

# Potential Impact of the ‘Lying Flat’ Phenomenon on Labor Supply and Economic Growth in China

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## Abstract

The ‘lying flat’ (躺平) phenomenon has emerged as a significant social and economic trend in China, reflecting a shift in generational attitudes toward work, career ambition, and financial stability. In response to rising living costs, intense work pressures, stagnant wages, and diminishing social mobility, many young Chinese workers are opting out of high-intensity employment, rejecting traditional career aspirations, and embracing minimalist lifestyles. This paper examines the causes and consequences of ‘lying flat,’ analyzing its impact on labor market participation, economic growth, social mobility, and workforce sustainability.

The findings suggest that ‘lying flat’ contributes to declining workforce productivity, lower consumer spending, and structural labor market inefficiencies, particularly in high-stress industries such as technology, finance, and manufacturing. Additionally, the movement deepens class divides, as those who disengage from traditional career paths face long-term income stagnation, while those who remain in high-paying jobs continue to accumulate wealth. In response, corporate and government initiatives—such as workplace reforms, employment policies, and financial incentives—have sought to re-engage young workers, but skepticism remains about the effectiveness and sustainability of these measures.

The paper also explores global comparisons, including the Great Resignation in the U.S., Quiet Quitting in Western economies, and Hikikomori in Japan and South Korea, to identify potential strategies for addressing labor disengagement. While China’s economic and policy structure differs from other nations, lessons from international labor trends highlight the need for meaningful workplace reforms, economic restructuring, and flexible career pathways to balance workforce participation with evolving worker expectations.

Ultimately, the long-term implications of ‘lying flat’ depend on how China adapts its labor policies and corporate strategies to address shifting workforce dynamics. If businesses and policymakers fail to improve labor conditions and economic mobility, the continued disengagement of young workers could weaken China’s economic growth, reduce innovation, and create long-term instability in labor markets. However, if reforms succeed, ‘lying flat’ may serve as a catalyst for rethinking work-life balance, labor protections, and economic sustainability in China’s future workforce.

**Keywords:** lying flat, labor market disengagement, workforce participation, social mobility, economic inequality, youth unemployment, career expectations

## 1. Background

The ‘lying flat’ (躺平) phenomenon has emerged as a significant social and economic trend in China, reflecting a shift in attitudes toward work, career expectations, and personal well-being. Unlike previous generations who prioritized career advancement and material success, many young Chinese today are choosing to step back from high-intensity employment and embrace a minimalist, low-consumption lifestyle. The term ‘lying flat’ gained widespread recognition in 2021 when discussions on social media highlighted the growing discontent among

younger workers, particularly Millennials and Gen Z, who feel increasingly trapped in a cycle of exhausting work with little prospect of achieving financial security or upward mobility. Rather than striving for promotions, homeownership, or long-term career goals, they opt for low-stress jobs, self-employment, or prolonged periods of unemployment, rejecting the conventional definition of success that has been deeply embedded in China's rapid economic development.

The rise of 'lying flat' is deeply connected to a range of socioeconomic pressures that have intensified over the past decade. One of the most prominent factors is the rising cost of living, particularly in major cities such as Beijing, Shanghai, and Shenzhen, where housing prices have soared beyond the reach of many young professionals. While homeownership was once considered an attainable milestone for previous generations, stagnant wages and growing economic inequality have made it nearly impossible for many to afford property without significant family support. Simultaneously, the job market has become increasingly competitive, with millions of university graduates entering the workforce each year, only to find themselves struggling to secure stable, well-paying positions. The phenomenon of educational inflation, where degrees no longer guarantee financial success, has contributed to frustration and disillusionment among young workers, many of whom feel that their efforts in pursuing higher education have not translated into economic security.

Workplace conditions in China have also played a major role in driving the 'lying flat' movement. Many industries, particularly in technology, finance, and manufacturing, are known for long working hours, high performance expectations, and intense corporate cultures. The infamous "996" work schedule, which requires employees to work from 9 AM to 9 PM, six days a week, has been widely criticized for contributing to burnout and deteriorating mental health among workers. Reports of extreme workplace stress, unpaid overtime, and minimal work-life balance have led many to question the value of pursuing traditional career paths. Instead, some are choosing to disengage from the system entirely, preferring jobs that offer greater autonomy, lower stress levels, and the flexibility to prioritize personal well-being over financial gain. For many, the trade-off between career advancement and quality of life no longer seems worthwhile.

The Chinese government and corporate sector have responded swiftly to the rise of 'lying flat,' recognizing its potential economic risks. Officials have actively discouraged the movement, with state media framing it as a passive, unproductive mindset that could harm national productivity and economic stability. The government has introduced a range of policies to encourage young workers to remain engaged in the labor force, including job training programs, employment subsidies, and initiatives to support entrepreneurship. Some provinces have even offered financial incentives for marriage and childbirth, recognizing that declining work participation also affects population growth. Meanwhile, companies have begun adjusting their work cultures to retain employees, implementing measures such as improved salaries, reduced overtime, and mental health support. However, many young workers remain skeptical of these efforts, viewing them as temporary or superficial solutions that fail to address the deeper structural issues driving economic anxiety and labor market dissatisfaction.

