Rand (1995) suggest that “when social change creates a disparity between claims and resources, goals and accomplishments, the corresponding loss of control prompts efforts to regain control” (p.468). This need to regain control is clearly exhibited by the younger workers, who are distressed by job loss at an early stage in their lives, and greatly desire the acquisition of new job search and financial coping skills to fulfill their career aspirations. Without much work experience, these young workers are also pressured by the need to establish an occupational identity, which adds to their distress (Donovan & Oddy, 1982).

While this is a difficult time in their young adult lives, we suspect that many of these young workers may eventually emerge with better skills to cope with the new economy. Having been exposed to the competitive market economy at a young age, they are keenly aware of the need to acquire job search skills and are thus more likely to take advantage of government retraining and reemployment efforts. Furthermore, the lack of benefits from previous employers serves as an additional motivating factor for them to look for a new job. As revealed by Tsui’s (2002/2003) interviews with *xiagang* workers, those who received a living stipend from their previous work units were actually less likely to seek new employment. In fact, Tsui argues that adversity might actually help toughen individuals and encourage them to accept the harsh reality of a competitive labor market, and increase their resolve to search for job opportunities.

This leads us to an interesting question: If adversity helps build resilience, should we not expect the “discouraged older workers” to be the most resilient of all? Having experienced the Cultural Revolution and suffered mental and physical hardship in impoverished rural working conditions, wouldn’t these older workers become more resilient in dealing with job loss?

**Cultural Revolution as a source of resilience or vulnerability?** Zhou and Hou (1999) have suggested that those sent to rural areas during the Cultural Revolution might actually have benefited from emerging economic opportunities after they returned to the urban workforce. On the other hand, they suggest that those not “sent down” may have been locked into jobs in the state sector, and were thus less able to take advantage of the new opportunities emerging from the economic reform. While the loss of job security may have come as a shock to the urban workers, the rural experiences of “sent-down” workers may have increased their perseverance and ability to deal with such stressful events, and also their willingness to take risks and explore new opportunities for survival.

Providing support for this argument, Tsui (2002/2003) found that sent-down workers were more successful in their job searches or job creation efforts than those who had never worked in rural areas. When talking about layoffs and job searches, the former sent-down out? workers attributed their resilience and reemployment success to their rural experiences because “after those years in the countryside, the hardships now are nothing” (p. 524). Thus Tsui (2002/2003) describes a 50-year old man, a former “sent-down” who was later laid off from work in the city, who willingly slaved more than 12 hours a day for a year in order to learn the retail business before starting his own hardware store, which he and his wife have operated 12 hours a day, every day, even when the husband was hospitalized. Another 47-year old woman

took up a job as a janitor even though many people are unwilling to do such dirty work. To her “it is not that different from what I had done in the countryside.” (p. 525). Reflecting the life perspectives and work orientations of such former “sent-downs”, another woman commented that “based on my experience, if you really want to work, you can always find a job” (p. 525).

These narratives provide a unique perspective on research that examines the impact of the Cultural Revolution and the “sent-down” policy in China. Many of the studies that have examined political changes in China have tended to emphasize the adverse effects caused by such turmoil (e.g., Hung & Chiu, 2003), suggesting that the Cultural Revolution and its associated social changes are a source of vulnerability for Chinese workers. However, as suggested by Zhou and Hou (1999) and Tsui (2002/2003), the “sent-down” policy might also be a source of resilience that has helped increased their coping skills and buffer them from future adversity. While the “lost generation” might have suffered under various government policies at different stages in their lives, some of them might have benefited in a particular way by learning to appraise the unemployment situation from a more adaptive perspective.

### **Cultural Influences on Chinese Couples in Coping with Unemployment**

Unemployment tends to initiate a cascade of negative psychological experiences such as financial strain, depression, and decreased feeling of personal control, which in turn leads to impaired social functioning and poor physical health (Price, Choi, & Vinokur, 2002). Empirical studies have also demonstrated that unemployment degrades the quality of an individual’s interactions with his/her spouse and/or significant others (Vinokur, Price, & Caplan, 1996). Because of its intimacy and significance, the relationship between a couple (husband and wife or collocated romantic partners) is affected immediately and severely by a person’s job loss.

Vinokur and his colleagues (1996) found that financial strain resulting from unemployment is a direct predictor of the levels of depression of both members of a couple.

The negative social ramifications of job loss may be particularly severe in the Chinese context, which has been historically characterized by a high collectivistic orientation and the importance of face-work (face-saving and face-giving) targeted at protecting the positive value that individuals attach to their situated identities (Hu, 1944). As Hung and Chiu (2003) observe, “Many xiagang workers found not only their material life but also their social life affected.... they avoided talking about xiagang with their neighbors.... They were also very sensitive to other people’s views on the issue.... Relationships within the family and with relatives were also affected” (pp. 217-218).

