

## Chinese politics & policy

### China's top court takes aim at '996' overtime culture in blow to tech groups

Authorities also issue draft regulations on the algorithms used by tech companies to recommend content



An anti-996 campaign over long working hours and gruelling conditions has targeted Chinese companies including Alibaba, JD.com, Pinduoduo and ByteDance © AP

**Edward White** in Seoul AUGUST 27 2021

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Beijing's top court has said a "996" overtime policy, under which employees work 9am to 9pm, six days a week, is illegal, in the latest blow to China's tech sector, which had until recently embraced the practice.

China's Supreme People's Court and the Ministry of Human Resources and Social Security on Friday jointly issued a set of new "model" cases that will guide courts on how to treat workers' rights in labour disputes, while warning companies over abuse.

The strengthening of labour rights followed [years of dissent](#) among tech workers over the so-called 996 system, which had been held up for many years as a badge of pride and a source of competitive advantage.

Jack Ma, the founder of Alibaba, once told his employees that they needed to be prepared to work 12 hour days at his company, and described 996 as "a blessing".

But an anti-996 campaign has taken hold at China's big tech companies after complaints of gruelling conditions and [deaths blamed on overwork](#). In response companies including ByteDance, owner of short video platform TikTok, and the internet group Tencent have recently cut back working hours.

“This clarification of regulations is very specifically targeted at tech giants and even medium-sized tech companies in China,” added Suji Yan, founder of Mask Network, a Singapore-based cryptographic and encryption start-up. “If tech companies still practice further violations of working hours, regulators will highly likely take action against them.”

Separately on Friday, the Cyberspace Administration of China released draft proposals outlining stricter oversight and rules over how tech companies can use algorithms to recommend videos and other content to users.

The proposals could have far-reaching consequences for companies such as ByteDance and rival short-video app Kuaishou and include asking businesses to disclose how their software makes recommendations. It would also allow users to turn off such functions.

“These are draft regulations. However, if implemented, the regulations represent world-leading standards for algorithmic recommendation transparency, moderation and user opt-out,” said Michael Norris, an analyst with AgencyChina in Shanghai.

Ernan Cui, a China consumer analyst with Gavekal Dragonomics, said the broader pressures applied to the tech sector were part of longer term [reform priorities](#) under President Xi Jinping, including pursuing “common prosperity” by combating inequality and social division.

The crackdown “is not going to be a one-off campaign that relaxes after a few months. Rather, a new regulatory environment is being created, one that will impose more limits on internet firms’ growth and profitability, and increase state control”, Cui wrote in a research note.

She added: “Regulatory initiatives driven by common prosperity also look likely to raise operating costs, with the labour ministry now enforcing higher standards for gig-economy workers like delivery drivers.”

Susan Finder, a scholar on China's judicial system at Peking University's School of Transnational Law in Shenzhen, said Friday's statement from the courts also illustrated how the Supreme People's Court has increasingly issued model cases to guide the decisions of lower courts.

China's legal system is based on statutes rather than case precedent. But there is a [trend](#), driven by rapid social and economic changes, to use precedents to supplement the law, and for Supreme People's Court judicial interpretations to seek to improve the consistency of judgments across the thousands of lower-level courts.

“These are model, or exemplary, cases — not as binding as the ‘guiding cases’ — but these will guide the courts and labour arbitration commissions in a timely manner,” said Finder.

*Additional reporting by Sherry Fei Ju in Beijing*

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