At its core, 'lying flat' reflects a generational shift in values and priorities. While previous generations found motivation in the promise of economic progress and upward mobility, today's young workers face a reality where financial security feels increasingly out of reach. The movement highlights a broader reckoning with work culture, economic inequality, and the pressures of modern life. It raises critical questions about whether China's current labor market model is sustainable and whether traditional expectations of career success need to be redefined. As debates over work-life balance, financial stability, and economic participation continue, the long-term impact of 'lying flat' remains uncertain. What is clear, however, is that the phenomenon is more than just a passing trend—it is a response to deep-rooted societal challenges that will shape the future of China's workforce and economic landscape.

## **2. Generational and Social Factors**

### *2.1 Work Attitudes Among Millennials and Gen Z*

The work attitudes of Millennials and Gen Z in China have undergone a significant transformation compared to previous generations, contributing to the rise of the 'lying flat' (躺平) phenomenon. Unlike their parents, who experienced rapid economic growth and saw hard work as a means to improve their quality of life, younger workers today face a more challenging economic environment, limited upward mobility, and growing disillusionment with traditional career paths. As a result, many have adopted a more skeptical attitude toward extreme work commitments and prioritize mental health, personal fulfillment, and work-life balance over financial success.

Millennials, born between the 1980s and mid-1990s, grew up witnessing China's economic boom, urbanization, and expansion of higher education. Many pursued university degrees under the assumption that education would lead to stable, well-paying jobs. However, with the increasing saturation of degree holders in the job market, many Millennials struggled to secure the economic success they were promised. This has led to growing

cynicism toward corporate life, particularly in high-pressure industries such as technology, finance, and manufacturing, where long hours and limited work-life balance are the norm.

Gen Z, born between the late 1990s and 2010s, is even more resistant to traditional work culture. Having grown up in a digital-first world, this generation is more entrepreneurial, individualistic, and open to alternative lifestyles than previous cohorts. Unlike Millennials, who still pursued traditional career paths despite their frustrations, many Gen Z workers have actively rejected corporate structures, choosing freelancing, self-employment, and gig economy jobs instead. A 2023 survey by Zhaopin, one of China's largest job recruitment platforms, found that 60% of Gen Z workers in China prioritize personal happiness and flexibility over salary and promotions, signaling a major shift in employment preferences.

The increasing popularity of minimalist living and alternative career choices, such as content creation, e-commerce entrepreneurship, and remote work, reflects how young workers are adapting to economic pressures by redefining success. However, this shift poses challenges for industries that rely on a steady supply of ambitious, hardworking employees, as fewer young professionals are willing to make sacrifices for career progression.

## *2.2 Education, Social Mobility, and Career Incentives*

The relationship between education, social mobility, and career incentives has played a crucial role in shaping young workers' attitudes toward employment. While higher education was once seen as a pathway to success, its value has diminished in recent years due to an oversaturated job market and increased competition. Many young professionals now feel that their educational efforts have not translated into financial stability or career security, leading to widespread disillusionment.

China has witnessed a dramatic rise in university enrollment, with over 11.5 million students graduating from Chinese universities in 2023 alone, setting a new record. However, the job market has struggled to absorb such a large number of graduates, resulting in high underemployment rates among young workers. According to the National Bureau of Statistics (NBS), the urban youth unemployment rate reached 21.3% in mid-2023, reflecting the difficulties many face in securing stable jobs that align with their qualifications.

Moreover, social mobility—the ability to climb the economic ladder through education and hard work—has declined. While previous generations could achieve financial security through stable jobs and government-backed homeownership programs, today's young workers face rising housing prices, stagnant wages, and growing economic inequality. Many feel that even with university degrees and extensive work experience, they remain financially stuck, unable to afford major life milestones such as buying a home, getting married, or starting a family.

These challenges have weakened traditional career incentives, making the pursuit of high-stress, long-hour jobs less appealing. Instead of working excessively to save for a house or car—expenses that seem increasingly unattainable—many young people have chosen to opt out of the race entirely, embracing lower-income but less demanding jobs that allow them to prioritize personal well-being over financial accumulation.

The disconnect between education, career expectations, and economic reality has fueled a sense of hopelessness and disengagement among younger workers, reinforcing the appeal of 'lying flat' as a rational response to an increasingly unforgiving economic environment.

## *2.3 Urban-Rural Differences in 'Lying Flat'*

The 'lying flat' movement is predominantly an urban phenomenon, shaped by the unique pressures of city life, corporate work culture, and skyrocketing living costs. In contrast, rural areas face different labor market challenges, where the concept of 'lying flat' manifests differently.

In major metropolitan areas like Beijing, Shanghai, and Shenzhen, the intense competition for high-paying jobs, housing, and career advancement has left many young professionals feeling disillusioned and overworked. With limited access to affordable housing, declining job security, and rising consumer costs, many urban workers feel that the rewards of hard work no longer justify the sacrifices required. As a result, they are more likely to adopt a minimalist, low-expectation approach to life, reducing expenses, avoiding debt, and refusing to participate in the traditional career rat race.