To understand the social and family underpinnings of job loss among the Chinese, we attend to the psychological dynamics within 629 Chinese couples following the job loss of one member of the couple. Although Vinokur et al.’s (1996) analysis revealed that the impact of couple-related dynamics (partner’s depression, social support/undermining from the partner) on the unemployed individuals’ depression or relationship satisfaction was not different between males and females in couple interaction, we propose that the couple-dynamics develop differently and produce distinct effects on the couple’s subsequent psychological outcomes.

As we described above, an unemployed person’s life course or unique generational experience (e.g., the Cultural Revolution) importantly influences his/her psychological reaction to job loss. Similarly, gender and marital role may play a significant role in shaping job seekers’ relational dynamics with their spouses due to several distinct characteristics of Chinese culture. First, the existence of relatively strong gender and family roles in China (Hofstede, 2001) results in a social norm dictating that men are responsible for the financial support of their family, while

women are in charge of maintaining the household, which may induce different interpretations of and psychological reactions to the unemployment of husbands and wives.

Second, empirical studies have shown that face-saving is more important in Asian countries than in the west (Hofstede, 2001). In Asian countries, “face” is an essential element in the development of a proper relationship with one’s social environment. Face is lost when individuals, either through their own actions or those of people closely related to them, fail to meet essential requirements placed upon them by virtue of the social position they occupy (Hu, 1944). In Chinese society, males tend to be more concerned about face (or social dignity) than females because of the traditional superiority and status ascribed to men. This tendency also offers Chinese women an advantage in job search activities: “Because women are considered inferior to men in Chinese society, with less need to protect their pride, it is easier for women to engage in service jobs” (Tsui, 2002/2003, p. 527). Thus, unemployment may put Chinese men in a more stressful position with respect to their interaction with their spouses than it does for women.

Finally, while Chinese women face less need for face-saving than men, they may be in a lower power and status position in their marital relationships, which makes them more vulnerable to hostile interactions such as social undermining from their husbands (Menaghan, 1991). Given the salience of power differentials in the form of male dominance in Chinese society, unemployed wives may become more sensitive and responsive to social undermining from their husbands.

Considering these unique cultural characteristics, we expect that when unemployed, Chinese women and men experience different interactive dynamics with their spouses, which in turn generate different psychological and relational outcomes for the couple. We examine these

potential gender and family role -dependent couple dynamics among unemployed Chinese using the data collected from a large field study conducted in the People's Republic of China (JOBS in China project, see Fang & Ling 2001; Price & Fang, 2002). Below we present two types of structural equation models: one developed to examine the concurrent and longitudinal influences of husbands and wife's social support and undermining, and the other developed to explore a cross-sectional portrait of the interactive dynamics of couples.

### **Concurrent and Longitudinal Influences of Social Support and Social Undermining.**

To explore the question of how interactions with partners develop and how they affect the mental well-being of unemployed workers over time, we conducted a series of structural equation modeling analyses using a subset of the JOBS in China data. This sub-sample included 515 job seekers who provided both baseline and three-month follow-up data and was composed of 293 females and 287 males, living in a couple relationship with an average age of 40.47 ( $SD = 7.81$ ) and an average education between junior-high and high school. All measures in this study were based on instruments used in earlier investigations on unemployment, stress, and mental health (Abby, Abramis, & Caplan, 1985; Caplan, Vinokur, Price, & van Ryn, 1989; Vinokur et al., 1995). The instruments were translated by a group of Chinese experts who are knowledgeable about the subject matter and part of the collaborative research team for the project. Except for reemployment status (0 = unemployed, 1 = reemployed), all measures were based on multiple items with acceptable internal consistency coefficients.

Drawing on Vinokur et al. (1996), we hypothesize that a chain of influence process in the couple begins with financial strain that is a direct result of a person's unemployment situation. We presume that financial strain, as an adverse family event, negatively affects the interaction

patterns between husband and wife, which negatively influence the mental health of the unemployed person. This process model, integrating the relationships among five latent variables over a three-month period, was tested separately for husbands and wives. In both genders, the results were consistent with Vinokur et al.'s (1996) findings based on an American sample. However, unlike Vinokur et al.'s study, the results of our multi-sample analyses indicate that the two structural models, based on husband and wife samples respectively, are significantly different from each other. We therefore estimated the same model for wife and husband samples separately. The results for Chinese male and female job seekers are presented in Figures 1 and 2, respectively.