In contrast, rural areas and lower-tier cities experience different labor challenges. While urban workers struggle with burnout and overwork, rural populations grapple with job scarcity and economic underdevelopment. Many rural youth migrate to cities seeking better opportunities, but those who remain face a different kind of labor disengagement, as traditional industries such as agriculture and manufacturing offer fewer career prospects. Rural workers may not necessarily 'lie flat' in the same way urban workers do, but they often experience involuntary disengagement due to a lack of viable economic opportunities.

Additionally, family expectations differ between urban and rural populations. In rural areas, family obligations,

community ties, and traditional values still play a strong role in shaping career decisions, meaning that young workers are often expected to contribute financially to their households, limiting their ability to completely disengage from work. In contrast, urban youth—many of whom are only children due to China's former one-child policy—may experience greater independence in shaping their career choices, enabling them to reject societal pressures more easily.

The economic divide between urban and rural areas highlights the varied nature of labor disengagement in China, demonstrating that 'lying flat' is not a one-size-fits-all phenomenon but rather a response shaped by economic environment, career expectations, and social norms.

#### *2.4 Gender Perspectives on Labor Disengagement*

The 'lying flat' movement also intersects with gender dynamics in the workforce, as men and women experience labor disengagement differently.

For many young men, 'lying flat' represents a reaction to declining economic prospects, career stagnation, and societal expectations of financial success. Traditional gender roles in China often place greater financial responsibility on men, particularly in marriage and homeownership. However, with rising costs and stagnant wages, many young men feel that achieving these milestones is impossible, leading some to withdraw from work entirely rather than pursue a career path that may never lead to economic security.

For women, the decision to disengage from the workforce is often influenced by workplace discrimination, gender expectations, and work-life balance struggles. Many women face barriers to career progression, particularly due to discriminatory hiring practices and expectations around marriage and motherhood. Some employers prefer hiring men over women to avoid maternity leave costs, while others openly discourage women from pursuing leadership roles. Additionally, women often carry greater responsibilities in household labor and caregiving, making high-stress corporate jobs even less appealing.

Recent trends indicate that more women are choosing flexible work arrangements, freelancing, or early retirement, reinforcing the idea that 'lying flat' is not only an economic decision but also a response to broader structural inequalities in the labor market.

As the conversation around gender equality and work-life balance evolves, it remains to be seen how labor disengagement among both men and women will shape China's future workforce and economic policies.

### **3. Labor Market Impact**

The rise of the 'lying flat' (躺平) movement has significantly influenced China's labor market, leading to a decline in workforce participation, a shift toward gig work and self-employment, and changes in employment dynamics across key economic sectors. The phenomenon reflects a growing disillusionment among young workers, many of whom feel that traditional employment structures no longer provide the financial security, career growth, or work-life balance they seek. As a result, many individuals are reducing their engagement with full-time employment, opting for more flexible job arrangements, or withdrawing from the labor force altogether. These shifts pose long-term challenges for economic productivity, job market stability, and structural employment trends.

#### *3.1 Declining Workforce Participation and the Shift to Gig Work*

One of the most immediate effects of 'lying flat' is the declining labor force participation among young workers, particularly those in high-pressure industries and urban job markets. Many university graduates, instead of actively seeking employment in traditional corporate settings, are choosing lower-intensity jobs, delaying career entry, or leaving the workforce entirely. This trend is reflected in the record-high youth unemployment rate, which reached 21.3% in mid-2023, according to China's National Bureau of Statistics (NBS).

Rather than engaging in the rigid structures of full-time employment, many workers are opting for gig work, freelancing, or self-employment as an alternative. Platform-based work, such as delivery driving, e-commerce, and content creation, has become increasingly popular, as it allows workers to set their own schedules and avoid corporate pressures. A report from Zhaopin, one of China's largest job recruitment platforms, found that over 50% of young workers prefer flexible work arrangements over long-term corporate employment, suggesting that the traditional expectation of stable, full-time jobs is losing its appeal.

While gig work and self-employment provide greater autonomy and work-life balance, they come with significant trade-offs, including lower income stability, fewer labor protections, and limited career advancement opportunities. Unlike full-time employment, which provides social security benefits, healthcare, and pensions, many gig workers lack access to long-term financial security, making it unclear whether these alternative work models can sustainably support a large portion of the workforce in the long run.

#### *3.2 Sectoral Impact: Tech, Finance, and the Public Sector*

The effects of ‘lying flat’ are not evenly distributed across all industries. Certain high-stress, high-intensity sectors—particularly technology, finance, and manufacturing—have been hit hardest by declining workforce engagement, as these fields are known for their long working hours, high burnout rates, and demanding performance expectations.

The tech industry, once a highly attractive sector for young professionals, has seen a decline in talent retention and job applications, as workers increasingly reject the extreme workloads associated with major tech firms. Many young software engineers and IT professionals, who previously aspired to work at large corporations like Alibaba, Tencent, and ByteDance, have started seeking alternatives in less stressful industries, switching to freelancing, or pursuing government jobs with better job security. Companies in the tech sector have responded by offering higher salaries, better benefits, and improved work-life balance initiatives, but skepticism remains about whether these changes are sincere and sustainable.