Figure 1 presents the results based on the subgroup of female job seekers. The present results indicate that financial strain, an adverse event for the family, aggravates negative/hostile aspects of couple interaction (social undermining) rather than positive/friendly aspects (social support), which in turn results in increased depression for female job seekers. Figure 2 shows the results based on the subgroup of male job seekers. Although the overall relational patterns were similar to those found in the female sample, there were several noticeable differences. Similar to the female job seekers, males also showed that financial strain and social undermining increase depression both concurrently and over a period of time. Unlike their female counterparts, however, male job seekers did not report stability in social undermining from their female partners. This pattern suggests that female partners may not be as reactive to their spouses' unemployment and financial strain as male partners. The low stability of female partners' social undermining behavior over time (as indicated by the insignificant stability coefficient) also suggests that female partners' social undermining behavior is less chronic than that of male partners.

Another interesting pattern for male job seekers is that, unlike females, their depression was positively related to both social support and social undermining from their partners, although the effect size was greater for social undermining. It is possible that, when facing an unemployment situation, Chinese males, regarding themselves as the breadwinners in the family, may also encounter a serious threat of losing face. In such a context, interactions of any kind with their female partners (and perhaps with other family members, including parents and children) may be experienced as painful, eroding their self-esteem and increasing their depression.

The temporal fluctuation and lower response to financial strain of female partners and the negative effects of both social support and undermining for male job seekers may reflect the fact that females are less concerned about their social status and their family's social image, and tend to be more resilient in difficult situations induced by unemployment that can be quite embarrassing to males. Facing unemployment, Chinese females tend to actively look for any kind of jobs that they can do to support their family, such as selling dumplings or peddling a tricycle taxi, whereas husbands will refuse these jobs due to worries about losing face and will tend to avoid social interactions in general (Tsui, 2002/2003). The results imply that Chinese wives are better prepared for economic hardship as well as for the situation of unemployment due to their lower concern for face and less fixation on negative psychological factors than their husbands.

### **Concurrent Effects of Couple Dynamics on Depression and Relationship**

**Satisfaction.** To complement our findings from the longitudinal data based on self-reports, we conducted a second set of analyses that explore more detailed couple dynamics by tapping into dual perspectives held by the couple as reported by both the husband and the wife. As compared

to the longitudinal models described above, this second set of models are more geared toward in-depth analysis of interactive dynamics between spouses. The sample for this analysis included 629 job seekers and their partners who participated in the first wave of the JOBS in China project. Approximately 39% of this sample were males ( $N = 245$ ). Job seekers in this sample were on average 39.63 years old ( $SD = 6.77$ ) with a junior-high or high school education. Except for level of depression of job seekers and partners, which was based on self-report data, all latent variables in the model (couple financial strain, social support and undermining from partner to job seeker, and couple relationship satisfaction) were indicated by two sources of data, job seeker and partner. Utilizing perceptions from both of the couple increases our confidence in our findings by reducing concerns associated with self-report data such as common method bias.

In addition to the relationships tested in the longitudinal models as shown in Figures 1 and 2, we hypothesized that financial strain experienced by the couple directly increases the partner's depression, which may in turn influence that partner's social support and undermining directed toward the job seeker (mediation by partner depression of the link between financial strain and social support/undermining). We further expected that social interaction patterns between the couple and their depression levels would predict the couple's satisfaction with their relationship. These additional hypotheses elaborate the process through which financial strain influences couple dynamics and the overall well-being of the couple (for a visual summary of the hypothesized relationships, see Figure 3).

To test whether the dynamics within the couple and their implications are different for male and female job seekers, we conducted multiple sample analyses. Unlike Vinokur et al.'s (1996) study based on an American sample, the results again showed that the dynamics within Chinese couples are different depending on who (husband or wife) is unemployed and searching

for a job. The above mentioned potent gender differences in China in terms of gender roles and differentials in status and face saving concerns may produce significant gender effects, which were not observed in Western samples. To compare the difference between the two gender groups, we estimated the same structural model for female and male job seekers (see Figures 3 & 4, respectively). In both models, consistent with Vinokur et al. (1996), partner depression completely mediated the effect of financial strain on the partner's social support and undermining behavior. However, unlike the American sample, financial strain did not have any direct effects on job seeker depression after controlling for the effects of partner depression and couple interaction patterns. This pattern suggests that Chinese workers psychological reactions to unemployment are more strongly influenced by their spouses' psychological and behavioral responses to the situation than their Western counterparts.