The finance sector has also seen a significant shift in employment trends, as many young professionals feel that the extreme working hours and competitive nature of the industry do not justify the rewards. The appeal of banking, investment firms, and financial consulting has weakened, with more individuals seeking less stressful, lower-paid jobs that provide better quality of life. Additionally, layoffs and restructuring in China’s financial industry have further dampened enthusiasm for long-term careers in finance, leading to a talent drain and an uncertain future for the sector.

Interestingly, while private-sector industries struggle with worker disengagement and retention issues, the public sector remains a highly attractive option. In contrast to corporate jobs, government positions offer stable employment, shorter working hours, and comprehensive benefits, making them an appealing alternative for young workers seeking security over high salaries. A record 2.6 million candidates applied for China’s civil service exam in 2023, marking a 12% increase from the previous year, demonstrating the growing preference for stability over financial ambition. However, with limited positions available and increasing competition, government jobs cannot absorb all the young workers opting out of private-sector employment, leaving many without a clear career path.

### *3.3 Structural Unemployment and Underemployment*

The rise of ‘lying flat’ has also worsened structural employment challenges in China, contributing to both unemployment and underemployment. As young workers avoid high-pressure jobs or struggle to find work that aligns with their education and skills, the economy faces labor mismatches that create long-term inefficiencies.

Structural unemployment arises when there is a gap between the skills young workers possess and the jobs available. While China produces millions of university graduates annually, many enter fields already saturated with degree holders, leading to underemployment—where highly educated individuals take jobs below their skill level or outside their field of study. According to a 2023 report by the Chinese Academy of Social Sciences (CASS), nearly 45% of recent graduates are employed in jobs that do not require a university degree, signaling a growing disconnect between education and labor market demands.

Underemployment is also exacerbated by the mismatch between worker expectations and employer demands. Many companies are struggling to fill positions in traditional industries, blue-collar jobs, and high-intensity fields, as fewer young workers are willing to take on physically demanding or high-stress roles. This has led to labor shortages in key areas, even as youth unemployment remains high, creating economic inefficiencies that hinder productivity and long-term growth.

The declining participation in high-intensity jobs also raises concerns about China’s aging workforce and long-term economic sustainability. With fewer young workers actively engaged in full-time employment, there may be increased pressure on social security systems, pension funds, and public services, particularly as China’s aging population grows. If labor disengagement continues, the country could face economic stagnation, reduced productivity, and a weakening of its global competitive edge.

The ‘lying flat’ phenomenon is reshaping China’s labor market in profound ways, driving a decline in workforce participation, a shift toward gig work and self-employment, and significant sectoral disruptions. While alternative work models offer greater flexibility and improved quality of life, they also raise concerns about income stability, labor protections, and long-term economic productivity. Industries such as technology and finance are struggling to attract talent, while the public sector sees record-high demand for stable government jobs. Structural unemployment and labor mismatches continue to challenge the efficiency of the job market, leading to high underemployment rates and concerns about future economic growth.

If left unaddressed, the effects of ‘lying flat’ could lead to long-term labor shortages, declining innovation, and reduced economic competitiveness. To mitigate these risks, policymakers and employers must find ways to balance work expectations with fair wages, career incentives, and social protections, ensuring that the workforce remains engaged while adapting to the evolving expectations of younger generations.

## 4. Economic Consequences

The ‘lying flat’ (躺平) movement has far-reaching economic implications, affecting productivity, GDP growth, innovation, competitiveness, and talent retention in China. While the phenomenon is often viewed negatively due to its potential to weaken labor market efficiency and economic expansion, it also brings certain unintended benefits, such as a push for better workplace policies and improved worker well-being. Understanding the short- and long-term economic consequences of labor disengagement is crucial for assessing the future trajectory of China’s economic development.

### 4.1 Productivity Decline and GDP Slowdown

One of the most immediate economic consequences of ‘lying flat’ is its negative impact on labor productivity and overall GDP growth. As more young workers withdraw from high-intensity employment, reduce their working hours, or transition to low-income, low-stress jobs, the overall contribution of the labor force to economic output declines. China’s economic success over the past four decades has been largely driven by a high level of workforce participation, long working hours, and rapid industrialization, but ‘lying flat’ disrupts this model by shifting labor preferences away from traditional full-time employment.

The decline in workforce participation, particularly among the highly educated youth, reduces the efficiency of human capital utilization, leading to lower productivity across multiple sectors. According to the National Bureau of Statistics (NBS), China’s GDP growth rate slowed to 5.2% in 2023, with experts citing youth unemployment and labor disengagement as contributing factors. The high unemployment rate—which reached 21.3% among urban youth in mid-2023—suggests that a significant portion of the educated workforce is not being utilized effectively, reducing overall economic output.

Additionally, reduced labor supply in high-intensity sectors such as technology, finance, and manufacturing means that businesses are experiencing lower operational efficiency and rising labor costs. As companies struggle to fill positions or retain skilled workers, productivity growth slows, putting pressure on employers to either increase wages to attract talent or adjust business models to accommodate shifting work attitudes.