As shown in Figure 3, husbands of the unemployed Chinese women reported increased depression. This enhanced level of depression reduced their social support of their wives and increased social undermining behavior. The increased social undermining in turn exacerbated the depression of the job seekers. For couples with female job seekers, the women's satisfaction with the relationship was influenced by their husbands' social support and undermining behavior. Relationship satisfaction was also predicted by partner depression, but not by job seeker depression, indicating that the couple's well-being is largely determined by the manner in which husbands react to their wives' unemployment.

Figure 4 displays the results for Chinese couples with male job seekers. Interestingly, although depressed wives of unemployed husbands showed increased social undermining behavior, they nevertheless did not reduce their social support of their husbands. For the couples with unemployed husbands, their satisfaction with the relationship depended on the wife's

psychological reaction (depression) to the situation and the level of social support she provided the husband. In contrast, the wife's social undermining behavior did not have any effect on the couples' relationship satisfaction, and had only a mild effect on the job seeking husband's depression. The overall pattern indicates that Chinese female partners of unemployed husbands tend to maintain their social support for their husbands and this social support enhances the couples' satisfaction with their relationship.

**Gender and Family Role Differences in Chinese Couples Experiencing Unemployment:**

**The Key Role of Female Resilience.** The results presented in this section indicate that unemployed Chinese people do indeed experience a series of negative events initiated by unemployment, such as financial strain and depression. However, our analyses also indicated that when encountering this negative situation, Chinese men and women appear to respond differently in many ways: (1) female partners tend to be less reactive to financial strain caused by their husbands' unemployment as indicated by the non-significant link between financial strain and social undermining, (2) females partners are less subject to a hostile interaction pattern such as social undermining over time, (3) male job seekers seem to be put in such a defensive position that even social support can threaten their mental health, (4) female partners maintain their social support of their unemployed husbands even when they experience financial strain and accompanying depression, and (5) for Chinese couples with male job seekers, female partners' social support, but not social undermining contributed to the couples' satisfaction with their relationship.

These distinctive patterns suggest that Chinese women are perhaps more resilient, both emotionally and socially, under conditions of spousal unemployment and subsequent economic

hardship. In contrast, men tend to be more direct in negatively responding to their spouses' unemployment and resulting financial strain and to be more inclined to a negative mode of interaction. Supporting the present findings, Tsui (2002/2003) pointed out that women's experiences in Chinese society have better prepared them for changes associated with economic reforms: "(women) had to stand for hours every day in long lines to buy vegetables and other necessities, often "going through a back door"... women of this generation were forced to be assertive and outgoing... since the females learned to hustle outside their household before the economic reform, they have adjusted more easily" (p. 526). Apparently, when facing the upheaval of economic reforms and increasing unemployment in China, females possess critical coping resources to promote the psychological and social adjustment of their husbands and family by maintaining a supportive social environment in the couple and the family.

## **Conclusion**

Large-scale social change of the kind reflected in the transition from a socialist to a market economy and the downsizing of state-owned enterprises in China can dramatically influence the course of individual lives and the psychological response to changed economic and occupational circumstances. In the case of the People's Republic of China, the transformation to a market economy and competitive labor markets has suddenly emerged as a "situational imperative" (Elder and O'Rand, 1995) for unemployed Chinese workers. Laid-off workers are faced with a radical change in their assumptions about job security, benefits, and what is required to search for a job.

Our findings illustrate that the influence of these changed circumstances on the psychological outlook of the worker depends on life stage of the worker. The impact of

unemployment depends to a large extent on the age-related resources available to the individual. Psychological strains and personal resources available to younger workers concerned with establishing a work life identity and entry into a career are clearly quite different than those of older workers who are looking toward retirement. In addition, it may be that life stage also intersects with historical events for some older workers. It is possible that those sent to the rural areas during the Cultural Revolution may actually have gained some valuable resilience that serves them well in coping with the current uncertainties and hardships of unemployment in the current economic transformation.

Our analyses of the impact of job loss and unemployment on dynamics within the couple make it clear that like other life transitions, the effects of job loss radiate out into the couple and the family rather than being a strictly individual phenomenon; further, the impact depends significantly on the culturally normative marital roles of Chinese husbands and wives. While the experiences of economic hardship threaten and erode supportive relationships in couples, wives appear to possess particular resilience in the face of economic hardship and unemployment, while husbands (who are more concerned with face and defensive about their traditional role as breadwinners) make more rigid adaptations.

Thus we find some psychological effects of job loss and unemployment that are common both to the Chinese and the Western contexts, such as the critical role of economic hardship and the challenges and dilemmas of job search. On the other hand, the particular role of life stage and historically unique experiences such as the Cultural Revolution may be distinctively Chinese. Similarly, in our analyses of couple dynamics we find processes common to both Chinese and U.S. couples, such as the influence of economic hardship on processes of support and

undermining; yet the distinctive cultural meaning of gender and family role in Chinese couples and the resilience of Chinese wives contrasts with the Western norm.

In this context of rapid change in the labor market, Chinese workers need job search skills that may not have been required previously when jobs were assigned by the state. One promising program designed for this purpose is the JOBS in China program<sup>1</sup> (Fang & Ling 2001; Price, 2001), designed to respond to the needs of Chinese workers for job search skills in this time of economic transformation. Based on a 20-year program of research (Caplan, et al., 1997; Price & Vinokur, 1995; Vinokur et al., 1995; Vinokur et al., 2000) JOBS in China has been introduced into the Chinese labor system as an innovative job search program. The training program is designed to teach participants job search and problem solving skills in an atmosphere of support and mutual understanding. Training programs were implemented and evaluated for unemployed Chinese workers in seven Chinese cities [Beijing, Guangzhou, Chongqing, Shiyang, Yichang, Luoyang, and Yantai]. During the implementation of the program our Chinese employment specialists proved to be highly effective teachers who were able to promote substantial new job search skills and confidence in their Chinese workers. The program had a decisive positive impact on less educated and older unemployed workers, while younger workers were less influenced by the training program and appeared to have a more individualistic orientation to the job search challenge.

From a long-term policy perspective, the Chinese government has made education a key priority in dealing with the problem of unemployment (Wu and Wang, 1998). This strategic policy objective is aimed at basic, vocational, and adult education; senior secondary schools; and

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1. The Jobs in China research project (Fang & Ling 2001; Price, 2001), is a cooperative effort between the Michigan Prevention Research Center, Institute for Social Research, University of Michigan, the Institute of Psychology, National Academy of Sciences, the People's Republic of China and the Ministry of Labor and Social Security, People's Republic of China.

institutions of higher learning. There is little doubt that large-scale policies and programs for increasing the adaptability of Chinese workers and their families to the increasingly turbulent and competitive labor market will be essential in the years to come as the social and economic transformation of China continues.

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Figure 1. Longitudinal Model for Female Job Seekers (Wives) (N = 293)