If the trend of labor disengagement continues, China could face long-term structural issues that limit economic expansion. A shrinking workforce, coupled with an aging population, could reduce China’s economic dynamism and make it more difficult to maintain its position as a global economic leader.

### 4.2 Impact on Innovation and Competitiveness

Beyond its immediate impact on GDP, ‘lying flat’ also affects China’s innovation capacity and global competitiveness, particularly in industries that rely on high-skilled talent, entrepreneurship, and risk-taking behavior. As fewer young professionals pursue demanding careers in STEM (science, technology, engineering, and mathematics), research, and business leadership, there is growing concern that China’s ability to drive technological breakthroughs and maintain economic leadership could weaken.

China has long invested in technological advancement and innovation as key drivers of economic growth, with initiatives such as “Made in China 2025” and heavy investment in AI, semiconductor manufacturing, and clean energy. However, innovation-driven industries require a workforce that is highly motivated, ambitious, and willing to take risks—qualities that are at odds with the “lying flat” mindset, which prioritizes stability, low stress, and personal well-being over professional ambition.

This shift in work culture is already being felt in the startup ecosystem, where younger entrepreneurs are increasingly hesitant to engage in high-risk business ventures. In 2022, the number of newly registered startups in China fell by 7% compared to the previous year, indicating a decline in entrepreneurial activity. Additionally, fewer graduates are choosing careers in high-pressure innovation sectors, instead preferring stable government jobs or lower-intensity work. This could slow China’s progress in key technological areas and make it harder to compete with global innovation hubs like Silicon Valley, South Korea, and Germany.

If China wants to maintain its position as a leader in global innovation, it must find ways to balance labor market expectations with incentives for creativity, entrepreneurship, and technological advancement. Failing to do so could result in a slowdown in patent generation, declining research output, and weakened competitiveness in global markets.

### 4.3 Talent Outflow and Brain Drain

Another critical consequence of ‘lying flat’ is its contribution to talent outflow and brain drain, as highly skilled Chinese professionals and recent graduates seek opportunities abroad in search of better work conditions, higher salaries, and improved quality of life.

China has historically been a major source of outbound talent, with large numbers of students and professionals seeking education and employment in countries such as the United States, Canada, Australia, and the United

Kingdom. However, recent years have seen a new wave of high-skilled migration, not just for academic reasons, but as a response to limited career opportunities, job market instability, and dissatisfaction with corporate culture in China.

According to a 2023 report by the Center for China and Globalization (CCG), over 70% of Chinese students who study abroad do not return home for employment, citing better job prospects and work-life balance overseas. The number of high-skilled workers emigrating from China has also increased by 15% in the past five years, with many professionals moving to countries that offer higher wages, flexible work environments, and stronger labor protections.

Brain drain is particularly concerning for industries that rely on STEM professionals, researchers, and senior executives, as losing top talent weakens China's ability to sustain long-term innovation and industrial growth. If the government does not implement policies to retain highly educated professionals and provide competitive career incentives, the long-term effects of talent loss could further exacerbate labor shortages, weaken technological competitiveness, and reduce economic resilience.

#### *4.4 Potential Benefits: Worker Well-Being and Workplace Reform*

Despite its economic challenges, the 'lying flat' movement has also sparked important conversations about labor rights, work-life balance, and workplace reforms, which could lead to long-term improvements in employee well-being and business practices.

One of the main criticisms of China's traditional work culture is that it has long prioritized economic growth over worker well-being, with long hours, minimal vacation time, and high-pressure corporate environments being normalized. The backlash against this culture, as seen in the anti-996 movement and 'lying flat,' has forced companies to reconsider their employment policies and adapt to shifting worker expectations.

In response, some companies have reduced overtime expectations, introduced mental health support programs, and offered more flexible work arrangements to retain employees. Additionally, the government has begun enforcing labor laws more strictly, cracking down on excessive overtime and promoting healthier work environments. If these changes continue, China may transition toward a more sustainable work culture, where economic productivity is balanced with worker satisfaction and quality of life.

Moreover, the 'lying flat' mindset has encouraged greater self-reflection on personal happiness, financial independence, and alternative lifestyles. Many young workers are rejecting consumerist expectations, focusing instead on financial minimalism, self-employment, and personal development. This could eventually reshape social values, reducing the pressure on individuals to pursue material wealth at the expense of mental health.

The economic consequences of 'lying flat' are complex and multifaceted. While the movement poses risks to GDP growth, productivity, innovation, and talent retention, it also highlights the need for structural reforms in China's labor market. If China hopes to maintain its economic strength and global competitiveness, it must find ways to re-engage the workforce, incentivize innovation, and retain high-skilled talent, while also improving workplace conditions and addressing generational concerns about work-life balance. The future of China's economic trajectory will depend on how well it adapts to these evolving labor market dynamics.