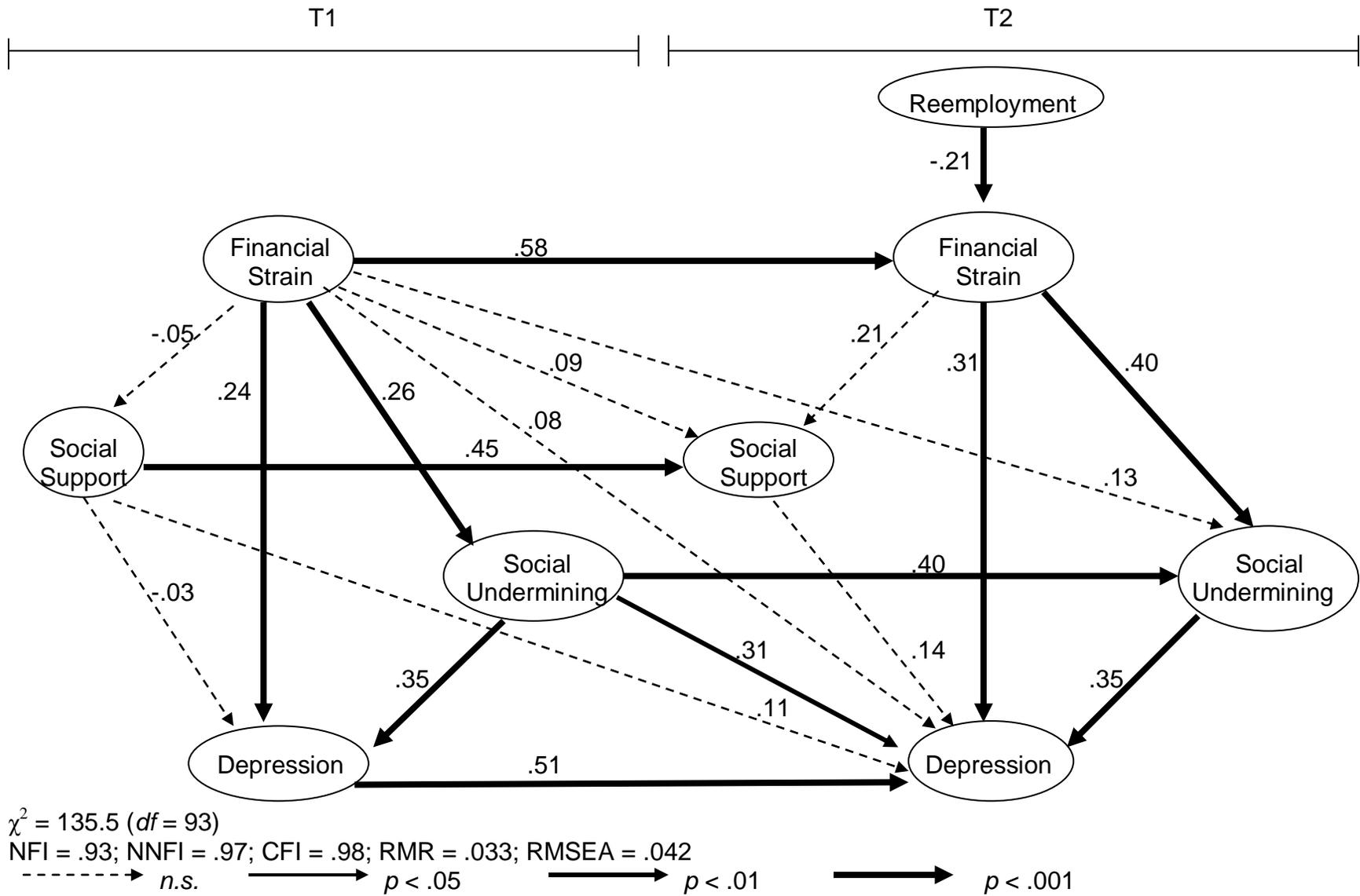


Figure 2. Longitudinal Model for Male Job Seekers (Husbands) (N = 287)

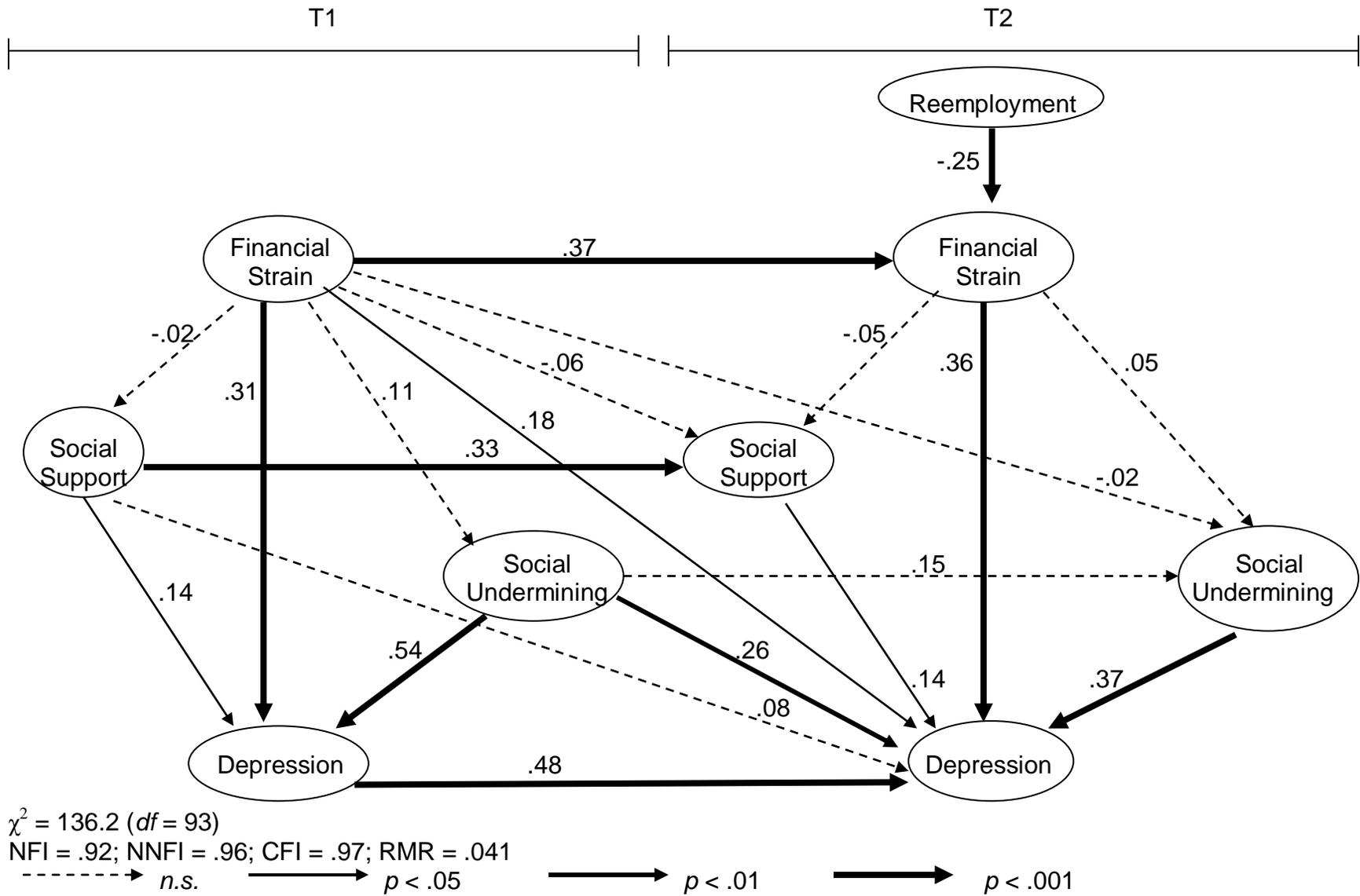
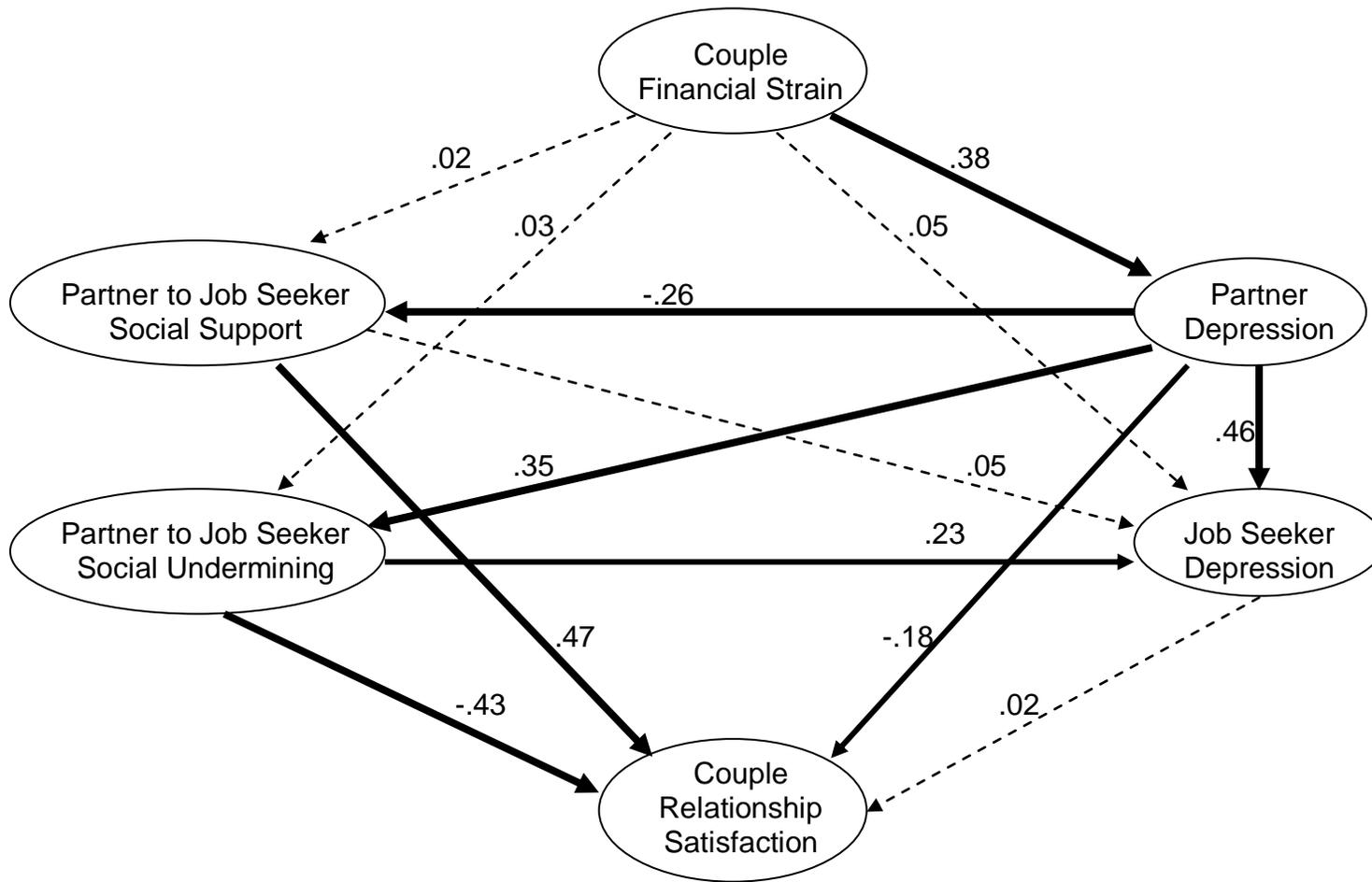