### **5. Corporate and Policy Responses**

The rise of the 'lying flat' (躺平) phenomenon has alarmed both corporations and policymakers, as widespread labor disengagement threatens economic productivity, talent retention, and social stability. In response, both private enterprises and government agencies have introduced reforms aimed at revitalizing workforce participation and addressing the structural issues fueling dissatisfaction with the labor market. These responses include workplace adjustments, financial incentives, labor protection policies, and social security reforms. However, despite these efforts, many young workers remain skeptical about whether these measures will create meaningful improvements in their quality of life and career prospects.

One of the key responses from corporations has been workplace reform, particularly in sectors heavily affected by labor disengagement, such as technology, finance, and manufacturing. As young workers reject extreme work schedules and prioritize work-life balance, some companies have begun shifting away from the infamous '996' culture (9 AM to 9 PM, six days a week) by enforcing strict labor protections, reducing overtime, and offering mental health support. Large tech companies such as Alibaba and Tencent have faced public scrutiny for their intense work environments and have since adjusted their policies to limit excessive overtime and improve workplace conditions. In addition to reducing work intensity, some firms have attempted to attract and retain talent by offering competitive salaries, performance-based bonuses, and flexible work arrangements. These changes, while promising, have not been universally implemented, and many employees remain doubtful about their long-term enforcement, fearing that companies will revert to old labor practices once public pressure diminishes.

Beyond corporate adjustments, the Chinese government has introduced various initiatives to encourage workforce participation and ease economic burdens, particularly for young professionals facing high living costs, job instability, and career uncertainty. In an effort to reduce youth unemployment, the government has expanded job training programs, subsidized vocational education, and introduced incentives for small business creation. Some regions have launched entrepreneurship support programs, providing funding and tax breaks for young individuals willing to start their own businesses. These initiatives aim to offer alternative career paths to those who feel disengaged from the corporate sector, promoting a more diverse and flexible labor market. Additionally, the government has intensified efforts to expand civil service recruitment, as seen in the record-breaking 2.6 million applicants for government jobs in 2023, highlighting a strong demand for stability and job security among young workers.

Recognizing that economic pressures such as housing affordability, social security coverage, and employment benefits play a critical role in the labor market crisis, the government has also adjusted housing policies and social safety nets to make life more manageable for young workers. In response to concerns about skyrocketing real estate prices in major cities, authorities have introduced affordable housing programs, lower mortgage rates, and rent subsidies to assist first-time homebuyers. Additionally, efforts have been made to expand pension coverage, health insurance, and unemployment benefits for gig workers and those in non-traditional employment, ensuring that alternative career paths remain financially viable. Despite these efforts, many young workers still believe that these measures are insufficient, as rising living costs continue to outpace wage growth, making long-term financial security difficult to attain.

While these corporate and policy responses represent steps in the right direction, their overall effectiveness remains in question. A large portion of young workers view these changes as surface-level adjustments that fail to address the deeper structural issues causing disillusionment with work and economic participation. Many argue that corporate efforts to reform workplace culture are inconsistent and often driven by public relations concerns rather than genuine concern for employee well-being. Similarly, while government initiatives provide short-term relief, they do not fundamentally resolve the economic pressures, job market saturation, and social mobility challenges that continue to fuel labor disengagement. Unless these responses are expanded, enforced, and integrated into long-term economic planning, ‘lying flat’ may continue to be a widespread labor market phenomenon, requiring continuous adaptation from both policymakers and employers to sustain workforce engagement and economic productivity.

## **6. Social Mobility and Inequality**

The ‘lying flat’ (躺平) movement has significant implications for social mobility and economic inequality in China, exacerbating existing class divides and altering long-term economic stability. Traditionally, hard work, education, and perseverance were seen as reliable paths to upward mobility, but many young workers today no longer believe in the meritocratic promise of career advancement. As a result, ‘lying flat’ is both a reaction to stalled social mobility and a force that could further entrench economic inequality. The movement’s impact is particularly visible in consumer spending patterns, labor market stratification, and middle-class economic prospects, raising concerns about China’s long-term social and economic cohesion.

A key consequence of ‘lying flat’ is its connection to declining social mobility, particularly among younger generations. In previous decades, China’s rapid economic expansion allowed individuals to move up the socioeconomic ladder through education and hard work, but that pathway has narrowed significantly due to rising living costs, wage stagnation, and extreme competition in the job market. Many young workers now see the pursuit of traditional career success as increasingly futile, leading them to disengage from high-intensity work and embrace low-consumption, low-stress lifestyles instead. The growing sentiment that “no matter how hard you work, you cannot achieve financial security” has contributed to widespread frustration, particularly among highly educated but underemployed university graduates. According to a 2023 study by the Chinese Academy of Social Sciences (CASS), nearly 40% of young professionals believe that economic success is determined more by family wealth and connections than by personal effort, reflecting a crisis of confidence in social mobility.

The retreat from traditional career ambitions has also reduced consumer spending, further slowing economic growth. As young workers opt for minimalist lifestyles, they spend less on non-essential goods, luxury products, and long-term investments like homeownership and cars. China’s economy, which relies heavily on domestic consumption, is already experiencing a slowdown in retail sales, with consumer confidence at one of its lowest levels in recent years. A report from McKinsey & Company (2023) found that spending among Chinese consumers aged 18-35 declined by 15% from 2020 to 2023, with young people choosing to save rather than spend, fearing financial instability. The decline in major purchases such as real estate and automobiles further weakens key sectors of the economy, creating a cycle in which reduced consumption leads to weaker economic expansion, fewer job opportunities, and even lower social mobility.



Another growing concern is the growing disparity between active and disengaged workers, which is deepening economic inequality. While some individuals continue to pursue high-paying careers and build wealth, others—especially those embracing the ‘lying flat’ mindset—are choosing low-income, low-stress jobs or opting out of the workforce entirely. This divide creates a two-tier workforce, where those who remain engaged in high-intensity jobs accumulate financial advantages, while those who ‘lie flat’ see their economic prospects stagnate. Over time, this pattern could widen the wealth gap between ambitious professionals and those who reject traditional career paths, reinforcing existing economic inequalities. Furthermore, regional disparities add another layer to this divide, as individuals in wealthier coastal cities have better access to high-paying opportunities, while those in lower-tier cities and rural areas struggle with limited career options and lower wages.

The long-term effects on China’s middle class are perhaps the most concerning aspect of ‘lying flat.’ The middle class has historically been the backbone of economic stability, driving consumption, homeownership, and entrepreneurship, but if large segments of young workers stop aspiring to traditional middle-class milestones, the economic consequences could be profound. Without a steady pipeline of ambitious, upwardly mobile workers, the middle class may shrink over time, leading to a more polarized society with a widening gap between the wealthy elite and lower-income populations. If ‘lying flat’ becomes a multi-generational trend, it could reduce overall economic dynamism, weaken social cohesion, and increase the burden on the government to provide social welfare programs for disengaged workers.

Ultimately, ‘lying flat’ is both a symptom and a driver of inequality, reinforcing the growing divide between those who succeed within the system and those who withdraw from it. If left unaddressed, the movement could contribute to a more rigid class structure, reduced economic mobility, and a stagnating middle class, challenging the long-term sustainability of China’s social and economic model.

## 7. Global Comparisons

The ‘lying flat’ (躺平) phenomenon in China is not an isolated event; it reflects a broader global trend of labor disengagement, changing work priorities, and declining workforce participation. Similar movements have emerged in various countries, including the Great Resignation in the United States, Quiet Quitting in Western economies, and Hikikomori in Japan and South Korea. While these trends share underlying themes of work dissatisfaction, burnout, and shifting generational values, they differ in their cultural roots, economic consequences, and policy responses. By examining these international parallels, valuable lessons can be drawn about how different governments and corporations have responded to workforce disengagement, offering insights into potential strategies for addressing ‘lying flat’ in China.

One of the most comparable global trends is the Great Resignation, a phenomenon that began in the United States in 2021, during which millions of workers voluntarily left their jobs, often without seeking new employment. This mass workforce departure was fueled by burnout, dissatisfaction with corporate culture, low wages, and a desire for better work-life balance. The trend was particularly pronounced among service industry workers, healthcare professionals, and white-collar employees in high-stress environments. Unlike ‘lying flat,’ which is largely driven by economic disillusionment and pessimism about upward mobility, the Great Resignation was characterized by workers leaving low-paying or unsatisfactory jobs in search of better opportunities. The U.S. labor market, with its relatively strong economic flexibility and opportunities for career shifts, allowed many workers to reenter the workforce under better conditions, while in China, where job security is lower and career transitions are more challenging, labor disengagement is often more permanent.

Another parallel is Quiet Quitting, a term that emerged in the United States and Europe, describing workers who stay in their jobs but refuse to go beyond their basic responsibilities, effectively disengaging without formally resigning. This trend reflects a decline in workplace motivation, with employees rejecting overtime, corporate pressure, and the expectation of going “above and beyond” for their employers. Like ‘lying flat,’ Quiet Quitting is driven by burnout, dissatisfaction with stagnant wages, and changing attitudes toward work-life balance. However, whereas Quiet Quitting allows employees to remain employed while minimizing effort, ‘lying flat’ often involves a complete withdrawal from career aspirations, with individuals rejecting not just high-intensity work but also traditional economic ambitions such as homeownership, wealth accumulation, and long-term career planning.

A more extreme form of labor disengagement can be seen in Japan and South Korea, where the Hikikomori phenomenon has resulted in hundreds of thousands of young people withdrawing entirely from work and social life. Hikikomori, which translates to “pulling inward,” refers to individuals who isolate themselves in their homes for months or even years, often due to economic pressure, intense societal expectations, and mental health struggles. In Japan, an estimated 1.5 million people live as Hikikomori, and similar patterns exist in South Korea, where high academic and workplace pressures contribute to rising social withdrawal rates. While ‘lying flat’ is not as extreme as Hikikomori, both reflect a reaction to economic and societal pressures that make traditional

career paths seem unappealing or unattainable. Unlike China, where ‘lying flat’ has been met with strong governmental pushback, Japan and South Korea have acknowledged the issue as a mental health crisis, implementing social reintegration programs, counseling services, and community-based employment initiatives to help reengage withdrawn individuals.