Figure 3. Concurrent Model for Female Job Seekers (Wives) (N = 384)



$\chi^2 = 124.2$  ( $df = 40$ )

NFI = .93; NNFI = .92; CFI = .95; RMR = .028

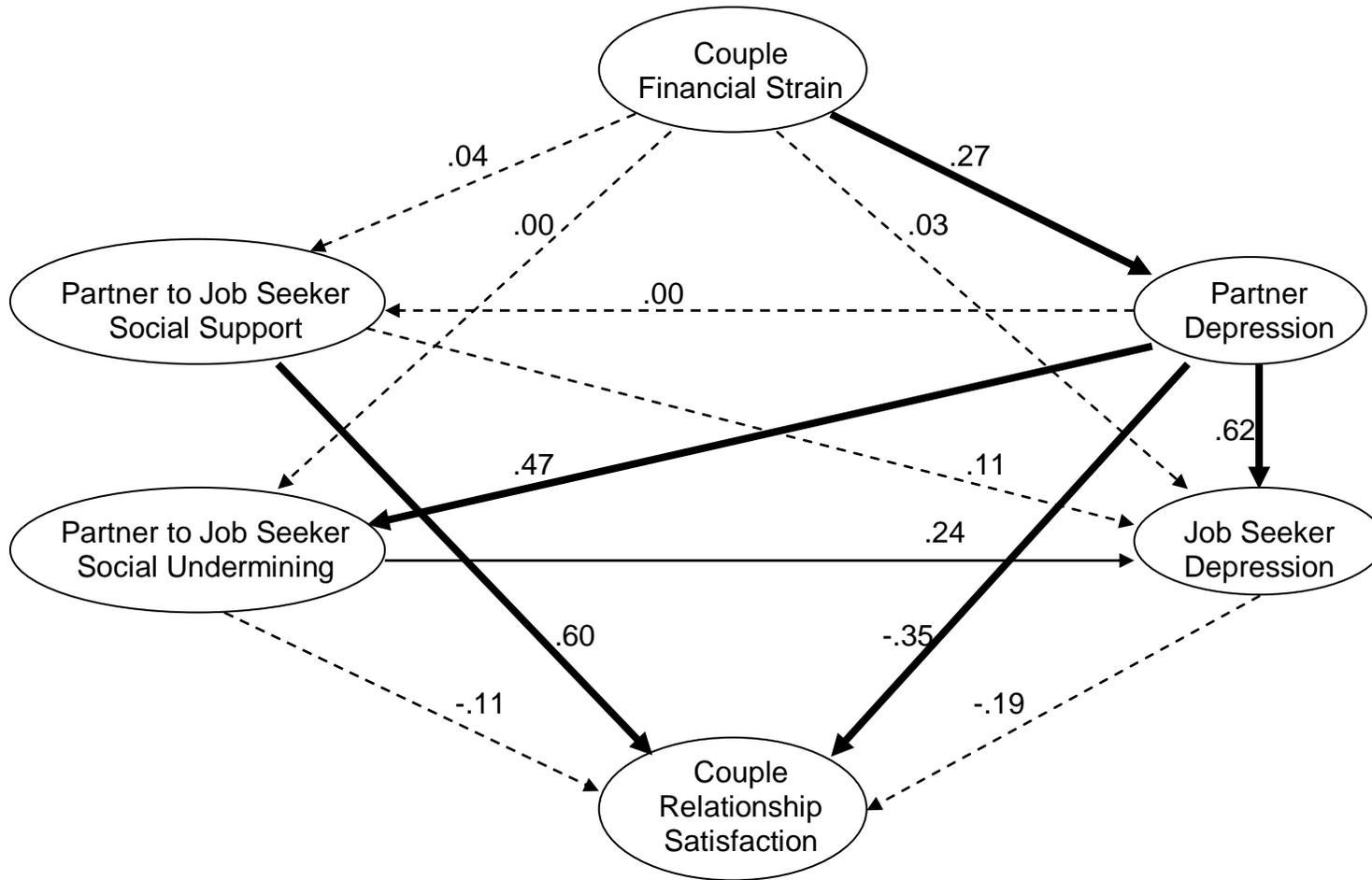
-----> n.s.

————> p < .05

————> p < .01

————> p < .001

Figure 4. Concurrent Model for Male Job Seekers (Husbands) (N = 245)



$\chi^2 = 144.9$  ( $df = 40$ )

NFI = .88; NNFI = .85; CFI = .91; RMR = .034

-----> n.s.      -> p < .05      -> p < .01      -> p < .001