Cultural and policy differences also shape how governments and businesses respond to labor disengagement trends. In Western economies, where individualism and employee rights are emphasized, responses to the Great Resignation and Quiet Quitting have included higher wages, improved work-life balance policies, and more flexible work environments. For example, some U.S. and European companies have implemented four-day workweeks, increased remote work options, and expanded mental health resources to retain workers. In contrast, China’s policy response has been more focused on reinforcing traditional work values, discouraging ‘lying flat’ through state propaganda, employment incentives, and efforts to revitalize economic ambition. The Chinese government has also promoted civil service jobs and state-owned enterprise employment as stable career paths, reflecting a more top-down approach to workforce participation.

The different global responses to labor disengagement offer several lessons for China. First, workplace reform must be meaningful and long-term; superficial changes such as temporary salary increases or minor adjustments to work hours are unlikely to address deeper frustrations with job security, career advancement, and economic stability. Second, addressing labor disengagement requires economic structural changes, including improving wage growth, reducing the cost of living, and ensuring career opportunities align with worker expectations. Third, as seen in Japan and South Korea, ignoring or suppressing labor disengagement can lead to more severe social withdrawal, making it more difficult to reintegrate disengaged workers in the future.

Ultimately, while ‘lying flat’ shares similarities with labor trends worldwide, its origins and potential solutions are uniquely shaped by China’s economic model, social expectations, and government policies. To ensure sustainable workforce engagement, China may need to adopt a mix of Western-style workplace flexibility and East Asian social reintegration strategies, balancing economic productivity with the changing aspirations of a new generation of workers.

## 8. Conclusion

The ‘lying flat’ (躺平) phenomenon represents a profound shift in China’s labor market, economic landscape, and generational attitudes toward work and success. While traditionally, hard work and perseverance were seen as the keys to social mobility and economic progress, many young Chinese workers today no longer believe that such efforts will lead to financial security or personal fulfillment. Faced with stagnant wages, soaring living costs, extreme work pressures, and declining career incentives, a growing segment of the workforce has chosen to disengage from high-intensity employment, reject traditional career aspirations, and embrace a minimalist, low-stress lifestyle. This shift has far-reaching implications for labor participation, economic growth, social mobility, and long-term workforce sustainability.

From an economic perspective, ‘lying flat’ has contributed to a decline in workforce participation, reduced labor productivity, and a slowdown in GDP growth. Industries that rely on high-skilled, high-intensity labor—such as technology, finance, and manufacturing—have struggled to attract and retain talent, while government jobs and flexible gig work have become increasingly appealing alternatives. The movement has also influenced consumer behavior, as young people opting for low-consumption lifestyles have contributed to weaker domestic spending, reduced demand for luxury goods, and a slowdown in the housing market. If this trend continues, it may further weaken China’s economic expansion and long-term global competitiveness.

The phenomenon has also deepened social inequality and exacerbated class divides, as those who remain engaged in high-paying careers continue to accumulate wealth, while those who disengage from work experience stagnation in income and social mobility. As labor disengagement becomes more widespread, China’s middle class may shrink, leading to a more polarized society where economic success is concentrated among a smaller elite, while a growing number of young people feel excluded from traditional pathways to prosperity.

Corporate and policy responses to ‘lying flat’ have been mixed. While some companies have responded by improving wages, offering more flexible work conditions, and reducing extreme workloads, many young workers remain skeptical about whether these changes represent long-term reforms or temporary adjustments. Similarly, while the government has introduced employment programs, housing incentives, and labor policy adjustments, many young workers do not believe these measures address the deeper structural issues fueling labor disengagement. Without further policy innovations—such as ensuring stronger labor protections, improving job security, and creating better career pathways for young professionals—it is unlikely that these responses alone will reverse the trend of workforce disengagement.

Comparisons with global labor trends, including the Great Resignation in the U.S., Quiet Quitting in Western economies, and Hikikomori in Japan and South Korea, suggest that China is not alone in facing challenges

related to shifting workforce dynamics. However, China's unique economic structure, social expectations, and government influence mean that addressing 'lying flat' requires a distinct approach. Lessons from international labor policies indicate that a balance between workplace reform, economic restructuring, and long-term employment planning is necessary to maintain workforce engagement while adapting to the changing priorities of younger generations.

Looking ahead, the long-term impact of 'lying flat' will depend on how effectively China's labor policies, economic reforms, and corporate strategies evolve to address worker dissatisfaction. If labor disengagement continues at its current pace, China may face further economic stagnation, declining innovation, and a weakening global position in key industries. However, if businesses and policymakers take proactive measures to improve work conditions, increase economic opportunities, and adapt to new workforce expectations, 'lying flat' could serve as a catalyst for meaningful reforms that create a more balanced and sustainable economic model.

Ultimately, the phenomenon of 'lying flat' is not just about workers rejecting long hours and corporate ambition—it is about a generation rethinking the fundamental relationship between work, well-being, and economic success. Whether this movement leads to lasting economic challenges or a transformative shift in China's labor policies will depend on how the government, businesses, and society respond to the evolving expectations of young workers in the decades ahead.

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